REMONETIZATION OF SILVER.

SPEECH

OF

HON. JAMES K. JONES,

OF ARKANSAS,

IN THE

SENATE OF THE UNITED STATES,

FRIDAY, SEPTEMBER 8, 1893.

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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. JONES of Arkansas said:

Mr. PRESIDENT: The present session of Congress was called to begin at an unusual season, to deal with a situation of great gravity. Business seemed to be completely stagnated for the reason that money, while it was present in the country in larger volume than it ever was before, even in the most prosperous times, refused to circulate, but persistently remained out of the channels of business. It was said that money could not be borrowed on gold ore in the West nor Government bonds in the East, yet every one admitted that there never was so much money in the country. This most extraordinary state of things, the result of a stampede, is not inaptly called a panic. This condition developed suddenly and is now passing away. There was no natural cause for it and it could exist but a short time. It was not caused by the Sherman law and will pass rapidly away whether the Sherman law is repealed or not.

But there is another condition, one of infinitely greater importance—a general stringency—which operates in the same line and affects business in somewhat the same way, and which may be and doubtless is in many minds confused with the panic, but which is entirely separate from it. The panic was confined to the United States and was temporary. The stringency is worldwide, has been in operation for years, and will be permanent while present conditions continue. The panic bore the relation to the stringency which the wave does to the tide. The stringency has held on for twenty years, growing steadily more and more oppressive, and it will require for its correction the exercise of the highest ability and the wisest statesmanship. This condition it is our solemn duty to deal with and correct. To do this we must understand its cause. No local cause could produce it, as it involves every commercial nation on the globe. It is the natural result of the action of nations unfriendly to silver, and in the United States it is aggravated by other causes.

The volume of the world's money has been lessened, prices have fallen, bringing distress and ruin to millions in all parts of the civilized world, as the result of this action. So grave has this situation been that in Great Britain it has been the subject of extensive and careful official investigation: of investigation by scientific associations and business organizations, and even now it is agitating the people of that great country as they have not been agitated since that dreadful period between 1840 and 1850, and this morning's papers contain cablegrams announcing that mobs of thousands of people on yesterday drove the entire police force out of certain cities, and the troops are now ordered out to suppress them.

Our country being new, and the greater part of our resources really untouched, we might flatter ourselves that we would be less affected by conditions of this kind than other nations, where conditions were less elastic. But the truth is that, while we have been compelled to bear our share of the common evil, the difficulty of our situation has been aggravated by our system of financial legislation—our tariff laws—which has operated of itself to produce an unjust distribution of wealth, and this has, so far as we are concerned, intensified the evils resulting from a contraction of the currency. On the other hand, we have been in some measure relieved from the full force of the general contraction by a limited coinage of silver, which has during this period added largely to our stock of metallic money.

These two conditions—the local panic and the general stringency—come from entirely different causes, though the abnormal condition resulting from the stringency, made the panic possible. If business had remained undisturbed by legislation during the last thirty years, and had remained in a perfectly natural condition, it would have been impossible to precipitate a panic such as the one through which we are now passing. But the unequal distribution of wealth resulting from legislation on silver and the tariff, making the few enormously rich and condemning millions to poverty, has made it possible for an unholy combination of the unscrupulous rich to make a plaything of the nation's interest.

They are enabled to precipitate a panic with the purpose of compelling Congress to yield to their demands and enact such legislation as they choose to dictate. This is the desperate game in which they are at this moment engaged, and it remains to be seen whether the representatives of 65,000,000 of people will submit to their insolent domination.

But the Senator from New York [Mr. HILL] has spoken better than I can of these people in the following language:

Some portion of the present panic—

I would say rather the whole of the present panic—

may be traced to a concerted effort on the part of numerous monometallists to produce it, in order to further discredit silver as a part of the standard money of the country.

That fact is apparent everywhere we turn. We observe it in their senseless arguments constantly used against free bimetallic coinage and their ceaseless endeavors to confuse the present issue by characterizing it as a contest between monometallism and bimetallism. They seemed to be delighted when the first ray of financial trouble appeared.

They hailed the recent action of India with ill-concealed satisfaction. They talked against silver morning, noon, and night.

They denounced, not simply the Sherman silver-purchase bill, but the future use of silver money. With ghoulish glee they welcomed every bank failure, especially in the silver States, little dreaming that such failures would soon occur at their own doors. They encouraged the hoarding of money; they inaugurated a policy of refusing loans to the people even upon the best of security: they circulated false petitions, passed absurd and alarming resolutions, predicted the direst disaster, attacked the credit of the Government, sought to exact a premium on currency, and attempted in every way to spread distrust broadsast throughout the land.

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

The Senator from New York is a close observer and a man of ability. His position has enabled him to see and understand the causes resulting in the panic through which we are passing, and he has thus left upon record, in clear and forcible language, his opinion of what is the real cause.

This is a correct statement of the case. The panic is now passing rapidly away, and those who raised the storm will not dare attempt to check its abatement, though they are impatient to rush this bill through before the conditions existing a few months ago shall be fully restored. Hence the effort recently to compel us to meet at an unusual hour in the morning: hence the newspaper notifications that night sessions will be resorted to to reach an early vote, and hence the telegram from New York published in this morning's papers that "it was insisted to-night (last night) among the bankers gathered at the Windsor Hotel that VOORHEES must be urged forward."

When we come to consider the wider question of the general stringency it requires no argument to show that a decline in general prices resulting from an insufficient volume of money, running through a number of years, must of itself inevitably result in the course of time in the utter stagnation of business. Falling prices render enterprises which were profitable before unremunerative; render all business ventures doubtful and precarious; make men unwilling to invest, and prevent the supplying of the necessary means for the prosecution of business enterprises by those who have money to lend, for no man is willing to invest his money himself, or to lend it to others to be invested in an enterprise unless he feels morally sure that it will pay.

The effect of falling prices was well described by the Congressional Silver Commission in the following language:

> The peculiar effect of a contraction in the volume of currency is to give profit to the owner of unemployed money through the appreciation of its purchasing power by the mere lapse of time. Falling prices rob labor of its employment, and precipitate a conflict between it and capital. Money is withdrawn from circulation and hoarded in consequence of falling prices, neither paying wages nor serving to exchange the fruits of industry, nor performing the true functions of money

In all ages periods of long-continued falling prices have been periods of stagnation in business, want, and increasing poverty. Such periods have always been dark eras in human history. They have been periods of repression of human effort and ambition, of degradation, and of political, financial, and moral retrogression. They have been periods fruitful of unrest, social disturbance, and revolution: for mankind, having once experienced the sense of freedom and independence, the elevation and higher ambition resulting from prosperous times, are not willing to be forced to a condition of practical serfdom. Having once tasted the sweets of equality under the law they will not, without a struggle, submit to the unequal operation of unjust laws, intended to enrich a few of their fellow-men by imposing burdens upon them.

