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FIFTY-THIRD CONGRESS, FIRST SESSION.

Silver.

English Financial Tyranny and American Subserviency.

SPEECH
OF

HON. H. C. HANSBROUGH,
OF NORTH DAKOTA.

IN THE SENATE OF THE UNITED STATES,
Friday, September 22, 1895.

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. HANSBROUGH said:

Mr. PRESIDENT: The State whose people have honored me with their confidence does not produce an ounce of silver or of gold. Therefore I trust that what I shall say on the subject now under discussion will not be charged up as the utterance of one moved by selfish motives. I am not a stockholder in any silver mine, or gold mine, or banking institution; the opinions I hold are entirely untrammelled. I did not intend to discuss this question from a sectional standpoint, but so many Senators have shown a disposition to look at it from the New York and New England point of view that I feel justified in dealing with it, in part at least, in its direct application to the wheat-producing regions of the country.

North Dakota is an agricultural State, as rich in its particular industrial sphere as any in the land. Nature has blessed it with a soil as black as night and as rich as a bed of compost. The principal product is wheat, of which the State produced in 1891 over 60,000,000 bushels. The output this year will be less than 40,000,000 bushels. Naturally our people, in common with those of all the trans-Missouri States, are interested in the prices of wheat.

When we know that the world's yield this year is below the average for ten years; that the average annual yield during the past decade has not kept pace with the increase of the world's population and the new and enlarged uses which are being made of the cereal, and yet in the face of these facts farm prices of wheat have steadily declined from year to year—from \$1.25 per bushel in 1872 to 42 cents in 1893—we conclude that natural laws of trade, of supply and demand, no longer govern, and that the root of this great inequality is nurtured from a source and by a subtle influence hidden from the common everyday view.

It is asserted here, and has been asserted in the other branch of Congress and in the magazines and newspapers that favor the repeal of the Sherman law, that the cause of the low price of agricultural products is overproduction. So far as wheat is concerned, I think that I shall be able to show that this position is wholly untenable. The very best authorities, including the Department of Agriculture, agree that the world's wheat crop this year will be about equal to a ten years' average, and that this year's yield will be about 100,000,000 bushels less than the average of the past two years. It is also agreed by statisticians that the world's consumption is at the maximum, and we all know that the world's average price was never so low as now. I will insert in my remarks at this point a communication and a tabulated statement touching this question recently sent me by the Secretary of Agriculture:

APPROXIMATE STATEMENT OF THE WORLD'S WHEAT CROP

It is not possible to compile a statement of the wheat crop of the entire world, for the reason that there are many countries for which no official figures are ever published and a number for which there are not even commercial estimates. The best of the statements that are published from time to time as statements of the world's wheat crop contain such official figures as are available, together with estimates for a number of countries for which no official figures are issued. When the statements for different years are brought together it is exceptional to find two which exactly coincide as to the countries comprised, and this fact adds greatly to the difficulty of compiling a statement covering any considerable number of years. The table herewith transmitted covers the eight years from 1885 to 1892, inclusive; and to make a complete statement even for this limited time it was necessary to make estimates for two or three years in the case of a few countries.

In the case of Poland this was done for 1885, 1886, and 1887, the estimate being based on the assumption that crop conditions were approximately the same in Poland as in the adjacent provinces of Russia and Austria. In the case of Norway, the round-number estimate of 280,000 bushels was inserted

for 1885 and 1886, that being a close approximation to the official figures for 1890, the only year in the period of 1885-1892 for which such figures exist. In the case of Asia Minor, Persia, and Syria blanks have been filled for 1886 and 1887, and in that of the Cape of Good Hope one has been filled for 1885 by the insertion of round-number figures bearing a reasonable relation to those for other years.

The reason for making these estimates, which it will be seen are in several cases rather arbitrary, is that by so doing it is made possible to obtain a total for each year for all the countries in the table, and that this total will not be appreciably affected, as regards its value for comparison with the totals for other years, by such a degree of error as there may be in the estimates for a few comparatively unimportant countries.

The following is the table:

Approximate statement of the world's wheat crop from 1885 to 1892, inclusive.

Countries.	1885.	1886.	1887.	1888.
United States.....	Bushels. 357,112,000	Bushels. 457,218,000	Bushels. 453,329,000	Bushels. 415,838,000
Ontario.....	81,572,321	26,459,322	20,706,453	20,523,709
Manitoba.....	7,209,479	6,922,723	12,741,030	7,220,640
Argentine Republic and Chile.....	*25,000,000	*23,800,625	*28,000,000	*28,375,000
Austria.....	48,281,992	44,644,090	62,351,733	51,843,452
Hungary.....	113,805,480	102,816,419	145,906,514	135,859,786
Belgium.....	18,516,835	18,219,412	19,887,112	15,298,980
Denmark.....	5,533,355	5,201,640	6,024,672	3,805,465
France.....	311,733,033	304,427,095	319,094,204	280,176,816
Germany.....	95,505,881	97,973,269	104,013,175	92,991,571
Great Britain and Ire- land.....	82,071,322	65,285,353	78,587,593	76,760,671
Greece.....	*4,965,625	*4,937,250	*5,000,000	*4,823,750
Italy.....	117,027,013	119,793,575	126,223,350	110,095,000
Netherlands.....	6,325,645	5,194,702	6,889,532	6,243,700
Portugal.....	*7,661,250	*8,228,750	*6,000,000	*7,093,750
Roumania.....	*22,629,093	*22,029,063	*24,000,000	*51,075,000
Russia.....	178,984,400	163,455,273	278,697,917	313,935,995
Poland.....	*14,110,000	*13,100,000	*15,600,000	*14,369,448
Servia.....	*4,681,875	*4,535,813	*5,000,000	*4,540,000
Spain.....	*115,800,000	*131,600,000	*95,000,000	*101,156,875
Sweden.....	3,974,773	3,837,487	4,370,485	3,838,736
Norway.....	*280,000	*280,000	*230,000	*312,125
Switzerland.....	*2,057,188	*1,645,750	*3,000,000	*1,702,500
Turkey in Europe.....	*45,400,000	*41,143,750	*42,000,000	*42,562,500
India.....	299,155,584	258,317,622	236,585,947	266,882,112
Asia Minor.....	*43,200,938	*37,000,000	*37,000,000	*38,306,250
Persia.....	*26,743,438	*26,000,000	*22,000,000	*22,000,000
Syria.....	*16,457,500	*14,000,000	*14,000,000	*14,187,500
Japan.....	12,362,906	16,453,363	15,571,400	15,839,821
Algeria.....	*22,700,000	*32,915,000	21,215,718	*19,862,500
Cape Colony.....	*3,600,000	*3,666,022	3,692,555	3,932,090
Egypt.....	*14,187,500	*16,457,500	*13,700,000	*14,187,500
Australasia.....	38,412,447	132,081,648	145,932,981	135,733,671
Total.....	2,093,859,443	2,113,950,536	2,266,331,368	2,221,519,911

