

Silver.

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SPEECH

OF

HON. ANTHONY HIGGINS

OF DELAWARE,

IN THE SENATE OF THE UNITED STATES,

Friday, September 15, 1890.

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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. HIGGINS said:

Mr. PRESIDENT: I undertake to speak upon this measure with a certain sense of reluctance. A very large part of the people of the United States may fairly be said to have made up their minds that the pending bill, repealing the silver-purchase act of 1890, ought to be passed by the Senate, and that it ought to be passed without delay. They believe that it has been discussed and adequately discussed, and were it not for the grave crisis in which the country finds itself, and the magnitude of the interests concerned, they might think that it had been discussed *ad nauseam* as well in the House of Representatives as in the press; but standing here at the very scene of action, coming in touch as the members of the Congress do, with the centers of influence all over the United States, I am led to think that it would be a mistake on the part of those who favor the repeal of the silver-purchase act to abstain from presenting fully their side of this great and important contest both to the Senate and to the country.

It may be that the metropolitan press thinks the subject has been adequately discussed by them, and that it is for the press to discuss and for the Senate to vote; and yet, important as is the part taken by the other branch of Congress, influential and important as is this new estate in our public polity, the press, in its influence on public opinion and in promoting full discussion, it still remains that the Senate of the United States is the great forum of discussion created by our Constitution, and that the people look to the arguments here to obtain light and leading, and that vast sections of our people will be reached by the literature which goes out from this body who will not be reached by the metropolitan press, or any other influential portion of the press of the country. I therefore, as I say, venture to indulge

in presenting some views which I conceive to be of importance in this matter.

Mr. President, the President has called us in special session at probably as grave a juncture as the country has ever experienced, except when Congress met in the throes of civil war. There have been panics, depressions, financial revulsions, acute and long continued, but never has there been one before which swept over the whole nation like a sirocco, blasting every interest in its path, and absolutely paralyzing every business function of the people. Banks, manufactures, railways, trade, commerce, all have fallen before its dreadful path, and under the urgency of the situation the great council of the nation has been called together to say what the remedy should be, and resolutely to apply it.

I am in favor of the repeal of the silver-purchase act, because I believe it is a potent cause for all this difficulty, not that I believe it is the sole cause.

I think, in the first place, that it is extremely unfair to the veteran Senator from Ohio [Mr. SHERMAN] to have tagged this act with his name. It is true he was chairman of the committee of conference which reported the bill to the Senate in the shape in which it finally became a law, but he was no more responsible for it than was every member of the Republican party who voted for it, or who in other councils committed themselves to that act.

Neither was this act passed for what, in any invidious or improper sense, can be called a political reason. It is not true, as asserted by the Senator from Missouri [Mr. VEST] and repeated by others, that the Republican members of this body voted for the act in order to prevent a breach in the Republican party with those who are known as the Senators from the silver States. To be sure, we did want at that time—and this act was intended for that purpose—to prevent the then enactment of the free coinage of silver; but it was not done in order to prevent a breach between the Eastern and the Western sections of the country. Still less was it enacted to enable President Harrison to escape a veto of the measure; but the country stood at that time in a juncture, the seriousness of which has been brought home to it lately. For the first time in its history, on a question involving great interest and profoundly agitating the entire land, the Senate had shown itself to be the radical branch of the Government, and whatever of conservatism remained was found to be reposed in the popular branch.

The bringing in of six new States from the mountain region of the Northwest, with large silver-mining interests, and with relatively small populations, had gone to balance what might have been before that the injustice of the small States in the East in our system, but it had made a large majority in this body in favor of the free coinage of silver. Not put to the test of a veto and of voting whether or not they would enact it over a veto, it had passed this body by nearly a two-thirds majority and with only three members of the Democratic party casting their votes against it. It went to the House of Representatives, and there it had substituted for it the first draft of what afterwards came to be known as the Sherman silver-purchase act.

As I have already said, the House of Representatives proved to be the conservative branch; but it cast that vote under singu-

lar and exceptional circumstances. Had the House been brought face to face with the question of free coinage or nothing, there is no assurance that it would not have enacted a free-coinage bill by a decisive majority, or, in the opinion of some, even approaching to a majority of two-thirds, which would override the Presidential veto.

Therefore, when this act is held up to national execration let the people remember that it performed the inestimable service of saving this country then from free coinage of silver.

It saved us, further, Mr. President, from both Houses of Congress enacting such a measure, to be defeated only by the veto of the President, and to that extent giving a shock to that priceless possession of the nation, its public credit. Never has its value been put in language which more deserves to live and never be forgotten while America remains a Republic than it was by Alexander Hamilton in his report in favor of the funding of the debts of the United States and of the States at the very outset of the Government.

America is great to-day not only because she is rich, not only because she is powerful, vast in population, and vast in resources, but because she treasures and guards and protects as she would her honor the priceless possession of our national credit.

The vote enacting this bill saved us from the disaster of any such attack upon the credit as free coinage would have been. But, Mr. President, why did we vote for it? I will make a confession of faith. I will say why I voted for it, and I will say how immensely I was mistaken in the justification on which I acted. We were told that if the United States would only purchase the American annual product of our silver mines and take that up from the market it would put silver to par with gold.

The argument was that about 20,000,000 ounces of silver in excess of the actual demand of the world for coinage, for the arts, and for all other purposes was not taken up by that demand; that it was kicked about the London market and depressed the price of silver. The well-known principle was invoked that if any product for use is produced in excess of the want, even though a slight excess, that slight excess marks down the selling price of the whole mass, and, therefore, that this 20,000,000 ounces of silver in excess of the demand, put down the whole annual product in its sale and depressed the vast accumulation of silver coming down to us through the ages, which constitutes the world's money, and so large a portion of its possessions in other ways.

It was said, and chiefly by the winning words of the senior Senator from Nevada [Mr. JONES]—and no one can be more persuasive—that if you would simply buy the whole of this American product you would put silver at a par. You will find by looking at the bill as it was introduced in the House of Representatives, and I think as it passed there and came to the Senate, that the bill in the first instance called for \$54,000,000 worth of silver, and it was in that shape when it went to the conference committee. Then the contention was, will you have it \$54,000,000 worth of silver a year or 54,000,000 ounces of silver?

At that time silver was selling in the market at about \$1.07 an ounce, and consequently the purchase of that many ounces would be a larger purchase than that many dollars' worth. It

was said, make it \$54,000,000 and it will put silver at a parity; but only make it ounces and then it will do it beyond a peradventure. So we made it ounces. We passed the act, and the purchase of four and a half million ounces of silver a month by this Government began. The confidence that it would put silver to par was not confined to this Chamber, nor to Congress, nor to those who discussed it in the Government. It pervaded the world. Again, we touched the button, and the world over, to the remotest recesses of China, and India, and the Orient, and London, and the great centers, they responded. A change was made thereby in exchange, and in the value and the selling price of silver. It went up to \$1.21 an ounce, and some made money by it, and some did not. It went back. The hope proved a delusion, and at the time India, in June last, ceased the free coinage of silver for private purposes it had fallen to 84 cents an ounce.

Mr. President, that was a great experiment; and I venture to say here, and it seems to me it runs as a refrain through this entire discussion, that anything we may do, or if we do nothing, we are in an experimental stage. It was an experiment when England abandoned the teachings of Newton and Locke and resumed specie payments in 1816 on the gold standard. It was an experiment when Napoleon, with the prescience of genius, following the judgment and conclusions of the wise men of France, established order in its theretofore chaotic finances by the enactment of bimetallism there at a ratio of 15½ to 1.

So I might go on throughout the entire history of the enactments—the Bland-Allison act, the Sherman purchase act—what we may do or what we may not do is experimental. But the result of this experiment has been to show that we can buy the American product of 54,000,000 ounces and not bring silver to a parity; and to-day, with the action of India upon us, we are buying that product and leaving our mines closed. We had a picture drawn by the distinguished Senator from Colorado the other day of the condition of disaster that prevails throughout the mining country. It can not be much greater there than it is in all other parts of the country. But the fact that is shown to the demonstration of all is that the purchase of so much as 54,000,000 ounces with the entire American product has had scarcely any effect to preserve the parity of silver.

Mr. MITCHELL of Oregon. Will the Senator from Delaware allow me?

Mr. HIGGINS. Certainly.

Mr. MITCHELL of Oregon. The Senator referred a moment ago to the well-known principle that where there was an excess in the production of any article over and above the demand, no matter how small that excess might be, then that excess would dominate and control the price of the whole. Then the Senator recited the provision of the Sherman act which provided for the purchase of 4,500,000 ounces of silver at that time rating at about \$1.07 per ounce. It turned out that that provision was not sufficient even at the rates at that time to take in the whole American product each year, and it left just that kind of a case to which the Senator referred, where the production is in excess to a certain amount of the demand. Now, suppose that that act, instead of providing for the purchase of 4,500,000 ounces per month, had provided for the purchase of \$54,000,000 worth, does

not the Senator believe that that would have been sufficient to take up the whole American product; and if that had been so does not the Senator believe it would have brought silver to a parity with gold?

Mr. HIGGINS. The distinguished Senator from Oregon loses sight of the fact that the representatives of the silver interest here insisted on the purchase of ounces instead of dollars, because thereby it would amount to a much larger sum and would absorb the American product.

Mr. MITCHELL of Oregon. That was simply a mistake.

Mr. HIGGINS. It was not a mistake at that time, and not until silver fell back to below a dollar an ounce. Then it became a mistake, but not before. When it passed that line then the quantity purchased by a dollar's worth became larger than the purchase by ounces. There has never been a day from the time when the confidence on which we voted for that bill proved to be an unmitigated delusion that I have not been ready to vote for the repeal of the act. The reason why I voted for it had evaporated and passed by, and I venture to say for Senators on this side of the Chamber who entertained the views that I do in opposition to free coinage that they all would have voted for its repeal from that time.

I observed with interest when the junior Senator from Massachusetts [Mr. LODGE] introduced a bill for its repeal in the House of Representatives. I welcomed it when it was offered here by the Senator from Ohio [Mr. SHERMAN]. I was, I may say, contemplating offering such a measure myself in order to show mysense of the importance of our taking action with reference to the question when the bill was introduced by the Senator from Ohio.