Mr. Andrews, at the Brussels conference, very strongly stated the feeling of the American people as to the present period of contraction, in the following language:

Gentlemen, as I suggested, a second powerful consideration urges the thoughtful people of the United States to try and rehabilitate silver as money of full debt-paying power. It is this: They wish to stay that baneful, blighting, deadly fall of prices which for nearly thirty years has infected with miasma the economic lifeblood of the whole world. They do not desire to debase the standard of value.

They would have every debt paid in gold or its equivalent, but they do not wish gold arbitrarily and unjustly appreciated. * * * Mark, it is not low prices which we condemn. Low prices, once established, are as good as high; that is to say, the words "high" and "low," in respect to prices, are not absolute but relative terms. The everlasting fall of prices, the act of sinking, is the accursed thing. None profit from it but such as are annuitants and nothing else, and we may be sure that no civilized state is going to legislate to keep prices falling, when the fall is once seen, as it must soon be seen, to injure all but the very few unproductive people who live upon their incomes.

The purpose of the organized attack on silver, which has been kept up for twenty years, was to drive that metal out of use as money, and to that extent to diminish the world's supply of specie and widen the necessity for gold, thereby decreasing the prices of the commodities by enhancing the value of the lessened volume of money. This in its partial success has operated as an enormous drain upon all classes of our people, but has perhaps borne most heavily upon our farmers.

Hon. Daniel Manning, in his report for 1886, speaking of the effect of legislation against silver, said:

The monetary dislocation has already cost our farming population, who number nearly one-half of the total population of the United States, an almost incomputable sum, a loss of millions upon millions of dollars every year.

If these "almost incomputable" sums had remained in the hands of those who had worked for and honestly earned them, this great capital would now be distributed all over this land in small sums in the hands of the people, and there would be peace, prosperity, and happiness, where we have misery, wretchedness, and want. Prosperous people make a prosperous country.

Capital is usually anxious to find and diligently seeks for safe and profitable investment, and with this great reserve of wealth as a security for its safe and speedy return it would now leave its hiding places in the rich and populous East and begin its proper and legitimate duty of giving life to commerce.

Indeed, the money of capitalists has been until recently ready to flow out and to engage in all those various enterprises which live by and prosper upon the prosperity of the people: but now, when to the grinding exactions of this all-pervading system of falling prices and unequal taxation which have sapped slowly but surely the prosperity of the masses, is superadded the evils of a panic, capital is timid, and the Shylocks fear that money parted with will not return again if risked in any business which depends upon the prosperity of the masses for its success; or, if satisfied with the security, they believe that money will rise more rapidly in value than any mere interest they will receive.

The one proposition submitted to us by the Administration for the relief of the country is the immediate and unconditional repeal of so much of the Sherman law as authorizes the purchase by the Government of silver bullion: only this and nothing more.

The President assures us in his message that the Sherman law is, in his opinion, the cause of the present trouble, and he recommends only the repeal of a part of the offending law as the proper remedy for existing evils.

If the present want of confidence has resulted from the Sherman law it must have come from a fear that the Government would be unable to redeem its notes issued in purchase of silver bullion or from a want of confidence in the silver coins of the Government. There is no other conceivable way in which this situation could have resulted from the operations of the Sherman law. and in fact the President gives "lack of confidence in the stability of currency values" as the reason.

But it seems to me that a moment's reflection will show that no such result has followed.

There is no lack of stability in the values of currency, and there is and has been no lack of confidence in such stability. The Government is redeeming the notes issued under the Sherman law as fast as presented, and according to the last public debt statement, of the $149,881,958 of such notes issued, $145,420,209 are in circulation among the people, and though there are millions of dollars of gold in the Treasury which can be had for the asking for these notes, practically none are presented. They are evidently, and have all along been considered just as good as gold, and have been hoarded instead of gold. This, the Senator from Ohio, who is urging the passage of this bill, himself candidly admitted the other day in the course of his speech. There is and has been no run on the Treasury for their payment, as there would be if there was any doubt of their payment.

This is an unanswerable argument. At a time of panic, resulting from an alleged fear that these notes may not be promptly redeemed, they are held and hoarded when gold could be had for them. This is proof positive that there is no want of confidence in them.

Nor is there any want of confidence in the silver coins of the country. This is perfectly apparent from the fact that the more than $500,000,000 of silver, which constitutes one-fourth of all of our money, has been hoarded just as carefully, and has been just as difficult to borrow or get in any way, as is any other kind of money. It is absurd to say that the fear of being paid in silver dollars causes the capitalist to hide away his silver dollars and keep them. Certainly one hundred silver dollars hidden away and kept for twelve months is not as good as a hundred silver dollars loaned on unquestioned security which would be sure to be returned with the interest at the end of the year. Men are not such fools as to hide silver for fear of being paid in silver.

The absurdity of this fear is strongly set out in the following response to a resolution which I had the honor to present to the Senate some time since:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., August 17, 1893.

The PRESIDENT OF THE SENATE:

I have the honor to acknowledge the receipt of the following resolution, adopted by the Senate on the 16th instant, viz:

"*Resolved*, That the Secretary of the Treasury be, and he is hereby, directed to report to the Senate what amount, if any, of the Treasury notes issued under the act of July 14, 1890, commonly called the Sherman act, have been during the present month redeemed by the Government at the request of the holders thereof in silver dollars, and whether the holders of such notes were advised at the time of such redemption that they could have gold instead of silver if they so desired. The Secretary of the Treasury is also directed to inform the Senate whether gold coin has been presented recently to the Treasury Department or any subtreasury and silver dollars asked in exchange therefor: and, if so, if such exchanges have been made, and whether the Department would or could exchange silver dollars for gold coin if requested to do so by the holders of gold."