Countries.	1889.	1890.	1891.	1892.
United States.....	Bushels. 490,560,000	Bushels. 399,262,000	Bushels. 611,780,000	Bushels. 515,949,000
Ontario.....	19,288,933	22,643,193	33,611,074	29,020,129
Manitoba.....	7,428,511	15,128,034	23,922,598	14,909,420
Argentine Republic and Chile.....	*24,118,750	*60,271,043	*47,256,500	*47,549,418
Austria.....	38,376,705	44,059,962	41,070,599	47,123,526
Hungary.....	93,520,590	148,017,904	126,238,750	138,233,680
Belgium.....	19,339,038	19,409,505	*14,187,500	20,749,362
Denmark.....	4,977,875	4,062,599	4,666,445	*4,538,683
France.....	307,357,350	331,748,810	219,241,737	310,037,795
Germany.....	87,170,382	104,020,781	85,750,011	*100,067,440
Great Britain and Ire- land.....	78,149,523	78,306,016	77,016,151	62,621,756
Greece.....	*5,000,000	*5,675,000	*5,675,000	*3,972,500
Italy.....	108,934,463	131,433,000	141,455,050	*115,676,431
Netherlands.....	6,473,217	*6,189,120	*3,713,472	*5,675,000
Portugal.....	*8,512,500	*8,232,160	*8,232,160	*6,100,625
Roumania.....	*44,784,633	53,607,639	45,672,264	*59,823,160
Russia.....	197,835,931	213,031,826	169,106,708	241,578,934
Poland.....	10,033,537	12,629,628	12,629,628	24,440,445
Servia.....	*5,000,000	*10,315,200	*7,945,000	*7,951,296
Spain.....	75,622,213	*70,143,360	71,349,094	*78,895,520
Sweden.....	3,809,037	4,048,952	4,451,350	4,559,833
Norway.....	*283,750	236,602	*412,608	*412,608
Switzerland.....	*2,270,000	*2,475,648	4,041,768	*3,500,864
Turkey in Europe.....	*39,725,000	*37,134,720	*33,008,640	*24,756,480
India.....	237,522,133	228,592,000	255,434,667	203,188,000
Asia Minor.....	*36,887,500	*37,134,720	*37,029,375	*37,134,720
Persia.....	*22,500,000	*22,693,440	*20,600,000	*18,567,360
Syria.....	*12,768,750	*12,378,240	*12,343,125	*12,378,240
Japan.....	16,491,845	12,567,996	18,131,295	*13,887,802
Algeria.....	*22,500,000	*22,693,440	*21,281,250	19,398,797
Cape Colony.....	3,776,137	2,015,616	2,748,749	2,813,450
Egypt.....	*7,645,000	*8,252,180	*11,149,416	*8,252,180
Australasia.....	\$35,996,836	43,861,853	33,874,000	37,096,221
Total.....	2,075,027,329	2,172,372,246	2,205,251,330	2,217,704,701

*Unofficial. †Preliminary. ‡Estimated.
§No official figures for South Australia were published for 1886, 1887, 1888, or 1889, and the figures for that colony incorporated in the totals for Australasia for three years were consequently unofficial.

All statements purporting to give the crops of the world are necessarily very incomplete from the fact that for various countries no authentic data are obtainable, and such incomplete statements as are possible could not be given for any considerable period without enormous labor, if at all.

According to this statement the world's wheat crop in 1885 was, in round numbers 2,093,000,000 bushels; in 1886, 2,113,000,000 bushels; in 1887, 2,266,000,000 bushels. From that date it has steadily decreased, being 2,221,000,000 bushels in 1888, 2,075,000,000 in 1889, 2,172,000,000 in 1890, 2,205,000,000 in 1891, 2,217,000,000 in 1892, and, according to good estimates, it will not exceed 2,100,000,000 the present year.

I will also insert a statement of the average export price of wheat and cotton for the past twenty-two years and of the price of silver. The figures are from the Statistical Abstract:

Year.	Wheat.	Cotton.	Silver.	Year.	Wheat.	Cotton.	Silver.
		<i>Cents.</i>				<i>Cents.</i>	
1872	\$1.47	19.3	\$1.32	1883	\$1.13	10.8	\$1.11
1873	1.31	18.8	1.20	1884	1.07	10.5	1.01
1874	1.43	18.4	1.27	1885	.86	10.6	1.06
1875	1.12	15.0	1.24	1886	.87	9.9	.99
1876	1.24	12.9	1.15	1887	.89	9.5	.97
1877	1.17	11.8	1.20	1888	.85	9.8	.93
1878	1.34	11.1	1.15	1889	.90	9.9	.93
1879	1.07	9.9	1.12	1890	.83	10.1	1.04
1880	1.25	11.5	1.14	1891	.85	10.0	.90
1881	1.11	11.4	1.13	1892	.80	8.7	.88
1882	1.19	11.4	1.13	1893	.60	7.2	.75

This table shows that the export price of wheat was \$1.47 per bushel in 1872, and that it has gradually declined to about 60 cents the present year; that the price of cotton was 19.3 cents per pound in 1872, and that it is 7.2 cents the present year; and also that silver was then \$1.32 per ounce, and it is now 75 cents per ounce.

The wheat crop in 1887 was the largest in the history of the world. As I have shown, the Department of Agriculture reports it to have been 2,266,331,363 bushels. The average price of export wheat that year was 89 cents. In 1888 the world's crop was 45,000,000 bushels less than in 1887, and the average price was 4 cents per bushel less. In 1889 it was 191,000,000 bushels less than in 1887, and the average price was only 1 cent higher. In 1890 the crop was 94,000,000 less than in 1887, and the average price was 83 cents, or 6 cents less than in 1887. In 1891 it was 61,000,000 bushels less than in 1887, and the average price was 85 cents, 4 cents less than in 1887. In 1892 the crop was 49,000,000 bushels less than in 1887, and the average price was 80 cents per bushel, or 9 cents less than in 1887. The crop of 1893, the present year, will be 166,000,000 bushels less than in 1887, while the average price will not exceed 65 cents, or 24 cents less than it was in 1887. Prices in Chicago during the late panic ranged from 58 to 62 cents. The farm price in my State has been down to 40 cents. These figures show a marked decrease in the output during the past seven years, and yet the price has gone down steadily below the profit line.

I will ask to insert at this point an extract from a recent editorial in the New York Sun, showing the gold value of an average yield of an acre of grain and hay and cotton:

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	8.59	9.17	7.50	5.75
Hay	13.28	14.33	11.57	11.15	10.19	10.00
Cotton	28.01	28.53	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

In commenting upon this table the Sun makes the following remarks:

If, as is altogether probable, the revenue derived from the cultivation of each acre of the staples named has not since 1865 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 necessities. As prices now current are 21 per cent below the average of 1883 to 1890 it follows that the products of the farm are now sold below the cost of production, and that the farmer is wholly without purchasing power other than such as results from his wages as a common laborer.

It is also asserted by those who advance the overproduction theory that improved methods of handling and reduced rates of transportation have tended to cheapen the product. Mr. President, I have been a close observer of farm operations in the great

Northwest for the past fourteen years, and I think the facts will bear out the statement that in ten years no material improvements have been made in the methods of harvesting and handling. The same patterns of binders and the same patterns of thrashers in use now were in use a decade since. The plows and harrows are the same and the process of marketing has not changed. Farm implements have been reduced in price to some extent, but this does not argue that because the cost of machinery has been lessened that the producer should be obliged to accept a less price for his wheat. Furthermore, cheap machinery would mean a greater volume of production, if it means anything. But there has been a decrease in production.

The contention that cheaper rates of transportation have had a tendency toward lowering the price on the farm is almost too absurd to call for a reply. I can understand how cheaper transportation rates might inure to the benefit of the consumer who pays the freight at one end of the line, but I can not understand why the amount of the reduction in rates should be subtracted from the price paid the producer at the other end. The proposition is illogical and lacks the philosophical vertebrae to enable it to stand alone.

I submit, therefore, that the overproduction and transportation theories are entirely without foundation. Statistics and reason will not bear them out; and in this connection, Mr. President, this fact should be added, that the population of the world has increased in ten years nearly 100,000,000; in other words, there are 100,000,000 more mouths to feed now than in 1882. The per capita of wheat in 1882 was 1.52 bushels, and the price \$1.19 per bushel; the per capita to-day is 1.36 bushels, and the price 65 cents per bushel—.16 less bushels of wheat per mouth, and 54 cents less price per bushel.