Mr. President, what, in the first instance, has been the part played by this act in producing the existing commercial and business disaster? I think it may be stated in this way, that it caused gold to go out; that the flowing out of gold in the early part of this year, with the act still upon the statute book and no probability of its repeal, as people saw then, certainly as foreigners saw, led the people on the other side of the water who had large investments in American securities to sell them out, so that there became a great sense of apprehension as to whether the Treasury could retain gold enough to redeem its outstanding obligations, which were either in terms or practically redeemable in gold; that that anxiety took hold of the public imagination until finally it extended, as panics do in an unreasoning way, to a fear about the solvency of our banks; the banks, one after another, began to go down; and, finally, we had the currency lock-up and the general prostration of industries.

Now, why should any such effect have been produced? The situation is a very simple one. There was outstanding on the 1st of August, just before we met, by the tables of that time (and that table will serve the purposes of this argument), silver coin circulating among the people, silver coin in the Treasury represented by silver notes circulating among the people, the United States Treasury notes, known as greenbacks, \$346,000,000; the United States national-bank notes, \$190,000,000, and the Treasury notes under the Sherman purchase act, making a total of \$1,042,000,000. I will ask leave, at this point, to insert the table of the Mint on this subject. It gives the exact figures.

Statement showing the amounts of gold and silver coins and certificates, United States notes, and national-bank notes in circulation August 1, 1893.

	General stock coined or issued.	In Treasury.	Amount in circulation August 1, 1893.	Amount in circulation August 1, 1892.
Gold coin .....	\$520, 273, 567	\$103, 363, 020	\$416, 909, 941	\$410, 447, 360
Standard silver dollars .....	419, 332, 450	363, 108, 461	56, 223, 989	87, 031, 862
Subsidiary silver .....	76, 563, 878	12, 556, 749	64, 007, 129	63, 346, 937
Gold certificates .....	87, 704, 739	93, 710	87, 011, 029	136, 861, 829
Silver certificates .....	333, 031, 504	2, 843, 114	330, 188, 390	327, 336, 823
Treasury notes, act July 14, 1890 .....	148, 286, 348	4, 512, 210	143, 774, 138	101, 756, 301
United States notes .....	346, 661, 016	22, 286, 612	324, 304, 404	311, 852, 278
Currency certificates, act June 8, 1872 .....	8, 340, 000	485, 000	7, 855, 000	26, 720, 000
National-bank notes .....	183, 755, 147	3, 620, 150	180, 134, 997	166, 595, 935
Total .....	2, 123, 968, 649	512, 869, 632	1, 611, 099, 017	1, 601, 949, 325

The total amounted to \$1,042,000,000; and at that time the amount of gold in the Treasury, what they call the net gold or free gold, subject to be used for the redemption of any demand brought against the Treasury, amounted to \$103,000,000. You thus had \$103,000,000 of gold with which to redeem \$1,042,000,000 of paper and silver, or about 10 per cent.

Now, the friends of silver reply, "You do not mean to say that the silver coin is redeemable in gold." No; I do not say that directly, but practically it amounts to that. The friends of free coinage here will not contend that the value of the bullion in the silver dollar at the present price of bullion silver is equal to the gold dollar. It is made so by virtue of the laws of the United States, making it a legal tender in the payment of all public and private debts, both. Making it legal tender for private debts alone would not bring it to a parity with gold any more than a similar provision made the legal tenders during the war at a par with gold. The legal tenders during the war were not receivable for customs taxes. Those were payable in gold alone. Not until the resumption act took effect, and there was gold there for the redemption of the legal tenders, did they rise to a par with gold.

I conceive that the reason why our silver certificates representing silver dollars to-day circulate at par is that they are a legal tender under the law not merely for private debts but that they are receivable for public taxes and customs. They discharge in the last resort the highest function of gold, and they are therefore as good as gold so long as there is gold left in the Treasury for purposes of redemption. Of course the Treasury notes are redeemable in gold or silver, and the national-bank notes practically are the same.

Now, Mr. President, here was 10 per cent only as a fund for redemption. But, say the friends of free coinage and those who stand by this act in the present phase of the contention, behind all that paper stood not merely the gold, but the power and the wealth and the resources of the United States. Yes, if they will be applied, and intelligently, but how did the case stand at that time? The Sherman act was a law upon the statute books, and it could only be gotten off by the joint action, not only of the

Executive, but of both branches of Congress. An election had occurred and another party had come into power for the first time for over thirty years, and what was its view of this question, despite the act or the opinions of its President?

We have had here what, in more ways than one, is an interesting discussion as to what the Chicago platform of the Democratic party meant. If we are to believe those who favor the free coinage of silver, it meant the free coinage of silver; and the contention has actually been started that the Republican platform meant the same thing. But could the purchase act be gotten off the statute books, for, bear in mind, that it is indispensable for keeping silver at par with gold that there should be some limitation upon the amount of the notes that shall be brought to the Treasury for redemption? If it is unlimited, if it is to go on indefinitely, then men become alarmed. Only make it definite, only let us know that it shall not go beyond your power to hold gold; and so long as you can preserve the equilibrium, just so long you will find that you can keep the depreciated silver dollars practically at par with gold.

But here stood the Democratic party in this Chamber, when, in 1890, but three of them had voted against the free coinage of silver, and we had the accession of the body of Populists with all their beliefs on this question, and the great Democratic majority in the other House, and this act could not be gotten off the books except by the cooperation of both Houses of Congress. It was not the question of the enactment of a new law, except by way of repeal, but here was an act upon the books, and unless you repealed it the purchase of silver under the law went on indefinitely, and your thousand and forty-two million dollars of paper and other money subject to redemption in gold would go on increasing in volume.

Mr. HOAR. Purchase and coinage.

Mr. HIGGINS. Yes; purchase and coinage. In that case do you wonder that the foreigners became alarmed? Do you wonder that the serious people of the United States became alarmed? Has it not called for positive action? In that sense, I think the happening of this panic has been a fortunate thing. I do not know that the minds of men could have been worked upon by any amount of prophesying or reasoning, but it did need an object lesson, and it has had one in the besom of destruction that this act has thus worked.

Mr. TELLER. Will the Senator from Delaware allow me to ask him a question?

Mr. HIGGINS. Certainly.

Mr. TELLER. The Senator says that the farmers became alarmed. Will the Senator be a little more explicit, and state whether they were alarmed at the purchase or at the coining of \$2,000,000 under the Bland act?

Mr. HIGGINS. I said the foreigners became alarmed.

Mr. TELLER. Will the Senator state what was the cause of the alarm? Was it the purchase or the coinage?

Mr. HIGGINS. I think it was the addition to the volume of money requiring redemption in gold; and therefore it is an indifferent matter to me whether it was bullion represented by Treasury notes or actually coined money. There is the very kernel of this whole business.

Mr. TELLER. Then, as I understand the Senator, they were alarmed at the large amount of paper money we were issuing?

Mr. HIGGINS. No; in addition to the paper money we already had, the amount of money coined under the Bland act and also whatever may have been coined under the Sherman act.

It is an ill wind that blows nobody any good. I can not tell you how sorry I was at the result of the election of a President of the United States this time, but I say here in all candor, made up as the Senate and House of Representatives were, no Republican President could have had the act repealed. President Harrison was powerless with a large majority in the Senate, but President Cleveland has shown himself to be the Boanerges of the Democracy, and I wish him godspeed in the march of conversion which has fallen to his task.

But there are other things. On the 6th of February the distinguished Senator from New York [Mr. HILL], on his bill to repeal this act, coming from the heart of the Democracy, brought the Senate to a sudden and sharp test vote whether the bill for the repeal of the Sherman act should then be taken up for action, and it was voted down—yeas 23, nays 42. I am well aware that there were Senators who voted against taking up that measure who were heartily in favor of repeal, but who felt that in the then state of the business, with the appropriation bills and other measures requiring action at the short session of Congress, it was practically impossible to do so. But, Mr. President, foreigners do not see into our action that way. They did not understand it, and hence that contributed to their alarm. It is an open secret that private representatives of the President-elect visited the other branch of Congress to test its feeling whether it would vote for a repeal, and they went home disheartened. It was stated that it could not be done, and all that went abroad and to the public.

Then after all this, after his inauguration, the President of the United States did not call Congress promptly together, and that lack of action was construed into a conclusion that in the then state of opinion in both branches of Congress he could not hope for favorable action. So on all these accounts the conclusion deepened in the public mind and in the foreign mind that there would be no repeal of the act, but an indefinite extension of the creation of representative money requiring redemption in gold, and with the stock of gold steadily flowing out. I think, therefore, that this in that way contributed to this commercial disaster.

To that the answer is brought, Why then do people hoard paper and silver just as quickly as they do gold? If they got frightened over this why did they not hoard gold? We have over \$500,000,000 of gold in the United States—in the Treasury and in circulation. Why did they not rush for gold and hoard it? Why did they not go to the Treasury for it? Well, Mr. President, the fact is that as long as the United States is practically redeeming the money that is presented in gold the people do not want it. There was this sense of alarm on the other side, but it did not extend here. Our people had not lost their confidence in the good sense of the United States and the American people; and therefore the silver dollar and the paper dollar remained just as good as the gold dollar so long as they could get a gold dollar for either the silver or paper, and consequently

those dollars being as good as the gold, the alarm that took possession of them caused them to hoard that money just as quickly as the gold itself.

Mr. President, so much for the contribution of the purchase act to this trouble; but that was not the only cause, nor should I say that it was the chief one. We were in the penumbra of tariff reform. We were coming to the enforcement of a plank of the Democratic platform not of doubtful construction. We were coming to that one to which all branches of the Government of the Democratic persuasion, the press and all their people, were committed, that protection was a fraud, that it was unconstitutional; that there was no power to enact it, and that it must be swept off of the books, and the only tariff you could have was one for revenue.