In response thereto I have the honor to say that during the present month Treasury notes issued under the act of July 14, 1890, amounting to $714,636, have been redeemed by the Government in silver dollars. While I do not pretend to have knowledge of the degree of information possessed by the holders of the notes so redeemed, I am of the opinion that they were fully advised at the time of such redemption that they could have gold instead of silver, if they so desired. I base this opinion upon the general publicity which has been given to the terms of the act, no less than upon the instructions of this Department to the Treasurer and assistant treasurers of the United States, which have been to the effect that such notes were redeemable in silver dollars at the option of the holders. I am also supported in my belief by the fact that in the circular of this Department issued to the public for their guidance in their dealings with the Treasury and containing the regulations which govern the issue, redemption, and exchange of the paper currency and the gold, silver, and minor coins of the United States, there is a paragraph which reads as follows:

"4. Gold coin is issued in redemption of United States notes in sums not less than $50 by the assistant treasurers in New York and San Francisco, and in redemption of Treasury notes of 1890 in like sums by the Treasurer and all the assistant treasurers."

In further response to the resolution I have to say that recently gold coin has been presented at an office of this Department and silver dollars asked in exchange therefor, and that the exchange was not made for the reason that all the silver dollars in the Treasury at the time were required, under the provisions of the laws relating to the currency, to be held in the Treasury to cover outstanding silver certificates and Treasury notes issued under the act of July 14, 1890. At present the Department would not and could not exchange silver dollars for gold coin if requested to do so by holders of gold for the same reason; but if the condition of the funds of the Treasury were such as to afford a margin of silver dollars in excess of silver certificates and Treasury notes outstanding, such exchanges would be made.

Respectfully yours.

J. G. CARLISLE, *Secretary.*

We are told that the reason people have withdrawn their deposits from the banks is a fear that the Government will not be able to make its promises good. We have already seen that this is absolutely without foundation, for all classes of Government money have been laid away in deposit vaults side by side. Her promises to pay are not presented for redemption in any unusual quantities, but this is not so of the banks. These have had their obligations presented for redemption in amounts approaching $200,000,000. This difference is easily understood. There was no payment demanded from the Government, because there was no fear of the Government, and payment was demanded of the banks, because of a want of confidence in the banks.

Was not this fear born of wisdom? Has not the event proved that this want of confidence was well founded? We have the remarkable spectacle of banks claiming to be entitled to the respect and confidence of the business community, admitting that they have money on deposit which is due on demand, and yet refusing to pay, impudently telling those whose money they have that in the opinion of their lordships of the banks that twenty or fifty dollars a day each is as much as they should have, and they will give them no more. Will not men hereafter who have money to use hesitate long before allowing it to fall into such hands, and is not the man fortunate who has drawn his money out? If these banks desire to restore confidence, it seems to me it could best be done by promptly paying all demands when due, as long as they have any money. It would be an honor to a bank to suspend rather than be kept open by such methods.

The demand made upon us now is that there shall be an unconditional repeal of so much of the act of July 14, 1890 (commonly called the Sherman law), as provides for the purchase of silver bullion. I for one voted against the enactment of that law, but I am not now ready to vote for the repeal of a small part of it, and that its only redeeming feature, leaving the greater and worst part of it still on the statute books.

In fact, the platform of the party to which I belong, and under which the control of the Government passed into our hands, declares that the Sherman law was a "cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its speedy repeal." That platform did not declare for the repeal of a part of the Sherman law, but for the repeal of the whole of it.

What did the Sherman law do? It repealed the Bland law. It authorized the Secretary of the Treasury, as construed by him, to completely and absolutely suspend the coinage of silver, which has been done. It prevented the increase of over $2,000,000 per month in the volume of our metallic currency. It authorized the purchase of silver bullion and the issue and payment therefor of Treasury notes which should be a legal tender and receivable for customs dues. The issue of these Treasury notes, amounting to three or four millions of dollars per month, increased the volume of currency more rapidly than the Bland law did, and there have been issued, and are now in circulation, about $150,000,000 of these notes, and the volume of the nation's money has been increased by them to that amount.

The great vice of the Sherman law and its leading purpose was that it was intended to stop the coinage of silver, and it was against this great iniquity that the Democratic party declared itself when it denounced that law as a "cowardly makeshift."

Democrats have always believed in the money of the Constitution. We believe in making money of gold and silver and maintaining the parity between them. I stand ready to carry out the pledge of my party to repeal the Sherman law, the "cowardly makeshift," the whole of it, but I will not, in pretended compliance with that pledge, vote for the repeal of the only good features in the bill, leaving its iniquities in full force and effect. The provision for the purchase of silver bullion and the payment for it in new Treasury notes was intended to catch the votes of Senators from the silver States and did deceive and mislead them to the great injury of the cause of silver and of their people.

If the coinage of silver was to be stopped, it was proper that some provision should be made whereby there should be some increase in the volume of currency. This would in some measure compensate for the wrong of suspending coinage, and was the only feature in the Sherman bill which was not directly antagonistic to the public interest. To repeal this provision and leave the remainder of the bill in force is in no sense a compliance with the requirement of the Chicago platform

The whole scheme of the enactment of the Sherman law was shrewdly devised and cunningly carried out, and now those who were active in concocting it are ready to repudiate the interest of the silver Senators and their people in their determination to carry out their work to its legitimate result. I can not be a party to the consummation of this wrong. I believe that to repeal that part of the Sherman law which provides for the moderate increase of the circulating medium under a pretense that it is a compliance with the Democratic platform, would be a more "cowardly makeshift" than the Sherman law itself, and that it will be as great a fraud as the action of 1873 was, and that it will be as great a thorn in the sides of all bimetallists who aid in it as the Sherman law was to the silver men who supported it. It can not escape our attention that the same cunning and astute brains conceived both; that the same cafty financiers who covered their real purpose so deftly in the Sherman law are now keeping in the background their real purpose to destroy silver under the nonpartisan and patriotic pretense of giving relief to the country.

I do not believe that the present state of affairs has resulted in any considerable degree, if indeed in the slightest, from the Sherman law. Only a few months ago we were told on every hand that gold was going out of the country as the result of the Sherman law, but now that gold is returning more radidly than it went out, with the Sherman law still unrepealed, it is rare that you find a man so hardy as to assert that opinion. When we buy more than we sell, we are compelled to settle the balance. When we sell more than we buy, the rest of the world must settle with us and gold goes out or comes in as the result of this simple cause, the balance of trade.