Now, what has caused this fall in price in the face of underproduction and increased demands? Clearly and undeniably it is the increased purchasing power of gold that has caused it. It takes more pounds of wheat to buy a dollar in gold now than it did twenty years ago. That much must be conceded. The ratio of wheat to gold has grown larger year by year, just as the ratio of silver to gold has increased. It is a statistical and historical truth that the world's prices of wheat and cotton in this country have fallen with consistent regularity with the decline in the price of silver.

It is further claimed by those who hold to the overproduction theory that prices are influenced by the surplus, or the visible supply, or stocks in millers' hands, or stocks in farmers' hands. The "surplus" has many designations. I admit, Mr. President, that the surplus is the instrument used by dealers, more particularly by wheat speculators, to manipulate prices up or down to suit their purposes. Now, what is a surplus? Webster says it is "that which remains over when use or need is satisfied, or when a limit is reached." At what time in the year is the surplus of wheat measured? At what time can it be measured? At what time is use or need satisfied?

Mr. President, wheat seeding is in progress every month in the year at some spot upon this terrestrial sphere. Wheat harvesting is going on every week in the year somewhere on the globe. The marketing of wheat is going on every day in the year in every wheat-producing region in the world. If the yield, the production of wheat, should everywhere cease at the same moment, the greatest surplus ever recorded would not suffice to feed the people of the world for a period of sixty days. There is and always has been a surplus. It is a wise provision of nature that there shall be a few bushels of wheat on hand all the time. At no time in the past twenty years has the surplus been sufficient to cause the tremendous decline in prices that has taken place since 1872.

Concerning this question the Secretary of Agriculture says:

While one class is prophesying decline in relative supply as population increases, another goes to the opposite extreme and assumes the probability of overproduction, the ability to "feed the nations," and practically unlimited production. Such views often originate in lack of information and excess either of patriotic or partisan zeal. While there has been in productive years positive overproduction of certain crops, from adhesion to the agricultural traditions of the fathers, preventing diversification necessary to supply old wants not met under primitive agricultural conditions and the new wants of advancing civilization, there is now underproduction or nonproduction, which has a very repressive effect on agricultural activities, resulting in rural stagnation and depression.

Again, the Secretary of Agriculture says:

It is proper to say that the tendency is toward a better distribution of crops and to higher prices and better profits. The proportion of agricultural labor will decrease, nonagricultural will increase, agricultural production will be more varied, rural intelligence and skill will advance, and the farmer be in better position to demand and secure an equitable share in the net profits of national industries.

This hopeful view has not been realized with respect to wheat.

Now, Mr. President, there is another phase of this controversy that I desire to touch upon briefly. We have been told by statesmen in both ends of this Capitol—Democrats and Republicans who favor repeal—that the wages of our working people

have not fallen. We are to infer from this, of course, that the decline in the prices of agricultural products is not due to the decline in the price of silver, wages having remained stationary. I want to congratulate the Democrats who have asserted this fact for their wisdom in putting themselves upon a protective-tariff basis, on a parity with Republican doctrine. Last year, before the election took place, they declared that wages in this country had declined to the starvation point, and that the only help for it was a Democratic victory and a revenue tariff. We welcome them to the protection fold with open arms.

But what must be the surprise of all men to hear Republicans, who have been contending that the good wages paid our workmen is entirely due to protection, now arguing that this fact refutes the theory that the fall in the price of silver has caused a decrease in the value of agricultural products? What becomes of our argument that protection insures good wages, regardless of such side issues as finance? For my part I refuse to abandon protection in this way. The good wages paid in this country are due to protection. The country is now having a very instructive object lesson in confirmation of this fact. Verily, the single gold standard feeling makes some people wondrous kind. One touch of monometallism makes all the gold men akin.

Mr. President, what produced the late panic? To this question I have heard a great variety of answers. In my own judgment the inception of it was injudicious speculations by European capitalists, beginning in the Argentine Republic, where a thousand millions is said to have been lost by speculative Englishmen. Then came the Baring failure, and in 1891 the general failure of crops throughout Europe. The Argentine trouble practically antedates the Sherman law. The Baring failure came before the extreme enemies of silver had discovered that the Sherman law was bad legislation, and the crop failure in Europe in 1891 brought such prosperity to this country by reason of increased demands for our cereals that such a thing as a panic in 1893 did not suggest itself to the minds of our wisest financiers. The effect of these three remarkable events in Europe was an unusual financial stringency.

The banks there simply refused further advances to those of their customers who had been unfortunate in their investments. Pressed for immediate money, the holders of American securities were obliged to realize, and, as is well known everywhere, America is the only country that is doing business on a cash basis and is able to pay its debts as they fall due. Our bonds and stocks returned to us in large volume. Our gold went abroad in equally large proportions to pay for them. And in the midst of this situation the balance of trade turned against us.

These facts are historical. In them we find the germs, fully matured, of the late unusual depression. Then came the success in this country of a political party that has declared its purpose to turn prosperity's stream in the opposite direction. What followed is told in the record of failures and suspensions, the extent of which has never been equaled in so short a space of time in any country or under any circumstances.

It was at this critical moment that the enemies of silver, advocates of a single gold standard, opened their campaign against the Sherman law. They began to urge that distrust had arisen in Europe in respect to certain financial legislation in America. They asserted that foreign capitalists were fearful that we should adopt a policy antagonistic to our European creditors, and that the only way to obviate a terrible monetary disaster was to wipe from the statute books the last vestige of law recognizing silver as an element in our financial economy. The onslaught upon certain classes of our currency was shameful in the extreme. Patriotism, if they ever possessed it, vanished from the minds of the money-changers and bond-buyers. An assault was made upon the gold reserve in the United States Treasury.

By every device known to the manipulators of money an attempt was made to force an issue of bonds. This had been resisted throughout the incumbency of a Republican President, and, be it said to the great credit of the present Secretary of the Treasury, it has been successfully resisted by him. But greed and selfishness had gone too far and the crash came, crumbling the temple about and upon the heads of those who had sapped its foundations.

And here we are to-day, Mr. President, the great American Congress, said to be the wisest and most dignified legislative body on earth, in extra session, hastily assembled, under orders to repeal a statute because some designing individuals have said that somebody in Europe was afraid that something might happen in this country in the remote future. A more ludicrous sight never presented itself to the gaze of man. Gilbert and Sullivan, of comic-opera fame, would find it difficult to picture a more ridiculous situation.

I once heard of a man who jumped from a third-story window at midnight because a sleeping neighbor had cried "fire" in a

dream. His surprise when he struck the ground and discovered that there was no fire, could not have been any greater than is the surprise of some Senators here about me who are fast reaching the conclusion that the outcry against the Sherman law is after all a false alarm, rung in from Wall street.

But, Mr. President, the serious part of it is, that if it were true that our financial affairs are in such shape as to cause an honest alarm throughout the business world, what power have we, what may Congress do, to bring permanent relief? In his message the Chief Executive has told us what we must do. Nothing is left to the discretion of Congress. The wisdom that is supposed to abide in this body is not to be applied to the adoption of any remedy save the solitary one suggested by the President of the United States. Repeal the Sherman law! repeal the Sherman law! is the cry. It was first started in the financial precincts of New York. Then it was taken up by the banking people of Boston and Philadelphia. They passed the word to others of their guild in other cities, and they to their customers and the public generally.

How much more patriotic it would have been for our Chief Executive, instead of yielding to the pressure of the money changers, to have declared that he would not lend his high office to a premeditated attack upon the integrity of our currency or any part of it.