How did that work? I have a table here which I will beg to have printed with my remarks which shows that the total appropriations for the fiscal year 1894 by the estimates of the Treasury Department last year amounted to \$519,504,354. Deducting from that the postal revenues, \$85,000,000, the estimated receipts for internal revenue, \$175,000,000, and miscellaneous sources, \$20,000,000, leaves a total of credit of \$280,121,365, leaving a balance to be provided from customs revenue of \$239,382,989.

Total appropriations for fiscal year 1894.....		\$519, 504, 354
Deduct estimated receipts from—		
Internal revenue.....	\$175, 000, 000	
Miscellaneous sources.....	20, 000, 000	
Postal revenue.....	85, 121, 365	
<b>Total.....</b>		<b>280, 121, 365</b>
Leaving a balance to be provided from customs revenue of.....		239, 382, 989

Based upon the value of the imports for 1893 (\$951,361,421) it would make an average ad valorem rate of duty of  $25\frac{1}{8}$  per cent.

In other words, Mr. President, if you enact a tariff for revenue in place of the present tariff, with a large free list on the one hand, but with a large scope of duties practically prohibitory on the other, you would in place of the present schedule of duties in all its variations substitute one of  $25\frac{1}{8}$  per cent taxing everything. But when you have your duties at a prohibitory point you prevent importations. When you reduce your duties below that point you promote importations; and the lower your duties the larger your importations until you reach the point when the duties being low, the lower the duties the larger the revenue. Thus a tariff of  $25\frac{1}{8}$  per cent would probably raise more revenue than we needed by customs; and so you would have to take the other side of the problem and still further reduce your rate, and probably 15 or 20 per cent would be an estimate of the average rate of duty upon the entire list of importations.

When you have done that, what would be the volume of your importations, and what would become of your balance of trade? The gold of the country would flow out in the purchase of foreign products, and thus the gold for redemption would be still further reduced. That was the problem and the showing that stood before the foreigners holding our investments when the Democratic party came into power.

But while the threat of the coming tariff reform augmented the effect of the purchase-act in alarming investors as to the re-

demption of our outstanding obligations in gold, it had another consequence more momentous and certainly more far-reaching. No manufacturing interest to-day knows when it will be struck, where it will be struck, how it will be struck. All they know is that they have every reason to believe that they will be struck.

I do not say they stand, they lie to-day, with this sword sharp and glittering suspended over them. The essential condition of all business, to say nothing of all prosperity, is certainty. Uncertainty is paralysis; and uncertainty to-day prevails, and uncertainty has prevailed from the time the result of the last election became evident. So to-day not merely are the silver mines closed down, not merely do our great railroads have tens of thousands of cars standing idle upon their tracks, not only has the income of our foreign commerce been reduced, as shown in the receipts of the steamships, but our manufactories are closed, our laborers are idle, and everybody's investments, whether they be in land, in trade, in commerce, in merchandise, in manufactures, in transportation, I care not what, suffer the common loss and the common reduction.

"Loss and suffering are of necessity incident to periods of transition," is the interesting euphemism now of the tariff reformer, of the robust, strident editor, who stands for the interest of the importers; of the puny, weakling college professor, who would like his slender salary to eke out further; of the callow youth, who seeks to join the Democratic party in the cause of reform.

Meantime the hurricane is upon us with all its devastation: the rich man's destruction and the poor man's distress, reaching to every home and causing loss to every one and gain to none. What then shall be the remedy?

Mr. MCPHERSON. Would it interfere with the Senator if I should ask him a question in this connection?

Mr. HIGGINS. Not at all.

Mr. MCPHERSON. The Senator seems to think the fear on the part of the industries of the country, especially those engaged in manufacturing, was one of the potential causes which produced the panic of which we complain. I should like to ask the Senator why it is, then, that the panic did not begin last November when it was ascertained that a Democratic President and a Democratic Congress, pledged to the fulfillment of certain principles laid down in their platform, were elected? Why did the country wait until May of this year before it got into a panicky condition?

Mr. HIGGINS. I will remind the Senator of the familiar problem in dynamics that we were taught at school of the momentum which is the product of velocity into volume. This is a big country. Its momentum carried it forward—the momentum of that unparalleled prosperity that accompanied and followed thirty-three years of Republican protection.

Mr. MCPHERSON. Will the Senator permit me again?

Mr. HIGGINS. With pleasure.

Mr. MCPHERSON. I do not see how there can be any momentum except there is some acting force to start the object moving. The Senator's statement is amazing to me. The manufacturing people of the country had been through a political campaign in which the issues of the two parties were presented most forcibly to the people, and the decision of the people was in favor of the Democratic party and its principles and its can-

didates. The Senator speaks of a momentum. How was it acquired? Was it acquired through that other Republican act, the Sherman law? Was it started there, and has that momentum acquired force by reason of the tariff, or what does the Senator mean by his statement?

Mr. HIGGINS. I shall be very glad to answer the rather voluminous question of my friend from New Jersey, taking up the last point first. It is a question that I desired to discuss before I conclude. As the continued issue of Treasury notes under the purchase act contributed to the large volume of business of the country, and its apparent if not its real prosperity, I think that under wise and courageous Treasury administration, such as we had under Benjamin Harrison, that process might have been continued for a considerable while. On the other hand, the very serious question is whether it did not promote inflation, whether it did not promote all kinds of schemes and plans that were premature, the booming of towns, the unhealthy growth of cities, the putting upon the market of all kinds of schemes that needed to have the beaps of New York to punch holes through and by which people lost money.

It may have been that. But the Senator can not lose sight of the great fact in that hive of industries which he represents, and whose welfare, I think, he and his tariff reform will help to destroy, that all those people and their kind throughout the United States were full of orders that they had to complete. They were in the midst of an existing prosperity—an existing condition, and so they filled their orders, and they went on as a man does in the fullness of a superb health and strength who never felt the knife that entered his vitals and did not know that his life blood was ebbing until he staggered to the ground.

Mr. DOLPH. Will the Senator yield to a suggestion from me?

Mr. HIGGINS. With pleasure.

Mr. DOLPH. I have been told by a gentleman entirely familiar with the manufacturing business and acquainted with the great manufacturers of the country that the next day after the result of the Presidential election was known they began to hedge, to curtail their operations, to make their collections, and to prepare for the storm which was coming; that they did it quietly because they did not want to create a panic; that they wanted to put their own business in shape before the country became alarmed; that they did commence to do exactly what the Senator from New Jersey has suggested; and that the alarm did not become general until their purposes were known.

Mr. HIGGINS. I thank the Senator from Oregon both because his suggestion is pertinent and because it reminds me of my failure to have with me a letter addressed to me by a veteran manufacturer of my own State, which was published in its press a few weeks ago. He is the largest, oldest manufacturer of car wheels in the United States. He said to his sons, who are now in the active control of business, the morning after the election, "Clew down your sails; make no further contracts that are not necessary, and prepare for a storm"—precisely as was put by the Senator from Oregon, who almost repeated the words of my constituent.

Mr. President, we stand here. Republicans and Democrats, in a patriotic endeavor to bind up the wounds of the country as far as can be done by the repeal of the purchase clauses of the Sher-

man act. But, say the friends of free coinage, we will not let you. To be sure nobody is a friend of the law. The Senator from Missouri [Mr. VEST], in his familiar but picturesque manner, denominated it a homeless, wandering dog, with no friends. But it has found friends—friends in those who did not vote for it—friends in those who denounced it, and friends who now are using it openly and avowedly as a club. They say, "We see the country is in dire extremity and suffering, but we will not let you out of it. We will make your very suffering the occasion and the means of enacting our favorite idea, if not a remedy." Now, I will give them the full measure of credit of believing that their remedy, free coinage, would be a better one than repeal. They think that repeal will work greater disaster; that the threat of it contributes to the present condition of things, and they think that free coinage would be a good remedy.

I think that the country is under obligation to the Senator from Oregon [Mr. DOLPH] for the very pithy and powerful way in which he gripped this question and its opponents day before yesterday. Accepting the pivotal proposition of the senior Senator from Colorado [Mr. TELLER], who leads in this contest, that he would vote against the free coinage of silver by the United States alone if he believed that it would not put silver to a parity with gold, the Senator from Oregon said that he would vote for the free coinage of silver if he believed that it would put silver at a parity with gold, and thus this contention is brought down to a very sharp issue.

No one denies that if isolated free coinage by the United States at the ratio of 16 to 1 would not bring silver to the bullion price in the market of \$1.29 an ounce, then the gold would cease to circulate. It would go out of the country; it would be hoarded; it would no longer be a part of the circulation of the country. Of course we have had ample experience of that, and it needs only to be mentioned to complete the statement of the case. Under the ratio of 15 to 1 established by Hamilton and Jefferson at the outset of the Government it paid to export gold, it being worth a few cents more than the gold coin itself, and it ceased to circulate. Under the law of 1834—

Mr. TELLER. I should like to ask the Senator from Delaware a question if it will not disturb him.

Mr. HIGGINS. Certainly not.

Mr. TELLER. Will the Senator tell us when gold first began to be exported from the United States?

Mr. HIGGINS. I had my attention recently called to the fact (I think by the Senator from Iowa [Mr. ALLISON] yesterday) that it was not until some time after the decade of 1810.

Mr. ALLISON. In 1821.

Mr. TELLER. It was more than thirty years before there was any extraordinary export of gold. We minted gold and silver, a part of the time a good deal more gold than silver, and there was no gold exported to amount to anything until after the attempt to resume in Great Britain.

Mr. HIGGINS. I do not know what the total amount of gold in the country at the time was. It is important to bear in mind that we had no gold mines at that time, and therefore all we had was what we could get from abroad.

Mr. DOLPH. Will the Senator allow me to suggest what that proposition proves to my mind?

Mr. HIGGINS. With pleasure.

Mr. DOLPH. For thirty years after we adopted the ratio of 15 to 1 the commercial value, the price of silver and gold bullion, was relatively nearer 15 to 1 than 15½ to 1, which it became in 1810, or about that time.

Mr. TELLER. The Senator will allow me to say that the records of the world will show that he is mistaken on that point.