Now we are told that the Sherman law has caused the panic and must be hurriedly repealed to give relief. Relief is coming, and in a short time the panic will have been a thing of the past. It was an unnatural scare, artificially gotten up to accomplish a purpose. Good men have been led to believe the repeal of the Sherman law necessary to relieve the country from the effects of this panic. When they come to see, as they must, that there is no connection between the two, how can friends of silver, friends of the people, vote longer against silver under such a pretense?

We are assured that if the purchasing clause of the Sherman law is not repealed foreigners will not invest in our securities, but will send those they now have home for sale, and will do so for fear of being paid in silver. And we are further told that immense numbers of these have already been sent home as the result of this fear. It can not fail to be clear to any thinking man, with but a moment's reflection, that this is one of those arguments by the monometallists which were characterized by the Senator from New York as "senseless."

If any securities other than Government bonds are offered in Europe the parties can contract for payment in any currency they choose. They can make them payable in gold if the purchasers fear being paid in silver, and no silver legislation can affect them. No fear of silver can prevent their sale. As to the danger of having American securities now held abroad returned, it is clear that they will not be given away if they are returned, and they can not be collected until they are due. If they are sent home, it will simply be because there is a better market for them here than elsewhere, and because the owners of them having lost heavily in the calamities which have overtaken Australia and the Argentine Republic, are compelled to realize on something that will bring money with which to make their losses good.

If sent at all, it will be because our people are willing to buy and pay cash for them at rates which the foreigners think satisfactory. When money will not be loaned by our people on such securities as gold ore or Government bonds, and yet they offer such prices for the purchase of American securities as causes them to be sent home in great numbers, it certainly shows that they have faith in these securities, and that they are getting them at such prices as will yield them larger returns than mere interest, no matter how well secured.

The argument certainly will not be held to apply to Government securities by any man of ordinary intelligence. The Senator from Indiana the other day stated the simple truth when he said:

Sir, no candid observer of existing public facts can believe that this attempted panic and business distress has been inspired by any real fear, or genuine want of confidence in the credit of the Government, or in the soundness and stability of its various kinds of currency.

And further—

The national credit of the American Republic, tried by every other test which can be applied, is better and stronger to-day than the credit of any other government on the globe. Her bonds, her promissory notes to pay her debts, as they may be called, bearing a low rate of interest, stand at a premium in the money markets of the whole earth, and even the cold, cowardly instinct of hoarded, inactive, interest-hunting capital, in its cautious search for permanent investments, seizes upon them with swift greed wherever they can be found. The safety of the security appeases somewhat even the usurer's highly seasoned appetite for richer profits.

When silver was first stricken from our coinage laws, in 1873, there can be no pretense that it was done because of the low price of silver bullion. The bullion in a silver dollar was at that time worth more than a dollar. The fall in the value of bullion, which was the result of the attack on silver, is now used as a reason for a further attack. This only shows that the real reason for the attack is to be found in something else, and that something is the interest certain wealthy classes had in lessening the volume of money, to thereby increase the value and purchasing power of the remainder. That such has been the effect no well-informed man can deny.

Cotton, the great crop of the South, the crop upon which our people absolutely depend for whatever of prosperity they have, the crop which settles vastly more of European balances than gold, has declined in price from 20.1 cents per pound in 1873, as shown by the official Government reports at this moment before me, to about 6 cents now. It is estimated, as shown by Senator VANCE, in his very able speech recently, that this decline entailed a loss on cotton products of $1,410,000,000 up to 1890 and it has been proportionately heavier since.

Wheat, the other great market crop of the country, and that upon which the prosperity of the great Northwest depends, does not sell to-day for one-half, or I am not sure that I might not safely say one-third of what it brought then. This is said to have resulted in the loss of $1,700,000,000 to wheat-growers up to 1890. This enormous decrease runs through all prices of real as well as personal property.

But take the table of, index numbers, being an average made up of forty-five principal commodities on the one hand, and silver on the other, and compare the decline, as shown by the table made up by Sauerbeck, as follows:

Year.	Forty-five commodities.	Silver.	Year.	Forty-five commodities.	Silver.
1874	102	95.8	1884	76	83.3
1875	96	93.3	1885	72	79.9
1876	95	86.7	1886	69	74.6
1877	94	90.2	1887	68	73.3
1878	87	86.4	1888	70	70.4
1879	83	84.2	1889	72	70.2
1880	88	85.9	1890	72	78.4
1881	85	85.0	1891	72	74.1
1882	84	84.9	1892	68	65.4
1883	82	83.1			

Money is said to be a measure of value, and a measure of value ought certainly to have stability of value. A fluctuating standard is an abomination and a disgrace. The God of Heaven has said: "Thou shalt have a perfect and a just weight; a perfect and just measure shalt thou have."

The Senator from Massachusetts [Mr. HOAR] quoted approvingly the other day, in his very able speech, the statement of Mr. Balfour, that money "should be a fair and permanent record of obligation over long periods of time;" and it was long ago said that without stability of value money was a fraud. The present situation is a striking illustration of the truth of the proposition.

It is as clear as anything can be made that gold has not this characteristic, and that the effect of striking down silver as a money metal has been to vastly increase the value—the purchasing power—of gold: that the value of all time contracts has been enormously increased thereby; that the value of all fixed incomes have been greatly enhanced, without any consideration whatever, and that the burdens of labor and all who owe debts have been thereby vastly increased.

It is said that England holds $10,000,000,000 of the obligations of other nations and people. The census reports show that the national debts of the civilized nations of the earth amounted in 1890 to the almost incomprehensible sum of $28,660,187,357.

When to this enormous sum is added the bonded debts of the thousands of corporations and the time contracts of business men and municipalities, it is easily seen what an incalculable burden is imposed upon the productive classes of mankind by any increase in the value of the money in which these obligations are to be paid.

It can not be denied that there has been a steady and apparently a general fall in prices since 1873. This decline is to be accounted for in but one of two ways: Either that there has been an improvement in the methods of production affecting general prices, or the measure of value has increased in value.

It has often been the case that an invention which has greatly increased the production of any one commodity has lessened the cost and lowered the price of that article, but it is inconceivable that such agencies should affect general prices. A general decline in the prices of all products and commodities of 10 per cent occurring at the same time would indicate not that there had been a general improvement in methods of production in all commodities to that extent, for that would be absurd, but it would clearly and plainly mean an advance of 10 per cent in the value of the thing by which values were measured—that is, money: and the distinguished monometallist, Mr. Giffen, who is recognized as one of the ablest and most accurate statistical authorities living, although a monometallist, is driven by his investigations to admit that the great and steady fall in prices since 1873 was really a rise in the value of gold, and not a fall in the value of commodities, and that such rise in the value of gold resulted from its increased use by reason of legislation unfriendly to silver.