Mr. President, the character of our currency is as delicate and as easily destroyed by evil report as is the character of a virtuous woman, and it seems to me it should be the duty of those in power to defend it against the slanderous tongues of foreign enemies and their domestic agents, as it is the duty of any individual to defend the angels of his household against the vultures of society. But the President did not take this position. He yielded to the pressure of the gold monometallists.

He joined in the cry against our silver money, and after convening Congress in special session he proceeded to direct what we should do, framing his edict in mandatory terms, and leaving us no alternative.

It is said, and doubtless upon authority, that the President will sign no other bill than that which carries the unconditional repeal of the Sherman law. A majority of the Senate may differ with him upon this vital question, yet by the language of his message and in the report of the Committee on Finance we read no sign and see no hope that anything but repeal, and unconditional repeal, can be had. Already has discussion here developed the fact that the Sherman law may not have had anything to do with our recent financial troubles. The great financier whose name the law bears does not say it is so. Eminent statesmen on the other side of this Chamber do not attribute the late panic to it, yet any measure that Congress might agree upon to prevent future financial trouble is vetoed in advance of its passage.

Even the chairman of the Committee on Finance is obliged to abandon his former convictions on this great question in order that he may carry out the edict of the President. Is it not a dangerous precedent to establish? Should the lawmaking power thus become subservient to the Executive? Only a few months ago the President practically suspended a statute enacted by the last Congress in order that the Supreme Court might pass upon its constitutionality. Mr. President, in a country where such things can take place, it is only another and a very short step to the empire.

And now, Mr. President, what is the full significance of that which the President has told us that we must do? He has said the Sherman law must be repealed, or at least that portion of it which provides for the purchase of four and a half million ounces of silver bullion each month. If the final result of this extra session is the repeal of this law, the discontinuance of the use of silver that comes from the American mines, following as it would the recent destandardizing of silver in India, it means that the existence of one of the leading industries in this country must cease. It should not be forgotten that mining for the precious metals is one of the greatest and one of the most important industries on the western hemisphere.

The European nations that have thrown silver overboard did so under conditions far different from the conditions existing in this country. They do not produce silver. They have no great silver properties. When they eliminated silver as a money metal they did not strike down a great domestic industry. I would as willingly consent to vote for a measure to forbid the production of wheat in this country as to support a proposition to close the gold and silver mines of our great mountain region.

It has been stated in the debate here, and stated very forcibly in the able speech of the Senator from Idaho [Mr. DUBOIS] that nearly 40 per cent of the product of our silver mines is gold, and that if the silver mines are closed our product of gold is decreased by that amount; so that in discontinuing the use of the product of silver, as proposed by the repealers, and placing the

country upon a gold basis, by the same act we cut off from one-third to one-half of our gold product.

Now, let us for a moment inquire into the extent and importance of the silver industry on the American continent. The world's product of silver for the three years of 1890, 1891, and 1892 was in round numbers \$555,000,000. Of this amount the western hemisphere produced \$455,000,000, and all the other nations of the earth only \$100,000,000. Is it any wonder that the Pan-American countries have a friendly side for silver when they produce nearly five-sixths of the world's total output? Silver is an American institution and is entitled to the strong protecting arm of the American people. Further disparagement of silver in this country at the behest of the great financial Moloch of Europe would be a national crime.

What is to follow the repeal of the Sherman law? Many of the friends of repeal say that the Government should buy gold to maintain the parity between our metallic moneys. The repeal press is now advocating gold purchases, and that seems to be the policy which the Administration proposes to pursue. To do this a new issue of bonds would be necessary. The gold thus purchased would soon be taken from the Treasury by the money manipulators. Silver certificates and Treasury notes would be presented for redemption in gold then, as now, until the stock of the yellow metal became exhausted. It would then be necessary to issue more bonds to buy the gold back again.

It is claimed that as soon as this Government enters the market and declares its intention to have its share of the four billions of gold in the world, Europe will take fright and make immediate proposal for a bimetallic conference, and that international bimetalism would then become an assured fact.

Mr. President, international bimetalism was a prominent issue in the last campaign. It was advocated by the Republican speakers everywhere. It was not advocated by Democratic speakers. They wanted the "money of the Constitution." They wanted it worse than many of them seem to want it now.

A goodly number have changed their views and are advocating international bimetalism. I favored international bimetalism a year ago because I believed it could be brought about through international agreement. Since then I have read the reports of the various monetary conferences, especially the report of the Brussels conference, and I regret to say that I have been obliged to change my opinion on this subject. The burden of the discussion in the last conference was that England must take the initiative in any arrangement that would lead to an international agreement.

That seems to have been conceded by the majority of the delegates in the conference. Baron de Rothschild, the English delegate to that conference, said explicitly and emphatically that England did not want bimetalism and would not adopt it. This is a matter of record. I shall quote from Mr. Rothschild further along in my remarks, in order that there may be no misunderstanding in respect to the position of England.

Now, where is the gold to come from when the United States enters the market as a purchaser? Mr. President, I have received letters recently from a friend of mine in London, a gentleman engaged in the business of bond-buying. He is well known to financiers on both sides of the water and his statements, upon a subject with which he is entirely familiar, may be relied upon. In his letters to me he says that the United States can not buy \$50,000,000 of gold in all Europe; that the countries over there, which are on a gold basis, will not permit their gold to come here; that they can pay as much for it as we can pay, and will outbid us if necessary to keep it.

This describes the situation exactly. If we should buy Europe's gold, or any considerable portion of it, the financial stringency which we have been experiencing here would simply be transferred to the other side of the Atlantic Ocean. They will not let us have it except at an enormous premium. Financiers know this to be true and are getting ready to take part in the contest for gold that will inevitably follow the repeal of our silver legislation and the issue of gold bonds by this country. We would have an international scramble for gold instead of an international agreement in favor of silver.

Mr. President, the recent financial difficulties had their inception in 1816, when England demonetized silver and established the single gold standard. At that time the world's annual product of silver was less than \$23,000,000 and of gold only \$760,000. England had most of the gold then in existence. She has it now. She was then, as now, the financial center of the universe, and the ambition of her statesmen was to make her the commercial dictator. Silver was the money of the countries with which England must trade and from whom she must buy the raw materials for her manufactories and the food products for her people.

In addition to the strong position she occupied with respect to finance, she was then as now the great maritime nation. Britannia certainly ruled the waves, and to insure a continuance

of this rule she must rule the finances and commerce of the earth. Commercial and financial tyranny in her dealings with the younger and weaker nations became the science of her politics and of her statesmanship.

Manufacturing was her chief industry. She sent the products of her mills to every port on the globe. The millions of people in Asia were dependent upon England for their clothing and other manufactured necessities. This was also true in a large degree with respect to many European nations, and it was true in some measure with respect to America. With us, however, dependence upon England has ceased. America is now the foremost nation of the earth in manufactures, and the extent of her wonderful resources is beyond computation. To maintain her self respect she must become foremost in financial leadership.

As I have said, silver was the money of the countries with which England must trade, if she maintained her supremacy. Gold was the money of England, from whom these countries must buy. Disparagement of silver would therefore enhance the value of gold. The people who supplied England with raw materials were satisfied to take their pay in silver, for they knew no other money. When they made purchases in England they must pay in gold, for that was the standard there. The wider the disparity in the value of the two metals the greater the prosperity in England.