Mr. HIGGINS. Well, Mr. President, we finally came to an episode in our national history which it seems to me has great interest in the light of the contentions of our latter-day saints. We have it here now that the Democratic has always been the party of silver; that silver has been the money of the people; that the Democratic party was the party of the people; that it made silver its especial love and took it to its bosom and always kept it in circulation. Yesterday in a flight of eloquence the distinguished Senator from Virginia [Mr. DANIEL], whom I regret to see is not in his seat, actually paraded forth Andrew Jackson as the great apostle of silver.

We all know that it was in the Administration of President Jackson in 1834, and after the discovery of the gold mines in North Carolina and the large hopes that were built upon them, that a law was enacted putting the ratio between the gold and silver coins of the United States at 16 of silver to 1 of gold, and as a consequence of that silver went out of circulation. There were but 8,000,000 silver dollars and upwards coined during the whole history of the Government before the coinage under the Bland-Allison act.

The gold coin after that was known as "Benton's mint-drops." While the Senator was thus invoking the shades of Andrew Jackson he ought to have been appalled by the vision, if not the ghost, of both Jackson and Benton coming forward to vindicate the great policy and contention of the Democratic party at that time, which put this country on a gold standard alone and maintained it there while yet it had power. That is a fact. Bimetallism never existed in this country except, as it may be shown by the senior Senator from Colorado, during the earlier operations under the ratio established at the outset of the Government by Hamilton and Jefferson.

Therefore, Mr. President, the question is, Will the free coinage of silver by the United States alone—what is called the isolated free coinage—put silver to a parity? In the first place, let us look at the experience of other nations about it. England resumed payment on a gold standard in 1816. France began the coinage of both gold and silver at a ratio of 15½ to 1 in 1803 and continued it until 1874. From 1871 to 1873 Germany demonetized its silver. It is a very interesting, although I grant you it is a contested question as to whether France ceased the coinage of silver as a consequence of its fall, or whether the fall of silver was caused by France ceasing its coinage.

I had my attention called to this matter by a remark in the North American Review for September, 1893, by a man of life and leading in the world at this day, whose statements will be taken with respect the world over—Sir John Lubbock—who says:

Then we were told that the ratio was maintained in France up to 1874. But this was not so. The history of the French coinage from 1850 is very instructive, and should be a warning to other countries. I am old enough to

remember when there was an agio on the French gold. If one was traveling in France, one had either to pay a premium to get gold, or to carry a cart load of silver. The coinage of gold in France fell so that from 1841 to 1845 it only amounted to £800,000. Then came the gold discoveries, and in 1856-'60 the French coined in gold the enormous sum of £108,000,000, while the silver coined fell in 1861-'65 to £800,000. These tremendous fluctuations were, of course, most expensive and inconvenient. Neither did they, as a matter of fact, succeed in keeping the ratio stationary.

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Mr. Giffen has shown that in 1873, before the closing of the French mint, the ratio of silver to gold had fallen to 16 to 1. In fact it was that fall which compelled the Latin Union to close their mints.

I will beg leave to print with my remarks without reading what is said by Mr. Giffen on that subject in his book entitled *The Case Against Bimetallism*, printed in 1892, pages 151 and 152.

The fall of silver after 1874 is also dwelt upon by bimetallists as proving how much the bimetallic tie must have done before that. As in point of fact the bimetallic tie could and did nothing to prevent fluctuations between gold and silver, this "must" is no very effective argument. In point of fact, however, as already indicated (but it is as well the point should be emphasized), the bimetallic tie in 1874 was ruptured because the fall of silver, actual and apprehended, made it impossible to maintain it, and it was not the rupture of that tie which caused the fall of silver. This is a matter of history, and not very ancient history, though it is curious to see how the gold and silver commission overlooked what was staring them in the face. By the end of 1873 the ratio of silver to gold was already all but 16 to 1, and a further fall was universally expected at the time.

There was the greatest apprehension among French economists and public men at the inevitable approach of a single silver standard. France also was already overwhelmed with an avalanche of silver. I was in a position to hear something of the matter at the time, and I recollect well hearing reports of deposits of silver at the French mints sufficient for twelve or eighteen months' coinage. On inquiring lately I find these reports confirmed and the deposits spoken of as even larger. France, in fact, in 1874 had already got all the silver necessary for the silver standard, and the bimetallic tie was gone in practice before the Government abolished it in law. That the demand for silver would have been much the same since 1874 if France had gone over to a single silver standard is, of course, a matter for speculation. But if there had been a greater demand than what there has been, it would have been in consequence of the bimetallic law. It would have been the will and pleasure of the French people and Government making an effective demand for silver in other ways, and in no case would fluctuations between gold and silver have been prevented.

It thus seems that France, which had boldly sustained the two metals at a parity through nearly three-quarters of a century, found that she was unable to do it when two causes operated. Germany then for the first time made a united empire out of many different states and kingdoms, threw her demonetized silver upon the market, and this was added to the great increase of America's production and the world's production. It can not be contended that France wanted to cease bimetallism. I could quote from the speech of Mr. Tirard at the Brussels Conference, who left the conference to become the French minister of finance, to show that they were still committed to and wedded to bimetallism. But they found that they could not sustain themselves in further free coinage of silver.

I will in all fairness of discussion state that it has been intimated it was in part an act of invidious hostility to Germany that France met Germany's demonetization of silver by her own, although I have never seen how that could well be believed or sustained. It was not because France wanted to cease bimetallism that she abandoned it. She did it because she could not help it. With Germany precipitating all her silver upon the market and the bonanza mines of the West opening up their

large resources, France found that the Gresham law became her law and she had to yield.

Mr. TELLER. If the Senator will allow me, I will state that I agree with him that France did not desire to abandon the use of silver. France had a law which required her to pay to the depositor of silver within ten days francs: that is, if a man took his silver to the mint and deposited it he was entitled to go there ten days later and get silver money. France had such a great quantity of German silver coming in that Ernest Seyd says she could not have coined it in eighteen months; she could not comply with her statute, and therefore she closed her mints.

Mr. HIGGINS. In other words, I understand when that condition of things arose in the world, which was a novel condition and had not existed before, the volume of bullion silver precipitated upon France broke her mints down, and she could not coin it, and therefore she felt compelled to abandon free coinage, and that is but an earnest of what we should expect if we, under existing conditions, threw our mints open to the volume of unused silver of the world.

But, Mr. President, we are living in a day of experiments and object lessons, and it can not be conceived that serious men, men who have the accrediting of the great authority given by their States as members of this body, a serious nation wanting to do what is right for its own interests, Populists, silver men, men from the West as well as men from the East, the South as well as the North, are not on economic issues seeking only for what is the best interest of all. It is not possible that they want to arrive at any other than what is an honest conclusion and a sound one, and that they will not entirely ignore what is going on before their eyes.

My distinguished friend from Iowa [Mr. ALLISON], who so fitly represented this Government in the Brussels conference, will bear me out in what is shown by the official report of that body and its proceedings that the representatives of India said that they wanted the world to maintain bimetallism. Their representatives there so said in no uncertain voice, and they could say nothing else. Representing 270,000,000 people of a race different from theirs, a subject race, and holding in their hands, as the Indian administrators did and do, a responsibility which goes with unchecked power vested in very few hands, and holding a trust of a magnitude and momentous character seldom, if ever, committed to individuals, with no parliament to consult, what could they do but stand for the largest continued use of silver when that coin was the only coin used by 270,000,000 of the dark-skinned race?

Mr. President, to take a step by which another standard was put upon their people, to impose the gold standard, to undertake a transition from silver to gold, even though it involved the use of silver coin and not gold coin, was a step, the responsible and momentous character of which can not be exaggerated. It was not because they wanted to do it; it was because the exigencies of the situation left them no option. They had to do it.

I grant you that India under the silver standard alone enjoyed certain very great advantages; but, great as they were, they were overcome by the disadvantages. The governor-general, Lord Lansdowne, speaking on his official responsibility, said in one of his letters to the English Government that no government

would be worthy of the name of a government which did not give to its people relief.

Great as was the advantage of the silver standard to England in its manufactures, its commerce with the silver-using countries, it was met on the other hand by the disturbance of exchange with all the gold-using countries; it was met by the necessity of paying its interest upon its public debt, for the development of its railroads, with but 18,000 miles of railway in that vast country, and its almost infinite possibilities waiting to be opened up by the further extension of railways, palsied because nobody would invest a pound or a rupee in railways when he did not know what he was going to get out of it; and so on all accounts England had to stop the coinage.

Mr. President, with all Europe having abandoned the free coinage of silver, with India having abandoned its free coinage, in all sincerity I ask the champions of free coinage on this floor how they can expect or hope that the United States can do it alone? If India, the great reservoir and sink of silver, with the large use she makes of it, can not sustain free coinage, what will be the result if we should attempt free coinage by ourselves alone, and with India no longer to assist in bearing the burden?

Again, it is contended—and that is the main issue—that free coinage by the United States would put silver to \$1.29 an ounce on any reasonable ratio we might establish. I will ask how that can be expected in the face of the fact that free coinage by India did not put it there?

Now, what are the conditions of the problem? As I said a moment ago, 270,000,000 of people, who immemorially have used silver in their transactions—in the main a poor people, a peasantry ryots, as their agricultural laborers are called, working, it is said, for 10 cents a day, making their transactions, small though they be, in silver coin, with a minimum use of checks, bank accommodations, and credit money, and a larger use of silver metal than can be possibly had by the people of the United States—if the free coinage of silver by a people so vast in numbers, having been the reservoir and receptacle of silver ever since if not before the English Empire consolidated all the interests and governments in India, did not bring it to a parity, how can it be expected that we can do it alone?

Mr. DOLPH. May I make a suggestion in that connection?

Mr. HIGGINS. Yes, sir.

Mr. DOLPH. India coined in seventeen years, including 1891, \$590,562,659, or as much silver as we have now in circulation and in the vaults of the Treasury, I think, and the annual average was \$34,150,744. In 1878 they coined \$78,741,556. That is the extent of the coinage in India, which is more than we could hope to coin under free coinage.