In a paper read before the Royal Statistical Society of England, he, in speaking of a former prediction of his, that in consequence of the increased demand for gold, consequent upon the action of 1873, that it would increase in value, and that this increase would be shown by a decline in general prices, used the following language:

If the test of prophecy be the event, there was never surely a better forecast. The fall of prices in such a general way as to amount to what is known as a rise in the purchasing power of gold is generally, I might almost say universally, admitted. There is much assertion in some quarters that there is no appreciation of gold, but the assertion is made by those who attach a meaning, or think they attach a meaning, to the words, which I confess I am unable to make out and express in my own language, and there can, at any rate, be no doubt that as the phrase is here limited and defined we have for some years been in the presence of the phenomenon known as the appreciation of money.

Measured by any commodity or group of commodities, usually taken as the measure for such a purpose, gold is undoubtedly possessed of more purchasing power than was the case fifteen or twenty years ago, and this high purchasing power has been continued over a long enough period to allow for all minor oscillations.

And in the course of this paper he distinctly recognizes the expression, "fall of prices," as a synonym for rise in the value of gold.

It may not be out of place in this connection to call attention to what this distinguished economist said would be the future effect of this appreciation of gold. He says:

On the whole I see no other outlet from the situation than in the gradual adjustment of prices to the relatively smaller and smaller supply of gold which must result from the increasing numbers and wealth of the population of gold-using countries.

And upon another occasion, upon the same subject, he used the following language:

If it is found that the annual supply of gold, now that the transition period may be considered over, is not sufficient to maintain things in what we may call an equilibrium, and there is a constant increase in population and in the resources of mankind from time to time going on, and the supply of new money is not quite equal to keeps things at equilibrium, then we may have a long continued fall of prices from generation to generation, and this will probably have very great effect as time goes on. We may perhaps have what may be called a permanent transition period, as far as I can see.

When we remember the terrible consequences which have followed periods of great contraction, this admission of that eminent economist may well cause us to hesitate before taking a step which will aggravate these evils. The contemplation of the misery, ruin, and degradation which must follow in the train of this perpetual fall of prices is appalling. If the people of this country are fit to be free they will not submit tamely to any legislation intended to increase the evils which the present circumstances seem to render inevitable.

Commenting upon the paper to which I have just referred and at the time of its being first read, Prof. Foxwell, himself an eminent economist, after congratulating Mr. Giffen on the cleanness and force of his paper, speaking of the situation, said that he regarded it as a most serious one.

Mr. Giffen had said that the redistribution it involved spelt ruin to individuals. Unfortunately it affected the relation not only of individuals, but of great political classes. Injury to individuals they might possibly regard with complacency, but injury to classes caused social discontent, and this kind of redistribution might spell revolution.

Great Britain will, in my opinion, submit to a greater degree of oppression from this class of wrongs than our people. They have been accustomed to look upon artificial classes in society for centuries and legislation intended to benefit one class at the expense of the general body of the producers of the nation would be resented and resisted at a much earlier period here than there.

Prof. Jevons has estimated the advance in the value of gold from 1810 to 1848 at 145 per cent. The stringency through which the world is going now is said by Mr. Giffen to be a period of "great likeness" to that. But I quote his language:

It is easy to see that the period between the early part of the century and the eve of the gold discoveries, 1848-'50, was one of great likeness to the present period since 1873. In both there was the same steady fall of general prices, a fall which has long been recognized in spite of the unwillingness of many economists, such as Tooke, to speak of it as a rise in the purchasing power of money. * * *

Hence the general likeness between the period 1815-'45 and the present time. Appreciation of money shows itself in both periods in much the same way, and is of much the same type, though I am inclined to think that the advance in real wealth before 1845 was not so great as it has since been.

The terrible consequences of the great increase in the value of money prior to 1848 are well known, and relief came only through the discovery of gold in California and Australia, and the consequent enormous increase in the volume of the world's metallic money.

Sir Archibald Alison, in his History of Europe, thus describes the results of the increase in the volume of the precious metals and the wonderful relief which followed immediately:

The annual supply of gold and silver for the use of the globe was by these discoveries suddenly increased from an average of 10,000,000 pounds sterling to one of 35,000,000 pounds. * * * The era of the contracted currency and consequent low prices and general misery, interrupted by passing gleams of prosperity, was at an end.

Prices rose rapidly and rose steadily; wages advanced in a similar proportion; exports and imports enormously increased, while crime and misery as rapidly diminished, emigration itself, which had reached (in 1852) 368,000 persons a year, sank to little more than half that amount. Wheat rose from 40 shillings to 55 shillings and 60 shillings; but the wages of labor advanced in nearly as great a proportion; they were found to be 30 per cent higher on an average than they had been five years before. In Ireland the change was still greater, and probably unequaled in so short a time in the annals of history.

Wages of country labor rose from *4d.* a day to *1s. 6d.* or *2s.*; convicted crime sank nearly a half; and the increased growth of cereal crops under the genial influences of these advanced prices was for some years as rapid as its previous decline since 1846 had been.

At the same time decisive evidence was afforded that all this sudden burst of prosperity was the result of the expanded currency, and by no means of free trade, in the fact that it did not appear until the gold discoveries came into operation; and then it was fully as great in the protected as in the free-trade states.

This wonderful amelioration of the condition of mankind was the result of the increase of the volume of metallic money, and nothing else. The conditions then were identical with the conditions now. The remedy which gave relief then is simple, plain, and well understood. Why not apply the same remedy now? We are the great producers of silver. God, in His infinite wisdom, has intrusted it to our keeping. Let us swell the volume of our metallic money until gold is relieved of some of the present pressure upon it, and it shall be brought to represent value more steadily than it does now.

No one has ever attributed the relief of Great Britain from the terrible sufferings to which her people were exposed to any but two causes: to the great increase in the volume of money, and to her free-trade laws. Both, perhaps, had an influence in the wonderful prosperity that marked her career from that time, and it is somewhat remarkable now to see American representatives, when we are surrounded by exactly the same conditions, advocating a decrease in the volume of money and the perpetuation of restrictive tariff laws as the remedy for our ills.