India, more than any other country, has long been the victim of this financial inequality, because she has been and is now under the domination of Parliament. The condition of her 250,000,000 people is but little better than that of slaves. But they have not always been without some compensation, for the English Parliament, not so many years ago, honored the reigning sovereign of England by bestowing upon her the title of Empress of India. No doubt this was a source of great gratification to the poor Indians, but they went right along putting up gold for Crown revenues and paying gold for what they bought in London, meanwhile accepting rupees for the wheat, cotton, and rice exported to England, the London India merchant pocketing the difference between the face value of the rupee and the gold price of the silver bullion in it. I mention this little royal incident merely to illustrate the potency of that diplomatic article known to untutored minds as "taffy."

I say that the people of India have been the victims of England's nonreciprocal system of finance, and so have the American agriculturists, who have been obliged to meet the Indian agriculturists in Liverpool with their surplus products. Of our total product of wheat, we sell in the Liverpool market about 15 per cent, and the price paid us for it there is the price we receive, less the carrying charges, for our entire product, because we must compete there with the Indian surplus which has been purchased at Bombay and Calcutta with silver rupees worth 48 cents each in India, the bullion in which cost, perhaps, 36 cents in gold in London.

As a result of this inequality in finance, which gives an advantage to the English dealers in India products, the exports of wheat from that country increased from 5,500,000 bushels in 1882 to over 50,000,000 bushels in 1892. The producers of wheat and cotton in America are the principal victims, the chief sufferers from the conditions that I have attempted to describe, because our wheat and cotton are the principal agricultural products that compete in a foreign market with similar products grown in foreign soil. It will be found upon an examination of the statistics that the price of meats, butter, and eggs have remained steady, and that there has been a fair profit in producing these articles, the prices of which are fixed in our home-market in conformity with the law of supply and demand.

I know, Mr. President, that these facts are susceptible of being construed into a strong argument against the free use of silver in the United States. The gold monometallists naturally ask us "Do you propose that we shall adopt a silver standard in this country?" I answer no; we do not want a single silver standard here, and we are in no danger of getting it. What I am contending for is financial leadership for the United States, instead of financial subserviency. What is wanted in this country and wanted now is a declaration of financial independence.

The commercial yoke fastened to our necks in the time of George III was not more oppressive than is the financial harness we are now wearing by order of the house of Rothschild. We threw off the one by force of arms; we have it in our power to relieve ourselves of the other by legislation. The Hessians are with us now as they were then. They are clad in different raiment, it is true, but they are no less dangerous. Then they came in coat of mail; to-day they appear in purple and fine linen. What they attempted then by brute strength they are accomplishing now by the persuasive power of gold.

England is the bondholder of the world. Her people are creditors to the extent of \$12,000,000,000. The debt is being paid day by day in a monetary medium the world's total volume of

which is less than one-third the total amount of the debt. In other words, the world owes England more than three times as much gold as there is gold in the world. English capitalists can, in thirty days, call for more gold than all the world would be justified in paying in ten years.

When England desires to squeeze a commercial rival all she has to do is to call in her gold. Thus the power is in her hands to force the business world into liquidation whenever it suits her purpose. Furthermore, a panic or business contraction in the United States makes a market for English goods. The closing of manufacturing institutions here, resulting in a smaller output of goods and wares, makes a market for cheap foreign products at good prices when business revives.

Ours is not the first nation to yield to the money influence of England. Germany succumbed to it in 1872, and with the \$1,000,000,000 in gold exacted from France as a war indemnity, and in the vain hope that she might become the financial and commercial rival of England, Germany destandardized silver and erected the standard of gold. France, and what is known as the Latin Union, did likewise at a very early date thereafter, and in 1873-'74 the United States trailed in behind them all and took her place among the other nations that had been subjugated to the financial policy of England.

So long as England can maintain herself in the position of a financial dictator, so long will she prosper at the expense of the nations which submit to her terms by permitting her to plan their financial policies.

It is estimated that the people of other nations of the earth pay English capitalists every year \$600,000,000 in interest upon the money they have borrowed from them. At the very liberal estimate of 5 per cent per annum this would indicate an indebtedness of \$12,000,000,000 that the people of other nations owe to the money-lenders of England. The interest figures I quote are given upon the authority of the British vice-consul at St. Paul, Minn., who, in a recent interview on the financial question, gave utterance to these significant words:

Mr. PLATT. Is the Senator willing to be interrupted?

Mr. HANSBROUGH. I have no objection.

Mr. PLATT. I should like to ask the Senator if he has ever seen any statistics which he considers reliable as to the amount of American indebtedness held by England or in England?

Mr. HANSBROUGH. I have seen recently in the report of a speech made by Mr. Gladstone a statement to the effect that the amount of American securities held in England would reach \$10,000,000,000, upon which he reckoned the interest would be about \$500,000,000. The statement which I here quote is from an interview with the British vice-consul at St. Paul, Minn., and he seems to speak as if he knew exactly what he was talking about.

Mr. PLATT. If the whole indebtedness of the world to Great Britain is only \$12,000,000,000, it is scarcely credible that, even if Mr. Gladstone said so, our share of that indebtedness is \$10,000,000,000. I have heard the amount stated all the way from two to five billion dollars; and I have heard, too, that Mr. Gladstone stated that our indebtedness to England was \$10,000,000,000, but I have never seen any reliable statistics on the subject.

Mr. HANSBROUGH. Nor have I. I have only seen the two statements to which I call the attention of the Senator. Perhaps Mr. Gladstone has been misquoted. He may have said that the world's indebtedness to English capitalists was \$10,000,000,000. The British vice-consul at St. Paul, Minn., said:

Great Britain is the great capitalist of the world. The accumulations of wealth there, resulting from the industry of centuries, are almost unimaginable in amount. It is stated, for instance, that England receives \$600,000,000 annually merely as interest on her investments; and all this income, together with new principal, the profit of her immense industries, is always seeking occupation. The English have been the great investors of the world, and they have tried almost all kinds of securities by way of experiment. They were made doubtful about the desirability of the American field when they burned their fingers with our railroad stocks, at a time when speculation was rife and the wrecking of railroads was a peculiarly fashionable and remunerative pastime.

The incidents enumerated here, Mr. President, transpired long before the Sherman act was passed. The interview continues:

From that time they fought a little shy of us, and elected to try their fortunes elsewhere. And never did money-loaner have a sadder experience. They put money in Egypt and Turkey and are never likely to get it out, even although they have to keep up an armed occupation in order to look after their debtors.

If any Senator upon this floor or any one else who does not agree with the repealers should even hint at the possibility of the debtors of the world going a-gunning for the creditors of the world as it is here suggested that the creditors may be under the necessity of going a-gunning for the debtors, what a howl would go up from the gold intrenchments.

The vice-consul goes on to say:

They put millions in the Argentine Republic, and their greatest banking house collapsed when the experiment turned to disaster. They put money in Australia, and their losses there are counted to-day by hundreds of mil-

lions. The unhappy English capitalist owns worthless paper based on enterprises in every corner of the world that have lured him to open his purse and laughed at him when it was empty.

Mr. President, the "unhappy Englishman" does not need a financial guardian. In every instance of a dollar's loss to him by injudicious investments in Argentines and Brazilians, Australians, or Venezuelans, he has recouped the loss a hundredfold by judicious investments in Americans, and a liberal recognition of silver by this Government will not drive his money away from us. He has loaned us his gold and we will pay him in gold. No one is better aware of this fact than he is himself. Even today, in the midst of this outcry against silver and our silver paper and when the credit of this country is being attacked by designing men, and the onslaught supported by a President elected by the American people, the English capitalist is investing his gold in our securities in greater volume than ever before.