Mr. HIGGINS. I am obliged to the Senator from Oregon for the actual figures which he contributes to this discussion. They point to two facts. First, that India, under free coinage, with her accumulated stocks of silver on hand, could absorb in free coinage no more annually than her needs demanded for increased use, and such actual demand and use for 270,000,000 silver-using people, under the conditions I have described, could not absorb an amount which would keep silver at a parity with gold. That is the condition.

Mr. DOLPH. Not even while the United States was purchasing and storing substantially all the product of our mines.

Mr. HIGGINS. I thank the Senator again. India was the great partner who was invoked by the silver men in the Senate.

The Senator from Nevada [Mr. JONES], when we passed the Sherman act, said that with our use of silver we could easily take up the 20,000,000 "slack," by buying up 4,500,000 ounces per month, and put silver to par, but with the gigantic aid of the United States of America purchasing 4,500,000 ounces of the American product, added to India's use of silver, it all miserably and lamentably failed. In the presence of that experiment we are asked to pin our faith longer to these rainbow chasers.

Now it is said, Mr. President—and I could but admire the eloquent and powerful way in which it was put yesterday by the distinguished Senator from Virginia [Mr. DANIEL]—that no comparison of that kind could be made with this Republic with 67,000,000 of people, spanned by railways to the Occident, and with all the vast resources of this country. But we can not use more than so much currency. It is impossible. The whole contention, as I understand it, of our friends who are in favor of the free coinage of silver, is that they want such a quantum of currency as, to use the language of the distinguished Senator from Nevada, will preserve the equities and will not cause time contracts to be paid in money of greater value, claiming, at the same time, that they should not be paid in money of less value.

We agree to that, but that puts a limitation on the amount of silver used even under free coinage, and when you pass that limitation, Mr. President, you reach inflation, and when you reach that limitation, unless you adopt inflation, you stop. Then, if we undertake free coinage with all our resources and all our population, how can we effect it?

It is the belief of those who oppose free coinage that the first effect of it, when enacted, would be to put gold to a premium, not bring silver to a parity, but drive out all the gold. It is contended on the other side that it will not expel gold from circulation, and my distinguished friend from Virginia yesterday labored to show that, with all our resources, that result would not be accomplished. Take him at his word, and say that it would not for the time being, and at first that silver would go to a parity with gold for the time being. We would absorb necessarily but very little of it.

The Senator from West Virginia [Mr. FAULKNER] has introduced an amendment here by which he proposes to augment the further purchase of silver after the repeal of the Sherman act, and increase our total coinage of silver to \$800,000,000. Under free coinage that amount would be speedily reached when we had vomited upon us the silver hoards of the world, its unused stores of coin, of money, of plate, and of ornaments, together with the huge product which the enterprise and activity and capacity of American miners and manufacturers of mining machinery would be able to develop, but you would come then to a time when the supply would exceed the demand, when, everybody being able to take his money to the mint and get a dollar's worth of gold, it would inevitably result in gold then going to a premium. When it did go to a premium, the Gresham law would operate, and it would cease to be currency. Then you would have a contraction and a cataclysm, from the putting of

all your gold out of circulation. About \$600,000,000 at one fell stroke would disappear. That is a large vacuum to be filled, and I grant that in the first instance it might promote the value of silver largely while they were undertaking to fill that vacuum.

I have heard it suggested in respect to this matter, that the only thing, in fact, that the country could do in such an emergency would be to authorize a very large issue of Treasury notes or fiat money, to take the place of the gold which would disappear.

Mr. MITCHELL of Oregon. May I ask the Senator a question?

Mr. HIGGINS. Certainly.

Mr. MITCHELL of Oregon. The Senator says that free coinage would result in driving at once the whole of the \$600,000,000 of gold we have from this country. Will the Senator inform us exactly by what process that would be done? What would we get in its place; would we get anything for it?

Mr. HIGGINS. The Senator asks two questions. First, how that would be done, and, second, what we would get in place of it, as I understand?

Mr. MITCHELL of Oregon. That is it.

Mr. HIGGINS. The Senator has before him the process in the experience of the country in the issue of legal-tender money during the war.

Mr. MITCHELL of Oregon. I want to know how the gold would go out, if it went out, not how it becomes appreciated.

Mr. HIGGINS. It will go out as it went out during the war. It went out then.

Mr. MITCHELL of Oregon. How will it go out—by what process?

Mr. HIGGINS. I will answer the Senator how it went out then. When the legal-tender act was passed the money issued under it could not be redeemed in gold, and gold went to a premium. It became a commodity, and we were remitted to a currency of legal-tender paper money; and we remained there until the wisdom and patriotism of this country, led by the Republican party and the Senator from Ohio [Mr. SHERMAN], whose brows are wreathed thereby with an undying laurel, enabled this country to resume specie payments and go on in that march of prosperity which has only been destroyed by the advent of the Democratic party.

Mr. MITCHELL of Oregon. After the demonetization of silver in 1873, instead of gold coming to the country, it went from this country in very large amounts.

Mr. HIGGINS. That was because we were on a paper basis. The demonetization of silver by the act of 1873 had no more effect upon the condition at that time than the precession of the equinoxes, and it could not have, until we had brought back gold to the Treasury wherewith to redeem our broken and dishonored promises.

Mr. DOLPH. Our friends keep talking about gold going out of the country. I have never alleged that gold would go out of the country, but the statement I made was that it would go out of circulation, and so far as its effect upon the currency of the country is concerned it is entirely immaterial whether it goes out of the country or is hoarded and goes out of circulation, as it did during the war, when it became a commodity in the market.

Mr. TELLER. I should like to have it settled now whether gold is going out, if the Senator will allow me.

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Colorado?

Mr. HIGGINS. I do.

Mr. TELLER. If the two champions of the gold standard will now settle the question whether gold is to go into hiding or whether it is going to travel abroad, it will be a great relief to us.

Mr. DOLPH. I heard the Senator in his speech talking about the disappearance of gold from circulation. I do not think he said that gold would go out of the country altogether.

Mr. TELLER. I did not.

Mr. DOLPH. Nor have I ever asserted it; but it has been constantly put to us by the Senator from Colorado and by other Senators who agree with him, that we say that gold would go out of the country and something would come in its place, or that it would go out of circulation and cease to be a part of the circulating medium of the country, would be hoarded, and would be merchandise subject to gambling in the money markets of the world.

Mr. HIGGINS. I shall endeavor to satisfy the Senator from Colorado as I proceed on this question by saying that I agree entirely with the Senator from Oregon [Mr. DOLPH] that gold will go out of circulation. I will not say it is immaterial whether it goes out of the country or not, but that is the ultimate effect, and it becomes a corollary to the proposition.

Mr. MITCHELL of Oregon. The Senator said gold would go out of the country.

Mr. HIGGINS. I did say so, but the senior Senator from Oregon [Mr. DOLPH] called my attention to the inadvertence, and explained just what I did mean.

Mr. PEPPER. I should like very much, and I have no doubt Senators around me would, if we could have the clouds which are now obscuring our view in this matter removed. I understood the Senator from Delaware to say distinctly and positively not only once, but a number of times, that gold would leave the country under the operation of the Gresham law, provided we had a large coinage of silver money. The answer of the Senator from Delaware to that question by the Senator from Oregon [Mr. MITCHELL] was a reference to our monetary condition in 1861, or about that time, when paper money was first issued.

I wish to ask the Senator from Delaware a question upon that point: it is this, whether it is not true that the banks of the country had suspended specie payment about the latter part of December, 1861, sometime before there was any issue of legal-tender Treasury notes; and, second, how, if his doctrine be true, it happened that after the Bland-Allison act began to operate, when we were receiving \$2,000,000 worth of silver dollars every month, gold continued to flow into this country for a number of years until we had accumulated probably from \$100,000,000 in 1869 or 1870 up to about \$500,000,000 or \$600,000,000?

Mr. HIGGINS. I thank the Senator from Kansas for deflecting me from the line of my argument to two matters of transcendent interest to this country and its people. He calls attention to a fact, which is well worthy to not be forgotten but remembered, that under the coming shadow of rebellion, and before

the enactment of the legal-tender act, banks suspended specie payment. I call the Senator's attention to the fact that in the midst of this catastrophe, beside which that of 1861—I mean financially—was but a gentle zephyr, not a dollar of paper has been dishonored, but has remained redeemable in coin; but the banks suspended because they were rotten, worthless State banks.

Mr. FELLER. Does the Senator from Delaware mean to say that the banks of the State of New York and the State of Massachusetts and various other States were rotten banks?

Mr. HIGGINS. They were part of a system, Mr. President. They had to go with the totality; they were under no concentrated regulation or government.

On that branch of the subject, I will simply repeat what was said to me by a banker of Baltimore, who amassed a large fortune in that legitimate occupation. He told me it did not pay to continue banking after the adoption of the national-banking act; that the good times were while he sat in his office and levied toll on the difference of exchange between the paper of the South, which paid for its cotton, and New York; that it was that which made him rich. That, to my mind, is the explanation that we were not, in 1861, as we were when this hurricane struck us, as the great English poet said of Wellington, "Four square to all the winds that blow," with no dollar in the hand of the humblest American laborer that gave him a moment's concern.

My friend from Kansas, who, by his question, it seems to me needs illumination—and I trust through him, with that honesty and sincerity that I have ever awarded him that it will reach that noble people whom he represents and get them out of the false light and leading in which they have been wandering lately—asks why it is that after 1879 gold came in. It was because, as I have said before, under Republican laws, supported and aided by patriotic Democrats, under the leadership of JOHN SHERMAN, we established, nay, we reestablished, the credit of the United States; we made all of our paper money as good as gold, and then to us, in payment of our grain, our breadstuffs, our petroleum, our cotton, and for our securities going out to develop the superb civilization of the State of Kansas and the State of Colorado and all that Western country, fructifying it with the vast resources of Europe and of the East, gold came here for our bills and our bonds. I trust the Senator from Kansas is entirely answered; and if he can not answer that fact, that he will carry that truth to his people.