I heartily join in the demand for "an honest dollar"; a dollar that is steady in value; a dollar which honestly keeps a record of obligations over long periods of time; a dollar which does not rob the creditor, but which returns to him at the end of the contract all that he parted with at the beginning, and at the same time a dollar which does not rob the debtor, and which takes from him only so much of his effort, of his labor, as was contracted for at the beginning.

Gold alone, without silver, does not furnish such a dollar. The logic of events demonstrate that to all reasonable men, but it has always been a grinding and exacting taskmaster, reaping where it has not sown. We have seen in the course of this discussion that gold is steadily increasing in value. For the effect of this let me quote again the language of that distinguished Englishman and resolute monometallist, Mr. Giffen:

> A creditor nation is able to draw more from its tributaries, who have to pay it in the appreciating money, than it would otherwise be able to draw. To pay the same debt they must send to their creditors 30, 50, perhaps 100 per cent more produce than they would otherwise have to send. There is no doubt that in this sense the weight of the gold debt of a debtor country like India, or the United States, has enormously increased of late years.

Another distinguished Englishman said, some time since:

> We have a clear and definite idea that silver has not depreciated at all; it is simply gold that has risen. In illustration of this I would point out how the deterioration in the price of wheat affects the people of the country. It is quite a fact that a very large proportion of the national debt of this country, upon which we are called upon every year to pay interest, was accumulated at a period when 15 quarters of wheat would buy a consol. To-day it takes 75 quarters to pay it off.

A dollar which even our creditors confess is thus enormously increasing the burdens of our debts, and for which we are to receive no consideration whatever, is not an honest dollar, but is a cheat and a fraud. I shall to the best of my ability oppose the permanent adoption of this as the only coin of the United States, but will endeavor to associate with it the whiter and honester dollar of silver in the hope that its vices may be cured.

Secretary Manning, in his report for 1886, used this strong and suggestive expression:

> The mischief pregnant in Great Britain's silver boycott of 1816 leaped to light when Germany, in 1873, imitated that imperial blunder.

The great Secretary admits in the course of this report in express terms, and by implication in the language just quoted, that the demonetization of silver by Great Britain in 1816 had done no practical harm until Germany had joined her in 1873. While he characterized the conduct of Great Britain as an "imperial blunder," he admitted that it accomplished no harm until "equipped with the ransom paid into the imperial treasury by a rich but vanquished power, the statesmen of Germany determined, at any cost, to possess her of the gold fetich." This union of these two great powers in an "imperial blunder" made it for the first time effective and harmful.

If this opinion of Secretary Manning be correct, the greater number of countries that join in this blunder the greater will be the evil consequences. It certainly can not be claimed that the aggravation of this evil renders it harmless. Why, then, are we asked to join in the aggravation of this blunder? Shall we do evil that good may come? God forbid!

I assume that every bimetallist will cordially agree that this action of Great Britain was a blunder, if not a crime, and, so believing, it is beyond my comprehension how they will vote to place the United States in the exact position she was, with regard to this question in 1873, when, without the knowledge or consent of her people who are supposed to be masters here, she became a party to this great blunder. An indignant and outraged people compelled a relaxation, a partial retracing of that step in 1878, but it was against the earnest protests of the bondholders and against their most vigorous efforts.

From that time to this the people have been demanding full coinage of silver. On the other hand, "the idle owners of idle capital" have been demanding its demonetization. We are at this moment, in my opinion, engaged in a final struggle to determine whether the people or the plunderers will win. If this bill passes, we can not shut our eyes to the fact that we have gone back to and after twenty years of discussion have ratified the great fraud of 1873. And I fear that none of us will ever see relief from this wrong unless it shall come in a way the mere contemplation of which makes us shudder.

Why should we destroy silver? The common argument now is that because the bullion value of silver contained in a dollar is less than its coin value it is unfit for money. That was not the reason for passing the law of 1873, for then the bullion was worth more than the coin dollar. I am sure that it was no special antagonism to silver that caused the passage of that act. It was simply a determination to destroy one-half of the world's metal money for the purpose of increasing the power and value of the other half and increasing the value of bonds. The people live by industry; bondholders live upon it. This is their vocation, and the purpose of this law was simply to enable them without rendering any equivalent therefor to get a large share of the profit of the world's labor.

I believe in paying to the uttermost farthing everything that is due from an individual or a nation, but I will never be a party to taking the bread from the mouth of honest labor to swell the fortunes of parasites. I will never help to turn these political warts into cancers.

The action of 1873 was not thoughtlessly or unwittingly taken. Ernest Seyd foretold with startling exactness what the consequences of that step would be before it was taken. He said, in 1871:

It is a great mistake to suppose that the adoption of the gold valuation by other states besides England will be beneficial. It will only lead to the destruction of the monetary equilibrium hitherto existing and cause a fall in the value of silver from which England's trade and the Indian silver valuation will suffer more than all other interests, grievous as the general decline all over the world will be.

And—

The strong doctrinism existing in England as regards the gold valuation is so blind that when the time of depression sets in there will be this special feature: The economical authorities of the country will refuse to listen to the cause here foreshadowed; every possible attempt will be made to prove that the decline of commerce is due to all sorts of causes and irreconcilable matters. The workman and his strikes will be the first convenient target, then speculation and overtrading will have their turn.

Later on, when foreign nations, unable to pay in silver, have recourse to protection; when a number of other secondary causes develop themselves, then many would-be wise men will have the opportunity of pointing to specific reasons which in their eyes account for the falling off in every branch of trade. Many other allegations will be made totally irrelevant to the real issue, but satisfactory to the moralizing tendency of financial writers.

This prediction has been fulfilled with marvelous accuracy.

I have read a recent statement by Sir Guilford Molesworth, a distinguished member of the House of Commons, that iron industries in that country are said to have lost in the last few years $800,000,000 and the estimate of losses by the owners and occupiers of land is $750,000,000. The silk, woolen, and cotton industries are struggling for an existence, and it is said that now tenant farmers are losing $100,000,000 a year, and it was estimated that during the year 1885 this class of farmers lost $214,000,000.

All this has been in turn attributed, as predicted, to strikes and labor agitations, bad harvests, inflation of credit, excess of production, overtrading, improved machinery, and spots on the sun. And in the United States it is accounted for by fear of a reduction of taxes and too much silver money, which more than one statesman asserts that too much money of all kinds is the sole cause of all this trouble. The situation was graphically and truly described by another eminent Englishman, when he said:

Land and capital are despoiled and enterprise decaying that a nation's creditors may grow fat in idleness upon the unearned increment of gold. * * * As gold gets scarce, it seems to get cheaper: that is, the bank rate falls, but this is not a mark of the real cheapness of abundance: it is only a symptom that, because trade and enterprise are collapsing, no one can profitably employ capital, and therefore money is a drug.