Confidence has returned to our land because the owners of money are beginning to realize the folly of withdrawing it from circulation, and are wisely offering it for investment. In proof of this I desire to submit an interview with one of the leading business men of this country, well known by reputation to every Senator upon this floor. I refer to Philip D. Armour, of Chicago. The interview was published in the Herald of that city on the last day of this month:

"The financial situation," said Philip D. Armour, yesterday, "has changed. It is wonderful how amazing and sudden it has been. Money, so scarce a few weeks ago, is now being offered from every source. All the banks are trying to place funds now, and are urgent about it. We had offers of money from eight different sources yesterday—\$250,000 even from New York. It will not be long before money is as cheap as anybody ever saw it. It is, and has been, all a matter of sentiment. The banks have had the money right along, some of them carrying over 40 per cent of their deposits in their reserves, but they were carrying it to provide against something they apprehended. Now, the fears are gone and the money is for use. There has been the same change in the savings bank depositor. He catches the new spirit as quickly as the banker. His money withdrawn, because of some dread, is now back in the bank again.

So confidence, the fickle goddess of finance, is with us again. How she must smile when she looks in upon this august assembly!

England will never consent to a bimetallic standard. Whatever else may be said of the English capitalist he is not a fool. He has loaned his money on a gold basis; he proposes to collect it on a gold basis. If by law he or his agents can enhance the value of his loan by compelling the debtor to pay in greater quantities of products than would have been required when the loan was made they will not hesitate to do so; they have not hesitated to do so. Their philanthropy is not of the brand which hesitates in cases of that kind. A few days ago the Democratic leader of the House of Representatives, in a speech which was heralded to every part of the globe as being not only a most eloquent effort, but as carrying a most convincing argument in favor of repeal, used this illustration in proof of the proposition that our trade was increasing in Europe and that England was sending her gold here to purchase our products. He said:

I hold in my hand a report from the Treasury Department of the exports of wheat for the last three months and for the corresponding three months of 1892. It tells the whole sad story. I find that in 1892 there were exported 28,004,336 bushels of wheat, and they brought \$25,722,835. In the corresponding three months of 1893 there were exported 32,400,791 bushels of wheat, and they brought \$24,529,734. That is to say, in 1893 we exported 4,400,000 more bushels of wheat than in 1892 and received 1,200,000 less dollars for them.

If the wheat exported during June and July, 1893, had been sold at the rate which prevailed during the corresponding period in 1892, that is to say, at 90 cents a bushel, \$20,760,719 would have been realized instead of \$17,289,964, which shows that the agricultural producers of this country have sustained a loss of \$3,500,000.

If the gentleman had been prosecuting the case against the gold standard he could not have used a stronger argument. Of course he made the specious plea that the fall in prices was owing to the existence of our silver-purchasing law.

I have said that England would never consent to a bimetallic standard by international agreement or otherwise, and I have the proof here from the pen and the mouth of the man who dictates her financial policy. In a letter written to the governor of the Bank of England in November, 1886, Baron Alfred de Rothschild said:

I am strongly opposed to any radical change as regards the metallic circulation of Great Britain. * * * What would be the position of the Bank of England if bimetallicism were to be introduced throughout Europe? I venture to think an extremely dangerous one.

Towards the close of this letter Mr. Rothschild made use of this significant language. I quote it literally:

As regards Germany, that country has also certainly a gold standard; but it would be difficult, if not impossible, to obtain any large amount of gold from Berlin or from any of the branches of the Imperial State bank. Then, again, as to Italy, there is a large amount of gold stored away there; but, as in reality it does not see daylight, that country might as well not have departed from its paper currency.

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

This letter, written in 1886, was incorporated in what is known as "the proposition of Mr. Alfred de Rothschild," who was the delegate from Great Britain to the international monetary conference that met in Brussels last year. In the course of his remarks the baron made use of this language:

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

This may or may not be the case; but, supposing the former hypothesis to be correct, I am not prepared to say that it would be a misfortune for England or the world in general; nor do I share the opinion of certain distinguished exponents of that theory who deplore the fact of the Indian exporter being able to send wheat remuneratively to England, thus interfering seriously with the interests of the British farmer; but I hold that wheat at 30s. a quarter, instead of 45s., is rather a blessing than otherwise.

An unqualified plea of guilty to every indictment found against the English financial system, the single gold standard. Mr. Rothschild then proceeded to tell the conference that in his judgment the cause of the fall in prices was overproduction and the increased facilities of communication. He it was who set the pace for this argument, which is now being used by the gold-standard advocates all over the United States. I have already shown the folly of it. Whoever cares to examine the tables that I have submitted will see it. But I will give the Baron's exact language, to which I call the attention of Senators who favor the repeal of the Sherman law as a means of securing international bimetalism:

But, gentlemen, the question as to whether the fall in silver is really the cause of the fall in the value of certain commodities is a very big one, and I should not be justified in taking up your time by dwelling too long on the subject; but I think the fall in the prices of commodities is due to overproduction, owing in great part to the development of new regions in all parts of the world and to the increased facilities of communication which have enabled these products to be placed at low prices in the European markets.

Apart from other considerations, it seems to me impossible to come to a universal arrangement in respect to a general currency question, as no two countries are alike as regards their individual wealth, resources, and expenditure.

But, gentlemen, although I venture to hope I have conclusively shown that bimetalism for England is an absolute impossibility, still the question arises whether it is not possible to extend the use of silver generally and thereby stop a further fall, the disastrous consequences of which no one can foresee.

"Bimetalism for England is an absolute impossibility," says England's financier.

Mr. Rothschild then proceeded to make his famous "proposition," which was that the United States should continue to purchase 54,000,000 ounces of silver annually, and that all the nations of Europe should join in the purchase of bullion to the extent of £5,000,000, or \$25,000,000. It was a very safe proposition for Mr. Rothschild to make, because he knew it would not be accepted. He closed his argument in this language:

Gentlemen, I need hardly remind you that the stock of silver in the world is estimated at some 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.

The conference did not reach a conclusion, but adjourned, expecting, however, to be reconvened upon the invitation of England; but that invitation has not been issued and will not be. On the contrary, a resolution offered in the British House of Commons a few weeks ago to reconvene the conference was defeated by a large majority.

And so I submit the facts embraced in the statements of he who holds the purse strings of Great Britain as a complete reply to the proposition so often made here that if we repeal the Sherman law we shall force England and the balance of Europe to a bimetallic agreement.

Now, Mr. President, here in the East it is generally held that whoever defends silver is either the owner of a silver mine or is a political crank, and that in any event he hails from the West or South. In this connection, I desire to submit a letter written by a gentleman named Mr. J. M. Bemis, who is said to be a well-known business man of Boston, Mass., and a careful student of public questions. The letter is published in the Boston Daily Advertiser of a recent date. I ask that the Secretary read it at the desk.

The VICE-PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

According to good statisticians, in the year 1890 there were four billions of gold in the world as money, about four billions silver, and about four billions of paper, or twelve billions of money for the world's commerce, equal to \$11 per capita for the world's inhabitants. If silver is demonetized it not only takes four billions of itself out as money, but also two billions of paper issued against it. In other words, it reduces the money of the world to six billions instead of twelve billions, as it is to-day, or a per capita of \$5.50, equal to the per capita for the sixteenth century.

It will be readily admitted by the average business man of to-day that the per capita of money in the sixteenth century would not begin to do the business of the world at this period. I have before me a circular of January 23, based on and taken from the journals of the London Statistical Society, showing that from 1851 as the volume of currency (gold) increased the average price of all commodities increased. The volume of money and the highest average price of commodities culminated in 1873. In this year Germany demonetized silver and the scramble for gold commenced. From this time

the volume of money decreased and the average price of commodities decreased steadily, reaching a lower point in 1887 and 1892 than any other time since the circular was made up, 1841.