Mr. PEPPER. Mr. President, I am not answered. The Senator from Delaware, in answer to a question of the Senator from Oregon, gave as a reason why gold left the country in the beginning of the war that we were issuing paper money. Then I asked him how that could be true, if it were also true that the banks had suspended specie payments before we had issued any Treasury notes? That was the substance of the question.

Mr. HIGGINS. I said it came from another cause, from those banks.

Mr. PEPPER. Precisely. Then the Senator's answer to the Senator from Colorado was not correct.

As to the second question, if it be true that silver coinage in large quantity will drive gold from the country, then I ask the Senator why upon that proposition gold came into this country in large quantities after we began the enlarged coinage of silver

under the operation of the Bland-Allison act? Those were the questions. Kansas can take care of itself.

Mr. HIGGINS. I shall be glad to answer that question. We have to-day the spectacle of France, with six or seven hundred million dollars of gold and eight or nine hundred millions of silver. That amount of silver can be easily carried with her great store of gold. We have not only between four and five hundred million dollars of silver coin under the Bland-Allison act, but we have to-day whatever has been coined under the Sherman act. We can carry it; we can carry it without the fear of anybody if you limit it. What produced this fright was that it was unlimited. I do not say that the proposition of the Senator from West Virginia [Mr. FAULKNER] is not feasible, that we can not carry that coinage up to \$800,000,000, and still keep it at a parity. It is another question to my mind whether you want to issue arbitrary fiat money in this way, not leaving it to natural production, but I mean to say there was great apprehension at the time the Bland-Allison act was passed that gold would instantly be sent to a premium. It turned out to be a mistake, because we began to increase our gold, and thereby the basis of redemption.

A bank, as a rule, carries 40 per cent of gold, and the Bank of England, I believe, 25 per cent of gold with which to redeem outstanding circulation. We can carry with a stock of gold on hand a large amount of silver undoubtedly. It is when you have a stock of silver or paper money in proportion beyond the amount of gold and with credit depending upon it that danger begins.

Mr. DOLPH. May I make a suggestion?

Mr. HIGGINS. I yield to the Senator.

Mr. DOLPH. The coinage of silver under the Bland act was a very different thing from the free coinage of silver. Under that act the coinage was limited, the Government bought the bullion and put out the silver dollars with its promise of redemption, and made the profit, according to the theories of some Senators, upon the purchase of the bullion.

In the case of free coinage every person will go to the mint with silver bullion, and if there was a profit to be made out of it he would make the profit instead of the Government, and the amount would be unlimited; but, of course, a provision for the redemption of the standard silver dollar in gold would not be sufficient to maintain the parity between the silver dollar and the gold dollar. To say that free coinage is very different from the coinage of silver by the Government under the Bland act is a sufficient answer to the whole question.

Mr. HIGGINS. In other words, if I understand the point made by the Senator from Oregon, it is the well-known one of the difference between free and unlimited coinage and limited coinage.

Mr. DOLPH. By the Government.

Mr. HIGGINS. By the Government—not free coinage as in the Indian transaction for private account.

Mr. ALLEN. Will the Senator from Delaware allow me to ask him a question?

Mr. HIGGINS. With pleasure.

Mr. ALLEN. The coinage of silver both under the Bland-Allison act and the Sherman act was limited, as I understand it—that is, it was not free and unlimited coinage?

Mr. HIGGINS. Yes.

Mr. ALLEN. I understand the surplus of an article always fixes the price of it commercially?

Mr. HIGGINS. Yes.

Mr. ALLEN. Now, is it not invariably true that if you have a limited coinage of a metal, the surplus of that metal which must be used as a commodity fixes the commodity value of the material even when coined?

Mr. HIGGINS. Undoubtedly. The vice of the present law, I will say to the Senator from Nebraska, was the assumption of its friends that the purchase of the American product would take up the excess, and therefore put it to the price of \$1.29 per ounce.

Mr. ALLEN. Will the Senator yield to me for one other question?

Mr. HIGGINS. Certainly.

Mr. ALLEN. If there was unlimited coinage of silver, would not the bullion value of the silver be equivalent to its coinage value?

Mr. HIGGINS. That it would not is just the thing I am arguing, and I will have to remit the Senator for his answer to the entire subject of my speech.

Mr. ALLEN. Is it not true that throughout the history of this country every kind of money, paper, gold, and silver, which had unrestricted and full legal-tender power, always sustained a legal parity?

Mr. HIGGINS. In answer to the Senator, I will say that gold went out of circulation before 1834, and after 1834 silver went out of circulation, so that silver and gold did not circulate equally at either of these periods. During the war the legal tenders did not have full debt-paying power. They were legal tenders for all private debts, but they were not legal tenders for public debts, because the Government, in that exigency, took the gold for its customs and its internal revenues in order to sustain itself in the struggle which was going on.

Mr. ALLEN. If the Senator will permit me, I wish to make one additional suggestion.

Mr. HIGGINS. Very well.

Mr. ALLEN. The first issues of legal-tender notes were notes with full and unqualified legal-tender quality. Those notes always sustained a parity with gold and silver throughout the war.

Mr. HIGGINS. Yes.

Mr. ALLEN. There was not a dollar back of them in coin money. When the second and third issues took place they were a limited legal tender. They were receivable for all debts, public and private, except duties on imports and interest on the public debt, and it was that money which depreciated and not the first issues.

Mr. HIGGINS. I understand so. It is because, in the first place, as the Senator will recognize, that the first two issues of which he speaks were limited in amount; and in the next place, they were receivable by the Government for customs and other Government dues. They therefore perform, so far as that was concerned, the same function as gold.

The Senator from Iowa [Mr. ALLISON] calls my attention to the fact that they were not legal tenders for private debts, but

I think that is immaterial. The point is that they were associated with the other provision requiring the customs to be paid in gold, so that the Government in that way was retaining and holding a store of gold, which thereby made the first two issues of legal-tender money receivable for public dues and excise duties, and to that extent performing functions as good as gold. But I call the attention of the Senator to the fact that if the Government had depended on that class of paper alone, and had not provided itself with gold in its subsequent transactions by the requirement that customs must be paid in gold, the first two issues would have sunk to the same level with the rest.

Mr. ALLEN. I desire to ask another question, if the Senator will permit me?

Mr. HIGGINS. Certainly.

Mr. ALLEN. Was not the premium on gold due to the fact that the legal-tender quality of the later issue of the greenbacks was limited and that gold alone performed the function of paying interest on the public debt and duties on imports?

Mr. HIGGINS. Not at all, because these promises were good for nothing unless coin could be got for them, and the only way the coin could be provided was to get it from customs. If there had been no coin the paper would have gone as low as it ever went afterwards.

Mr. TELLER. May I interrupt the Senator?

Mr. HIGGINS. I will yield for this once.

Mr. TELLER. I wish to make a correction: I think the Senator makes a mistake. The Senator says after 1834 we had practically no silver in circulation in this country.

Mr. HIGGINS. I meant silver dollars.

Mr. TELLER. The Senator should not forget that we coined half-dollars, and that they were then full legal tenders. We coined for the next eight years some silver half-dollars and other silver coin which was legal tender then with gold.

Mr. HIGGINS. That was occasioned by the very great necessity there was for the use of half dollars, and it may have deterred people from selling them and melting them to get their metal value.

Mr. TELLER. The half dollars were legal tenders.

Mr. HIGGINS. I understand.

Mr. TELLER. And two half dollars constituted a dollar in weight and debt-paying power.

Mr. HIGGINS. It will be for the wise men to explain why the half dollars did not follow the course of the dollars.

Mr. DOLPH. During the period from 1834—

Mr. TELLER. From 1834 to 1871.

Mr. DOLPH. We had to increase the amount of bullion in the half dollars and the quarter dollars to keep them in this country. That is a fact.

Mr. TELLER. Not after 1853.

Mr. DOLPH. We had to do so before 1853.

Mr. HIGGINS. Mr. President, I say, as the result of all this reasoning, that the free and unlimited coinage of silver by the United States alone is nothing else than pure and unadulterated silver monometallism, that it means gold going to a premium, going out of circulation, and going out of the country, if foreign countries need it sufficiently to take it abroad by the means with which we have now become familiar, or it will go out in the

course of the balance of trade, be turned into a commodity, and will go out of circulation.

Thus I am brought to the contention of the Senator from Colorado the other day, that the friends of free coinage of silver are the only genuine, simon-pure, unadulterated bimetallicists.

It seems to me that they are silver monometallists, and that until bimetallicism can be restored by the combined action of the nations of the world we have to elect between silver monometallism, the gold standard, or the limping standard, as the French call it, that we indulge in now. France is invoked by the friends of free coinage. There is a nation which uses silver. Of course she does, but did she not stop its coinage in 1874? Did she not precede us—will I say follow us as a matter of fact—but precede us in the actual application of it?

Mr. TELLER. In 1879.

Mr. HIGGINS. Her first act was in 1874.

Mr. ALLISON. If it will not interrupt the Senator, I will state to him that the Treasury notes of which the Senators have been speaking were not a legal tender at all.

Mr. HIGGINS. I thank the Senator for that statement. I had not looked into that branch of it. I accepted the statement of the Senator from Nebraska [Mr. ALLEN], my attention not having been called to it before.

Mr. TELLER. What is the date of the act?

Mr. ALLISON. July 17, 1861.

Mr. HIGGINS. Of course, Mr. President, I am free from the need of argument, so far as the Senator from Colorado is concerned, by his frank admission the other day that if isolated free coinage by the United States would lead to the disparity of the metals he would not vote for it. As a friend to his section and to the miners he does not allow that he is regardless of the interests of the nation in its entirety, and he does not urge the Senate to the action to which he is urging it if he believed it would broaden the calamity which would come from silver monometallism alone.

Now, I call the attention of Senators who believe in free coinage to the point that isolated free coinage would be of no benefit or value to the silver mines and miners and their interests.

I have already alluded to the fact that with the purchase of the American product, 4,500,000 ounces of silver per month, the mines are closed. If we were to have the free coinage of silver at the outset it would bring about an increase in the use of silver, and probably an advance in the price of silver: but unless it brought silver to a parity with gold we should not have established permanent free silver coinage; and if that did not take place, then the silver would be remitted to its bullion value according to the amount which would be used by the whole world, the United States included, and there is no assurance that that use would bring silver to a parity. With gold going out of circulation, as it probably would, the amount of silver required to fill the void thereby made would be large at first, but when that was supplied this country would, like India, go back to the normal annual use, and with that the price of silver would be no greater than it is now.