I favor the coinage of silver for the reason that I believe as large a supply as possible of gold and silver money is best for the material interests and advancement of the people. Specie is necessarily the basis of all paper money, whether issued by the Government, private individuals, or corporations, and the larger the percentage of coin in our actual circulation the more stable will it be and the more confidence will it command.

More than 98 per cent of what are called cash transactions in the banks are of paper, and more than 90 per cent consists of the paper of individuals.

The President's message intimates that we are in the presence of a danger of having the gold leave this country. If this should be the case the exportation of gold would take place under what is known as the Gresham law. That law, however, becomes operative only when there is a redundant currency. The argument that the Sherman law will put us on a silver basis assumes two things: First, that we now have, or will have if the Sherman law remains unrepealed, a redundant currency; and second, that a silver dollar is less valuable than a gold dollar.

It seems to me impossible that our gold and silver money is, or can in any reasonable time become, redundant. Let us for a moment look at the facts.

The Treasury Department has made some investigations in this line, and I quote from the official report of the Comptroller of the Currency for 1890, and under the head of "substitutes for money" he says:

In 1881 Hon. John Jay Knox, then Comptroller of the Currency, called upon all national banks to report their entire receipts and payments for two days esignated, so classified as to separately show the amount of gold coin, silver coin, paper money, and checks and drafts, including clearing-house certificates. The reports received in response to the call then made were compiled and tabulated, and published in his annual report for that year.

In 1871, at the request of the late President Garfield, the then Comptroller asked for a statement of the receipts of fifty-two national banks, and in his speech on resumption, delivered in the House of Representatives on November 16, 1877, he indicates the location of the banks selected, and states the facts elicited in the following language:

"In 1871, when I was chairman of the Committee on Banking and Currency, I asked the Comptroller of the Currency to issue an order naming fifty-two banks which were to make an analysis of their receipts. I selected three groups. The first was the city banks. The second consisted of banks in cities of the size of Toledo and Dayton, in the State of Ohio. In the third group, if I may coin a word, I selected the 'countriest' banks, the smallest that could be found, at points away from railroads and telegraphs. The order was that those banks should analyse all their receipts for six consecutive days, putting into one list all that can be called cash, either coin, greenbacks, bank-notes, or coupons, and into the other list all drafts, checks, or commercial bills. What was the result? During those six days $157,000,000 were received over the counters of the fifty-two banks, and of that amount $19,370,000 (12 per cent only) in cash, and 88 per cent, that vast amount representing every grade of business, was in checks, drafts, and commercial bills."

With this exception, no attempt had ever been made prior to 1881 to ascertain the extent of the use made of substitutes for money in banking operations in the United States. A proper solution of this question will greatly aid in any attempt which may be made to ascertain the amount of circulating medium necessary to the proper conduct of the business of the country. The gradual retirement of national-bank notes has attracted public attention to this matter, and great prominence has been given to it in recent discussions in Congress and elsewhere.

Being profoundly impressed with the importance of the great interests involved and desiring to assist so far as possible in the ascertainment of all facts necessary to a perfect understanding of the situation, the Comptroller deemed it best to again ask the associations under his supervision to carefully note and report their receipts for two days named. As a comparison with the results obtained in 1881 was important, it was thought best to select corresponding days in 1890. In the former year June 30 and September 17 were designated; in 1890, July 1 and September 17. In the call for 1890, July 1 was substituted for June 30, for the reason that the latter date this year fell on Monday, which day of the week it was thought would not exhibit an average day's business.

The necessary communications were prepared on the 16th day of June last and mailed to 3,438 national-banking associations, that being the number authorized to do business at that date. A blank form was furnished upon which the entire receipts for the day designated were to be entered and properly classified.

Reports were received from 3,364 national banks out of the 3,438 addressed, exhibiting their receipts for July 1, 1890.

Similar statements have come to hand from 3,474 associations out of 3,484 addressed, giving the same information as to the transactions of September 17, 1890.

On both these days a few banks neglected to take the necessary precautions, and in these cases other near dates, which would represent an average day's business, were substituted. Several of the banks not reporting were recently organized and had not opened for business on the dates for which statements were required.

The total receipts of the 3.364 banks on July 1 last were $421,824,726. Of this sum $3,726.605 was in gold coin. $1,352.647 in silver coin, $5,427.973 in gold Treasury certificates, $6,442.638 in silver Treasury certificates, $7,881.786 in legal-tender Treasury notes, $5,244,967 in national-bank notes. $520,000 in United States certificates of deposit for legal-tender notes, $189,408,708 in checks, drafts, certificates of deposit, and bills of exchange, $4.391,177 in clearing-house certificates, $194.290,203 in exchanges for clearing-houses, and $2,138.022 in miscellaneous items not classified.

Of the total receipts on that day .89 per cent was in gold coin, .32 per cent in silver coin, 1.52 per cent in gold certificates, 1.53 per cent in silver certificates, 1.87 per cent in legal-tender notes, 1.25 per cent in national-bank notes, 12 per cent in United States certificates of deposit for legal-tender notes, 44.90 per cent in checks, drafts, and bills of exchange, 1.04 per cen, in clearing-house certificates, and 46.56 per cent in exchanges for clearing-houses, including miscellaneous items.

It will thus appear that of the total receipts 7.50 per cent was in coin and paper money, and the remainder, 92.50 per cent, consisted of checks, drafts, bills of exchange, etc., in which is included exchanges for the clearing houses, clearing-house certificates, and miscellaneous items.

The total receipts for the 3,474 national banks on September 17 last is stated at $327.278,251. Of this amount $3,702,772 was in gold coin; $1,399,991 in silver coin: $6,159,305 in gold Treasury certificates: $5,908.714 in silver Treasury certificates: $7.665.666 in legal-tender Treasury notes: $4.371.778 in national-bank notes: $105.000 in United States certificates of deposit for legal-tender notes: $168.803.756 in checks, drafts, and bills of exchange; $2,428.834 in clearing-house certificates: $126.596,873 in exchanges for clearing houses, and $135.562 in items not classified. The relative proportions of the several items are stated thus:

Gold coin, 1.13 per cent; silver coin, .43 per cent; gold certificates, 1.88 per cent: silver certificates, 1.81 per cent: legal-tender notes, 2.34 per cent: national-bank notes, 1.34 per cent: United States certificates for legal-tender notes, .03 per cent: checks, drafts, and bills of exchange, 51.58 per cent: clearing-house certificates, .74 per cent, and exchanges for clearing houses, including items not classified, 38.72 per cent.