In view of these facts, who can deny that gold has appreciated? Gold is now coming back to this country, but under these conditions, namely, by our farmers selling their cotton and wheat at a discount of 20 per cent to 50 per cent, which shows the purchasing power of gold to be from 20 per cent to 50 per cent premium. Question: Must our farmers continue to supply the basis of replenishing our gold, or will the powers that be sell gold bonds and so lighten and distribute the burden of our gold importations until our supply of the precious metal is sufficient to restore confidence?

Mr. HANSBROUGH. I have here another publication on this subject, embracing the opinion of a very prominent politician in the State of Massachusetts. The article is taken from the Boston News Bureau, which is put down as a "State street financial organ," and both the articles were republished in the Home Market Club Bulletin, a very reputable publication, I am told. I will ask that this be also read by the Secretary.

The Secretary read as follows:

One of Boston's ablest financiers, who has the reputation of doing his own thinking, and whose name is as widely known throughout the country as that of any other Bostonian, in fact one who is named in the daily press as a possible candidate for governor, says:

"I have no patience with this idea of reckoning everything from the commodity value of silver. It is mathematically clear to my mind that if all the silver in the world is to have its money valuation taken from it the value of the gold in the world will be doubled and the value of all property in the world must be cut in two, and a bushel of wheat or a bushel of corn will sell for one-half its former price. At the coinage ratio there are only about equal amounts of gold and silver in the world, say a little under \$4,000,000,000 of each; and each has cost the full measure of labor in production.

"The mistake that is made in the East here is to reckon everything from gold. It is like a man with a gold watch in one hand and a silver watch in the other, declaring that the silver watch is slow, when it may appear to him later that the gold watch is fast. Dry rot has been the ruin of the business world for twenty years, or since the demonetization of silver in 1873. It is either universal bankruptcy or the recoinetization of silver.

Mr. HIGGINS. Will the Senator from North Dakota yield for a question?

Mr. HANSBROUGH. Certainly.

Mr. HIGGINS. I ask him what justification this gentleman from Boston, or the writer in that financial paper, had for saying that \$4,000,000,000 of silver have been destroyed, or will be destroyed, or that there is any proposition to destroy it, or why should misstatements like that be further circulated by the Senator's speech throughout his important constituency?

Mr. HANSBROUGH. I think the author of the communication holds to the general proposition that the demonetization of silver practically retires all silver in the world as a money metal.

Mr. HIGGINS. I ask my friend, then, if silver is not doing its money work now and here to the extent we use it; and so in England, and so in France, with the eight or nine hundred million dollars, or about that amount in India, and so on the world over?

Mr. HANSBROUGH. And so is all the paper money in the world.

Mr. HIGGINS. Exactly.

Mr. HANSBROUGH. But every cent of it is redeemable in gold.

Mr. DOLPH. I should like to ask the Senator from North Dakota a question pertinent to the inquiry which was just made by the Senator from Delaware.

Mr. HANSBROUGH. Certainly.

Mr. DOLPH. Is there any considerable stock of silver in the world, except that which is stored in the vaults of the Treasury, which is not in use in the arts or in use as money?

Mr. HANSBROUGH. I think a large share of the world's stock of silver is possessed and used by this country; but the Senator from Oregon is, of course, a profound student of finance and will know more about that technical question than I do.

Mr. STEWART. Will the Senator from North Dakota let me answer?

Mr. HANSBROUGH. I will let the Senator from Nevada answer. He knows all about it.

Mr. STEWART. The silver in the Treasury is not doing duty as money. The Administration has refused to use it. It pays out gold. The President says he is compelled to pay out gold under the Sherman act.

Mr. PLATT. Are there any silver dollars in the Treasury that can be paid out as the law stands to-day?

Mr. STEWART. It is the duty of the Secretary of the Treasury to coin sufficient silver to provide for the redemption of the Treasury notes, but he will not do it. He is constantly treating it as pig silver, in the language of a prominent member of the Cabinet, and that is what causes a great deal of the trouble. The predecessor of the present President continued to treat silver as pig silver, and now Senators talk about using it as money. That is what I have been complaining of. The statute provides that it shall be used as money, but the Administration of all parties refuse to use it as money and have degraded it until, as the great Senator from Iowa [Mr. ALLISON] stated, our silver certificates and Treasury notes and greenbacks all rest upon \$100,000,000 of gold.

Mr. DOLPH. I should like to ask the Senator the question I propounded to the Senator from North Dakota, whether except the silver bullion stored in the Treasury of the United States there is any silver which is not used in the arts and not doing money duty?

Mr. STEWART. Certainly none.

Mr. DOLPH. That is all there is.

Mr. STEWART. That is all there is, and you say there shall not be any more outside doing duty as money. There is not enough of it, and prices are falling, as I showed before.

Mr. HANSBROUGH. The great difficulty with some gentlemen is that they have not yet learned to recognize the difference between silver as a money metal and silver as a commodity. I think that my friend from Delaware [Mr. HIGGINS] is laboring under that tribulation now.

Mr. STEWART. Let me say one word further. A gold basis means that gold alone shall be the money of ultimate payment. That is the way all monometallists speak of it. They say you can have but one metal, and the object is to destroy the other metal. Every argument that has been used by them from the beginning of the conspiracy until now has been to show that we could use but one metal. That is the purpose of this conspiracy.

Mr. HANSBROUGH. Now, in connection with the interviews I had read at the desk, the News Bureau of Boston goes on to say, in commenting on this communication, that these are not the views alone of the State street party, but are fully subscribed to by some of the representatives of the largest aggregation of railroad and corporation wealth in the country. So, Mr. President, these Boston views, coinciding with Western views in a great measure, I trust that the untruthful and unfair criticisms against the people of the West may hereafter undergo some modification. I commend the eminent Boston gentlemen who can write and speak as these two have spoken to the tender mercies of the young Senator from Massachusetts who modestly opened the financial debate in this Chamber at the beginning of this session—and then wanted to close it.

Boston is not alone in furnishing thoughtful opinions in behalf of silver as a money metal. At least two leading New York dailies have come out as strong champions of bimetallicism. I refer to the Recorder and the Press. In a recent issue of the latter journal I find a very succinct and intelligent statement of the situation. I will not occupy the time of the Senate by having it read, because I do not wish to be charged with filibustering. I will ask leave to insert it as a part of my remarks:

Contention is made by some of the advocates of the single gold standard that the value of gold is a permanent quantity, and that the quality which peculiarly commends the metal as a measure of value is that it is stable—it stands; in short, that it is unchangeable. We venture the assertion that there are few men of reputation in financial science in this or any other country who would express such an opinion.

An examination of the subject will prove that the theory of the stability of gold is completely untenable. If there were but two kinds of flesh food, beef and mutton, and a law should be passed forbidding mutton to be used as food, what would be the effect upon beef? The price would at once rise. If there are but two money metals in the world, silver and gold, and the law should deprive silver of its money function, its debt-paying quality, is it not equally certain, the demand being concentrated upon gold, that gold would rise in value?

In that event, what phenomenon with respect to the prices of commodities would be observed? Must they not decline, and for the reason that the volume of metallic money having been reduced by one-half, more commodities would be required to obtain possession of gold. And, as the volume of business expanded in a time of profound peace, creating a continuously increasing demand for gold, would not prices persist in falling all along the line?

These results could have been clearly foreseen in 1873 by any thoughtful man. They are results that may be observed now by any man who will merely open his eyes. Prices of all the staple commodities have been falling steadily for twenty years. The decline began in the year 1873, when silver was demonetized here and in Europe, and it is attributable chiefly to the fact that the material in which all other values are measured has itself advanced in value. If further proof were required, it may be found in the fact that prices in silver-using countries have not declined, but silver to-day buys as much of any other commodity as it bought two decades ago.