Mr. President, I grant you that all this is experimental. The contention I have made is in the line of actual experience and demonstrated facts. It seems to me that the silver miners,

manufacturers, and the whole world are shut up for the solution of the silver problem to international bimetallicism. The problem is an international one. The metals were dislocated by the action of the various nations. The metals can be restored and the dislocation removed only by the action of all the nations; and just as the purchase of the American product under the Sherman act is no advantage to the miner to-day, so in a short time our action in restoring free coinage would be of no advantage to the miners, but calamitous to them and all other interests as well.

Mr. DUBOIS. Mr. President, I am very much interested in the Senator's very frank statement of his position, and I should like to ask him, in connection with what he is saying, a categorical question. Inasmuch as he thinks we must rely on international action, after the unconditional repeal of the Sherman act, would the Senator then rest in regard to any further enlargement of the currency where we now are until we have an international arrangement? In other words, would he or would he not supplement this bill by further legislation?

Mr. HIGGINS. I will say to the Senator that I propose to take that up a little later in my remarks, and I do not propose to protract them much longer; but I think, as that is a matter which is open to wide consideration, I will say in answer to the remark of the Senator that I do not see that the silver miners will be benefited by the remedy proposed by the Senator from West Virginia. His proposition is to coin 3,000,000 ounces per month until our silver coinage shall reach \$800,000,000. If the purchase of 4,500,000 ounces of silver per month will not put silver above 74 cents an ounce and 58 cents in the dollar and the mines are closed, I do not see that it will open the mines or advance the price of silver to purchase 3,000,000 ounces a month.

Mr. President, I should be very slow to believe, I should accept with great reluctance the conclusion that international bimetallicism is impossible. It is known on all hands that England blocks the way. France is ready to resume coinage if England will; Germany will resume coinage if England will; Russia has now nothing but paper money; Austria has but one hundred and fifty or one hundred and sixty millions of gold, which she has purchased lately, and probably coined. France is ready and eager to resume the coinage of silver as well as gold, if the world all agree. The entire Latin Union, Holland, and the low countries, and doubtless Scandinavia and Spain would follow.

Mr. GRAY. Spain is in the Latin Union.

Mr. HIGGINS. Yes; Spain is in the Latin Union. It all turns upon England.

We have had a direful picture drawn here of England as the autocrat of the world, the vampire drawing sustenance from this nation and from every nation, and devoting us all to destruction; but the position of England in this matter is one of acute interest. We all know that her representatives at the Brussels conference refused to cooperate in promoting free coinage and gave their ultimatum that they were explicitly and *eo nomine* a gold standard country, gold monometallic, and yet we know that there is in England itself on this subject a very great conflict of interest and a very great conflict of opinion. The agricultural interest of England is unanimous in its demand for the restoration of silver to free coinage. It has felt, as we have felt, the advantage which

India received under existing conditions in selling her grain to England and putting down the price of English grain.

I may say here that in Germany the agrarian party, the largest section of the majority in the present Reichstag, is unanimous in favor of bimetallism and the free coinage of silver being resumed by Germany.

In addition to that, we have the powerful support in England of what may be called the whole Manchester influence, representing the trade of the cotton manufacturers and others between Manchester and India, that trade being largely prejudiced by the difference of exchange with India, arising out of the low price of silver. We have, in addition to that, the simply enormous disturbance which has been created in India itself by the late action of the government in suspending the free coinage of silver on private account.

It threatens to drive to China the very large and, indeed, vast present manufacture of cotton for use in China, which under free coinage has been enjoyed by India, instead of by England. On the other hand, I saw, about the time the Indian transaction was projected, an earnest and urgent protest on the part of the British merchants of Shanghai and Hongkong, in the London Times, against the proposed action of the Indian government in suspending the coinage of silver on private account because of the disturbance it would create there.

Mr. President, I am reminded by the Senator from Massachusetts [Mr. HOAR] that in the make-up of the final conflict in England, which is coming on this issue, when the present contention about home rule shall have either been swept out of the way or in some way remitted to the future, the entire influence of the Irish contingent in the British Parliament, aided by Archbishop Walsh, will be in favor of the resumption of silver coinage by England; but it is not this cursory statement of England's world-wide interests in this problem which alone is to be considered in estimating what is to be done by her ultimately; but you can go into the forum of opinion of her responsible statesmen. I grant you that Mr. Gladstone, in the evening of a ripe old age, shows no interest in this question, and the opinion on the other side seems to be that it is a subject in which Sir William Harcourt, the leader of the Government in the House of Commons, takes no interest; but, upon the other hand, it has received the powerful support of some of the leading British statesmen in the Tory government.

As long ago as two years come next December, Mr. Goschen, chancellor of the exchequer under the Salisbury government, in a speech he made to the Chamber of Commerce of the city of London upon the topic of the budget that he had just introduced, made bold to say that he was not only not a *doctrinaire* gold monometallist, but that he was a bimetalist. The only reason he would give why England should not indulge in bimetalism was the harm he conceived would result, the injury of India, if they took that action. That was the responsible utterance of a responsible British statesman. In that same speech—it was after the Barings failure—he urged upon the monetary councils of the city of London that they must increase their coin reserves, and that on that account he felt it was important that the bulk of silver should be added to that of gold.

But we have had the recent interesting utterance on this ques-

tion of Mr. Balfour, the leader of the Conservative opposition in the British House of Commons, on the 10th of last month, at a meeting of financial magnates called at the Mansion House by the lord mayor of London to consider this question as affected by the recent action of the Indian government. He said:

We have boasted; we have claimed for ourselves that we lead the van of commerce because we are the great upholders of the single gold standard, and yet there is not a man, I venture to say, in the city of London at this moment, not a single man, who would not look with apprehension and with horror at every other nation following so good an example. It is right, apparently it is a dogma, it is orthodoxy to have a single gold standard; but let Germany have a gold standard, let India try and get a gold standard; let the United States go in for a gold standard, and a tremor seizes every one of our commercial magnates; they look forward to a catastrophe; they know that the ultimate result might be a slow appreciation of the standard of value, which is probably the most deadening and benumbing influence which can touch the springs of enterprise in a nation.

But the friends of silver say Mr. Balfour speaks only for himself, not even for his party, to say nothing of the British Government, and least of all for the financial influences of the city of London, which, if they do not make and unmake British governments, are yet all-potential in dictating its financial policies—the power, in short, which disturbs the rest of the junior Senator from Nevada, and variously and frequently described and denounced by him as the “gold trust” and the “Jews.”

Well, on the ability of England to stand the strain in the coming struggle for gold, what do the gold trust, what do the Jews say?

Listen to Mr. Alfred de Rothschild at the Brussels conference, sent there to represent England, the head of the greatest banking house of England and the world, the very expression of the gold trust, and a Jew of the Jews.

On page 72 of the report of the Brussels conference he is reported as having said:

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.

It is with no light heart that the bankers, the Jews, the gold trust itself, which disturbs the imagination of the Senator from Nevada [Mr. STEWART], approach the problem which will be presented to England when, on top of her own demonetization of silver by the Gladstone and Lansdowne governments in India, we add the repeal of the purchase clause of the Sherman law. Then at last in this country there will have been an event, at last the issues will have been joined, the international struggle which has been going on at long range in a fitful and uncertain way will now give way for short swords and deadly conflict.

I have said that this is an international problem. It has been an international conflict. When, under mistaken facts and mistaken reasoning, Lord Liverpool, in 1805, inaugurated the legislation under which England resumed specie payments, he broke away and broke that empire away from the position she had theretofore always occupied. She has enjoyed since then all the benefits arising from the use of the single gold standard, without any of the losses. All bills drawn upon London were payable in sovereigns in the denominations of pounds, shillings, and pence. Hence to-day a large part of the transactions of all

Europe and of all the world go through the banking houses of London, and yet, up to 1873 the two metals were at a parity, but without England contributing to maintain that parity.

France, as I have said, under Napoleon coined both gold and silver at 15 $\frac{1}{2}$  to 1, and the rest of Europe was under the silver monometallic standard. India and the Orient were silver monometallic; so were Mexico and South America, and so, practically, until 1834, was the United States, and thus these metals were kept together, with England getting the benefit. When Germany broke the line this procession began, all Europe followed, and now at last India; and when this bill shall have passed, as I believe it will and ought to do, the United States.

Then it will be England, as Mr. Balfour well put it in his Mansion House speech, not on the gold standard by herself alone and all the world else keeping up the parity of the two metals, but with all the world on a gold standard.

Now, Mr. President, in that struggle for gold, that issue of war which I think we are practically accepting and ought to accept, I do not believe that we will come out the losers. I do not think that we are lessable than England to get and keep our share of the gold, and I say, with all candor and honesty, mistaken or not mistaken, to my friend from Colorado, I believe in the last resort that that is the only remedy for the interests of the silver miners. If it does not help them I can not see any help for them on the earth.

I say I do not fear the issue. With a country geographically a unit, water bound almost on its four sides, spanned by eight transcontinental railways, enjoying more railway mileage than even Europe itself, with 67,000,000 people the choicest of the earth, free from the spectre of war that hangs over Europe hourly, with the possibility that any scheme of revenue we may project will result in a surplus rather than in a deficiency, what in that contention have we to fear? With no public debt left to speak of, having paid off almost all its vast volume in twenty years, what have we, I say, to fear?

You say England has her investments. Yes, and behind her investments rest, and of necessity must rest, the commerce, the manufacturing, the trade, and the business out of which investments grow. If on this experiment it should turn out that there is not gold enough to go around; if your picture is right of the paralysis that will be caused to the world by the deadly blow that is aimed at the vitals of every industry in every country, whoever else may, England can not escape the deadly thrust. Her wise men see it; Balfour sees it; Rothschild admits it, and I say that reluctant as we have been to accept that contest, freely as we have taken device after device to escape it, it is to my mind folly and childishness to ignore the facts that stare us in the face.