It is asserted that this theory is not sound because the price of labor has not fallen. But labor is not a mere inanimate commodity. It has a resisting force and that force has been made effective by organization against the influence which would thrust down wages. It is urged that mechanical inventions and improvements in processes have put prices down. But there has been no great labor-saving invention of a revolutionary character since 1873. The cost of producing wheat in some regions has been reduced, but in no such degree as to account for a 60 per cent fall in the value of the cereal. Cotton has declined nearly 50 per cent; but in what particular are cotton-culture and cotton-picking any less costly than they were twenty years ago? No evidence can be produced to sustain the claim that the planter has any considerable advantage now that he did not have then.

Every gold monometallist insists that the full remonetization of silver would decrease the value of existing debts. This, indeed, is the main argument used against remonetization. But, if to remonetize silver in 1893 would be to decrease debts, was not the result of demonetization in 1873 necessarily to increase them? Can it be seriously held that the argument is good in one case and not in the other? Why would silver remonetization decrease debt? Because it would depreciate gold. Why did silver demonetization increase debt? Because it appreciated gold. Suppose gold should be demonetized, as silver was, and silver should be made the sole standard; who will venture to urge that the value of gold would remain stable? Beyond dispute it would fall far below the value of silver, for silver would at once advance. It is possession of the money function that gives value to gold, and the loss of it that depreciates silver.

With the question of the morality of decreasing the dimensions of debt by

legislative action we do not propose now to deal. But the man who contends that it would be immoral to remonetize silver for that reason must confess that it was equally immoral to demonetize it in 1873. The truth is that every creditor is benefited by that which increases the general prosperity of debtors. The man in New York who holds Kansas mortgages can not, in the long run, profit by a system that urges his debtors toward bankruptcy. What the wealth producers of all lands require is that there should be such stability of values as will permit no change for or against the creditor or debtor, and that stability can be had only by resort to bimetallicism.

And now, Mr. President, a few words to those Senators on this side of the Chamber who favor unconditional repeal. It is unnecessary for me to read the financial plank adopted at Minneapolis, or the financial planks in all previous Republican platforms. As a party, whenever in convention assembled, or wherever our speakers have proclaimed Republican doctrine, we have declared for the freest and fullest use of silver as a part of the currency of the country, and by inference, if not in express terms, we have favored silver as a money metal. This doctrine and these professions were proclaimed from every Republican stump in the campaign of last fall, less than one year ago.

I do not know of a single instance wherein our speakers or our Republican newspapers did not during that campaign and during the campaign of 1890 declare that the law called the Sherman law was one of the wisest and most beneficent measures ever passed by the American Congress. It was defended because it possessed the virtue of providing constant additions to the volume of our currency, filling a financial vacuum caused by the retirement of national-bank circulation, and supplying us with the additional money necessary for the business of a country whose population was ever increasing and whose resources were being rapidly developed.

What good reason can we give so soon after such arguments were made for striking the law from the statute book? Where is the consistency of our party leaders and of the great statesmen to whom we younger Republicans have looked for counsel and inspiration in coming here, within ten months of the date they gave hearty indorsement of this law, and declaring against it? How will my friends on this side of the Chamber return to their constituencies next year to tell them, as they will tell them, that the cause of the panic of 1893 was not in Republican financial legislation, but in the threatened uprooting of our protective system by the Democratic party. This is the Republican doctrine, and the doctrine that will be expounded by our speakers in the next campaign.

Here we are with a minority of our party in both Houses of Congress and a Democratic Executive in the White House. We have been driven from power by the long-continued and untruthful charges of our political opponents that the Republican party was the friend of the money power and the ally of corporations. Defeated by reason of the reception of these false charges, industriously and ingeniously circulated, a majority of Republicans in this body and in the other wing of this Capitol stand in their places to-day and enter a plea of guilty.

It is a sad and humiliating spectacle. Standing, as many of you intend to stand when a vote is reached, by the moneyed interests of the opulent section of this country which of late years has been hastening toward free trade and which threatens to adopt a policy that will fill this country with the cheapness of pauper nations, you anxiously await the opportunity to deal a death blow to the producing interests of another section that has followed the flag of the Republican party through all the vicissitudes of party warfare and until last fall never lowered the banner.

But my sorrow and regret at the attitude of a majority of my own party leaders on this question is partially assuaged, and I feel comforted and consoled while contemplating the stultifying position occupied by the Democratic party as represented in the Fifty-third Congress. In complete possession of every branch of this great Government, your victory won upon repeated promises to the people that the great Democratic party was their true political savior, and that it is the friend of silver; promises proclaimed from the house tops and at every crossroads that when the great party of Jackson and Jefferson should come into power you would erect a financial structure that would be the envy of the world, your great leader at the other end of the avenue, and a majority of your leaders here, now spurn and stamp upon the "majority of the Constitution," and await the moment when they may strike it the last deadly blow.

You will never have a better opportunity than now to show your love for "the money of the Constitution." I doubt if you ever will have another opportunity. Repeal this Sherman law unconditionally and you bind the country and yourselves as a party and as individuals to the single gold standard for the next four years at least. You will know the full significance of such action when you return to your homes. You will have enjoyed, perhaps, the little crumbs of patronage picked up in this city, and have made a few devoted friends happy by giving them place,

but when you again meet the people who have so long honored you because you never before had a chance to deceive them, you will then realize what it is to bear the burden of political responsibility.

Mr. President, my protest here now is against all legislation that will oblige the producers in this country to pay their English or other creditors 2 bushels of wheat or 2 pounds of cotton when 1 bushel or 1 pound was equivalent to the sum of the debt at the date it was contracted.

Where is the advantage of a large per capita circulation if all our money is subject to redemption in a small per capita of gold? The per capita of gold in the world is a little over \$2. This would give the United States about \$150,000,000 as its share of the world's gold. Of course we have more than that, because of the great extent and diversity of our business interests, but admitting that it is twice this amount, I submit that it is bad financial policy to undertake to conduct the business affairs of a great country like this upon so small a money basis.

Our per capita circulation is no more, no less, than the amount of the redeeming money to each inhabitant. We may put into use every ounce of silver the world produces, but so long as it stands as a commodity, upon a gold basis, it is no better than iron or tin or any other commodity. When the creditor wants gold, liquidation begins, and our silver and our agricultural products, which are always on a par with silver, must be sacrificed to supply him with it. The frequency of panics or "hard times" depends entirely upon the selfish whims of the creditor.

473

This condition of things will not be changed until gold has been partially relieved of the burden placed upon it as the money of ultimate redemption; until some medium is selected to do a part of the work now being done by gold, and in which gold itself may be redeemed at par. Silver is the most convenient, the most stable money metal to be had for that purpose. Nature intended it as an assistant to gold. It was so used for thousands of years until avarice found out the way to make one metal more valuable by retiring the other metal from use. Selfishness and greed have driven silver out of use as a money metal and branded it as a commodity redeemable in gold.

Mr. President, the agricultural and mining wealth of this country is as great in point of intrinsic worth and in point of national importance as is the manufacturing industry. When applying the law to the regulation of finance we are expected to observe the same rule that has so long and so successfully prevailed with respect to commerce, viz: Protection to American interests and American industry. The agriculturist and the miner do not ask for any advantage over the manufacturer or over persons having fixed incomes. They do not seek to discharge a single obligation of theirs in any kind of money worth less than any other kind of money. The imputation that they entertain such a desire is a base fabrication and a cruel slander. They want a dollar whose purchasing power is no greater than its paying power. Such a dollar would be based upon honesty, equity, and justice. To such a dollar they are entitled. They ask no more.

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