When England took the action she did in India it was responsible action, not irresponsible. The issue is joined at last. I believe that the United States is equal to the struggle. I was told by a friend of mine some years ago who was visiting out of curiosity the Bank of England in London, and expressed his wonder at the vast manifestation of wealth before him in its coined hoards, that the governor who was conducting him through it said, "Oh, your country is the richest on the globe." It is. It is the strongest. It is the least handicapped. It strikes

a greater blow; it has more vast resources; it feeds England; it feeds Europe. We are the great surplus-producing country of food products, of cotton, and of all the other things that we have in profusion; and do you say that we, with wise laws and courageous administration, can not arm our Treasury with the means to hold our share in the scramble for gold and to maintain for our people an adequate currency?

Mr. President, I would not ignore the issue. I would accept it without fear. I would meet it boldly and confidently; and I believe that on that course we will reestablish the prosperity of the Republic and bring silver back to \$1.29 an ounce.

Mr. STEWART. I desire to ask the Senator what about the \$500,000,000 per annum we have to pay. Does not that make a little difference to the other side?

Mr. HIGGINS. I say so far as that goes the English investor is quite as much interested in the prosperity and welfare of the commerce out of which that \$500,000,000 grows as he is out of the investment itself.

I think that that is our natural course and that that is our remedy. My friend from Idaho [Mr. DUBOIS] asked me a few moments ago whether if we repeal the act of 1890, I would propose to supply anything in its place. I am very doubtful on a question upon which I think nobody can speak with confidence, as to whether the cause of our panic is not that we have too much money. It is the opinion of a great many acute and sagacious men that we have been going on what is practically a career of inflation that had but one end, and that fanciful schemes have been unloaded on the market on unwitting investors and the public; that towns East, West, North, and South have been boomed and then the booms have collapsed, and that because money was too easily to be got at. No one can tell; but I should say that what the country wants to supply to its currency is elasticity and automatic action; to stop any further issue of fiat Government money, and allow the currency to enlarge or contract according to the necessities and wants of the public through an enlargement of the national-bank act.

I conceive that one of the great misfortunes to this country was the prejudice against national banks in consequence of the conflict made upon the United States Bank by Andrew Jackson. I conceive that we owe an enormous debt of gratitude to the present national banking system. I shall never forget a conversation I had in February, 1863, just after the national banking act had been enacted, with Gen. Whitney, of Massachusetts, the father of the Secretary of the Navy in the first administration of Mr. Cleveland. That law had just been enacted, and he said to me, "This act will go further to put down the rebellion than any other measure of Mr. Lincoln's administration." It did that great service, and it has stood us in stead ever since.

I should say that an extension of the national banking act ought to be had by the provision of law, that in addition to the United States bonds, State and municipal bonds should be made a basis for the issue of currency by them, and in that way sufficient elasticity would be allowed and the country would be in a condition to enter into an international struggle of which I have already spoken; that would be the method through which I would trust to bring back international bimetalism and restore the free coinage of silver.

Mr. President, I have but a word or two more to say. I wish to say, in the first instance, that an impression has gone out—I will not say that it has been sought to be sent out—that in the repeal of the purchase act half the money metal of the world is struck down. It is not. The silver that is coined to-day remains coined unless it should be melted up for the arts. All the British silver remains coined—all the silver of the Latin Union, all that is used by Europe and the Orient, all that is used by us; and to create any such impression as that, whether intended or not, is no better than demagoguery, and the country ought not to misunderstand it.

I did not understand the other day what the senior Senator from Colorado meant by denominating all the silver dollars as subsidiary. I always understood that a subsidiary coin meant coin less than one dollar to make small change, and that the larger silver coin, the dollar, did not become subsidiary because it became, so to speak, a representative money, having a value because of its having to be redeemed in gold. It does not make the friends of free coinage bimetalists because they would coin silver freely, which would bring about silver monometallism; nor are those opposed to free coinage not bimetalists when by taking this decisive act we will follow the only remedy that is open to us and endeavor to compel, if we do not succeed in compelling, England and Europe to realize that there is not gold enough to go around.

If there is not, England will find it out; Europe will find it out, and we will find it out; but we will all find it out together, and we will take our remedy by common action to correct it. If, on the other hand, it should be the result of such an experiment that there is gold enough to go around, with the stores that are now produced annually, with the extent to which credit takes the place of cash, with the employment of credit money by the nations in all their exchanges; if it should be proved definitely that we do not need silver; that it does not bring about a lower grade of prices; that it does not augment the burden of debt; that it does not have the benumbing and deadly influences, as Mr. Balfour puts it, that would flow from both such causes, but that all that is only a figment of the imagination that would be discovered in this last experiment, then the world will have grown out of another delusion, even though it be to the misfortune of silver and the owners of silver mines.

I trust that such will not be the result. I do not believe it will be the result. No representative of a mountain State ever can exceed my interest in the welfare of this people. But I do not forget that the distinguished Senator from Colorado, with all the seriousness which attaches to him and to his position here, claims constantly that his advocacy of the free coinage of silver he would abandon if it was not for the benefit of the country, and that he would not sacrifice the general interest for that of his own people alone.

Mr. President, we have been told that the people demand the free coinage of silver; that it is an outrage upon them to abandon it or not to resume it; that they believe in it. In all conscience, I would ask on what evidence is this claim made.

I understand that the House of Representatives is the popular branch of this Government, and every time that this question has been brought before the popular branch it has voted against

free coinage. If free coinage has any stronghold it is not where the people elect directly, but indirectly, and in the Senate where the silver-producing States have under the accident of circumstances a very large influence in proportion to their population. I do not see where or how, by the ordinary standards, they have any right to claim that they, above anybody else, represent the people. I do not understand why any Senator on this floor claims that he represents the people because he is for free coinage above those of us who are opposed to it.

I know that in this respect I represent the great majority and almost the unanimity of my people. But we have been treated to a patriotic union of the West and South. It is proposed that party lines be broken, old convictions abandoned. The great interests that the people of this country have in the issues of protection and all the other questions which divide parties, it is threatened, shall be thrown to the wind, and the West which is for the people and the South that will not sell its honor are to unite in sweeping into power a new Administration for the free coinage of silver.

Mr. HOAR. Will the Senator allow me to suggest to him in connection with what he has just said that in a place which I will not name, where an expression of opinion two weeks ago on this subject was made by those representing the entire American people, the section of this country west of the Allegheny Mountains voted by 41 majority in favor of the repeal of the act of 1890?

Mr. HIGGINS. Those facts are very interesting.

Mr. President; the important consideration as to this subject is who is right and which one is the heretic. If the opinion of those in favor of isolated free coinage of America is a fundamental error and mistake, no amount of experimental legislation and no amount of invocation of popular support will ever make it sound; and in this hearing there is no one who doubts the sound sense and the absolute patriotism at the bottom of the American people. They only want to know what the right thing is, and it will not make it right for our friends from the silver States or the South to stand up here and advocate, if it be one, an unmitigated heresy, which will not stand the test of time or the forum of unlimited discussion. Whatever is right ought to be maintained and advocated though the heavens fall.

I have listened with comparative indifference and almost impatience to what has seemed to me in one sense, not in another, a trivial discussion as to the meaning of the party platforms. I have the largest consideration for those who thought that the platform of the one party or the other committed that party to free coinage, and that the people were deceived by this action of Democrats and Republicans alike in going against such a measure as that: but I say in all candor to my friends from the South as well as the West, it seems to me that the mistake on your part has been that you have not undertaken to educate your people in what is right.

You have followed instead of leading; you have listened instead of teaching; and when at last your party comes into unquestioned and unchecked power in all the branches of this Government for the first time since it was turned out on its great failure of thirty years ago, you find that responsibility palsies the hand that you had raised, and that you, trusted with the

responsibilities of government, are compelled to come around for what is the true doctrine and the true interest of the country. I say as much to my friends from the silver States. Of course, if my confidence is well placed, that only through international bimetalism can silver be made \$1.29 an ounce, then the position of their present representatives is indefensible, and only contributes to the disaster of their constituents. Of course, they are perfectly earnest and sincere that I am mistaken and they are right. The event will determine.

But if that issue is to come, Mr. President, I have no doubt of the result. You have already seen what has been done in another body. You see what is going to be done in this body. If I may be permitted to state the line of the armies as they stand to-day, beginning with Iowa and Minnesota and taking the States inclusive of them north of the Missouri and the Ohio and the Potomac east to the Atlantic Ocean, you have a solid wall in favor of repeal and opposed to isolated free coinage by the United States; and when that great contention is carried before the forum of the people, there is nothing to show that it would be changed.

I know that the farmers of the South have been left to Populist teachers, and I think to mistaken Democratic leaders who, for whatever cause, whether a want of courage or for whatever reason, have not undertaken to avow the Democracy of Jackson and of Benton and to uphold the cause of sound-money measures. But nature abhors a vacuum. If the Democratic party should not furnish the leaders from the South I beg my friends from the mountain States, that they may not be surprised, to bear in mind that to-day the Republican party of the upper South stands united for repeal and against free coinage.

It gives forth no uncertain sound, and, suppressed as its vote is, denied representation as it is, it is a worthy successor of that great Whig party to whose position the Republican party is slowly if not rapidly tending. But they will not be left alone. In these States, chambers of commerce, boards of trade, merchants, manufacturers, miners, men interested in transportation, banking, finance, all the great interests that constitute the vital energies of the people, are on the side of repeal and opposed to free coinage of silver. Do not think that the farmers will stay deluded, if deluded they already are.

If that issue be joined, if that be the coming fight, whatever may be the course of the States west of Iowa and Minnesota, I have the largest confidence, I may say I have no doubt, as to what will be the attitude of the responsible and substantial people and majorities of the States of the Upper South. I have not mentioned this because I want to bring politics into the pending debate. The exigencies in which the country finds itself rightly demand that partisanship be left aside; but this thing has been thrust upon us, and with no unkindness to the gentlemen who have thought that way, I have ventured to express my opinion as to what will be its result.