By consolidating the several items into two classes, we find that 8.96 per cent was in cash and 91.04 per cent in checks, drafts, and other substitutes for money.

We are thus officially informed that in all of the cash transactions of the national banks, only about 7½ per cent are in what is usually called cash, including all forms of paper money, and less than 2 per cent are in specie. It is a little curious to note the relative proportions of gold and silver in this small amount.

On one of these trial days there was in $100, $1.13 in gold coin and 43 cents in silver, making a total of $1.56. On the other day there was in $100 89 cents in gold and 32 cents in silver, making $1.21 in coin.

If these transactions had consisted of more real money and less of substitutes for money, would not the business of the country have rested upon a securer basis, and would there not have been much less likelihood of the present collapse in business and general want of confidence? Is it not a wonder that there ever could have been any confidence in a situation which had so little of substance? When this occurred our specie was: gold, $695.563,029, silver, $456.908.609; making a total of $1,152,471,638. Until there is as much as 2 per cent of our cash transactions, our bank transactions, in specie, there seems to be small danger of a redundancy of metallic money.

The Senator from New York [Mr. HILL], in the course of his speech the other day, declared himself in the following language:

It will be observed from what has already been stated that the permanent remedy for our financial difficulties is a return to the bimetallism which existed prior to 1873. Nothing else will do it. We have tried everything but the right thing. It has been stated over and over again during the present debate, especially in the other House, that the country has tried the experiment of silver coinage, and that it has proved a failure, and that therefore we should now return to a gold standard. The country has not tried free coinage since it was unwittingly abandoned in 1873. but it has tried a limited and restricted coinage, silver purchases, the accumulation of silver bullion, and a depreciated currency, all of which have been forced upon the country by monometallists through miserable compromises obtained from silver men.

The Senator broadly declares that the only real remedy for the present situation is bimetallism, and bimetallism as it existed prior to 1873. I agree with him in this, and I believe that a decided majority in this body do. If this is so, why do we not promptly apply the remedy? I have demonstrated that our great need is a larger volume of metallic money. A measure providing this can be carried here infinitely easier than the pending measure. In fact, a bill for that purpose must be voted on and voted down before the pending measure can come to a vote. Can the Senator, after his declaration, vote against such a measure? Certainly not. How can Democrats, who profess themselves to be friends of silver, justify a vote against that proposition? That bill which provides for coinage of silver as the law was prior to 1873 will carry a full and complete repeal of the Sherman law. It will be a full and complete compliance with the pledges of the Chicago platform. These propositions are entirely harmonious. They are thoroughly consistent, are counterparts of each other, and neither is reasonable, logical, or Democratic without the other. If Democrats who say they are friends of silver will vote as they talk, we will pass this measure. We only need their help to make it certain. They can not vote to deny silver to the country when they know their duty leads in opposite directions.

Every silver Senator in this body knows that a very large majority of those who favor the passage of this bill do so because they believe it will be the end of silver coinage now and forever. A few of the more courageous say so, but those who have accomplished their political purposes by indirection heretofore hint vaguely that at a proper time the silver question will be taken up and "properly dealt with"—whatever that may mean. No bimetallist can justify himself in joining these people in the accomplishment of their purpose.

The people are not deceived, and it will be difficult to make them believe that anybody is. They know that the active, leading spirits in this movement are, and have been for years, the sworn enemies of silver. There is no promise on record from any one of them that there shall be any silver legislation, and if there were they would not keep it, and we all know that they intend that there shall never be a silver-coinage bill passed The passage of this bill will place siver exactly where it was by what was called the "gigantic fraud" of 1873. This no man can deny.

It has been said that the Sherman law prevented the passage of a free-silver bill in 1890. How did it do this? Not certainly by presenting insurmountable barriers to it, not by building a wall across its pathway: not by direct and manly opposition, but it did it by wily and insidious means, seducing certain Senators by false hopes to join in that measure, and now those Senators find themselves stranded and deserted by their former associates. Senators who are friendly—honestly friendly—to silver, who are now training with those who were responsible for that bill, should remember this and beware.

That international bimetallism would bring immediate and permanent relief, would give the greatest impetus to business enterprises, would bring an era of prosperity and advancement such as the world has never seen, there can be no doubt. But when the obstinacy of the British Government renders this impossible, we of the United States must make up our minds whether we will complacently and humbly follow England in a policy which will enormously swell her wealth at the expense of all debtor nations, including our own, or whether we will, as becomes Americans, mark out a course for ourselves and follow it, and be as independent in finance to-day as our fathers were in politics a century ago.

In a recent paper, emanating from a distinguished citizen of my State, I find the following statement:

In 1801 there were only 20,520,000 English-speaking people, 12.7 per cent of the dominant nations of Europe and America. In 1890 they numbered 111,100,000, or 27.7 per cent of the same nations, an increase from 12.7 per cent of 161,800,000 to 28.7 per cent of 401,700,000, a change from fifth to first place.

They do three-fifths of all the railroad travel, and own more than two-thirds of all railroads and of the world's merchant tonnage.

Yet present conditions give Anglo-Saxon civilization an influence vastly greater than mere numbers and possessions would indicate.

American civilization is the potent factor in the Anglo-Saxon world. No thoroughly civilized nation has a larger undivided area. No nation in the world has greater wealth, or contains within itself greater resources or more wealth-producing elements.

Its agriculture alone is capable of sustaining 1,000,000,000 people. In 1801 Americans constituted little more than one-fourth of the whole English-speaking population; now we are nearly three-fifths. While the English-speaking people have increased five and one-half times, we have increased twelve times. From 3.3 per cent of 161,800,000 Americans have in less than a century become 15.6 per cent of 401,700,000. They constitute a larger part of the civilized nations than did all English-speaking people ninety years ago.

While Anglo-Saxons have easily outstripped all others, Americans have distanced the rest of their own blood. Anglo-Saxons lead the world; Americans head the Anglo-Saxon procession. World leadership is upon us. Are we equal to its tremendous responsibilities?

I am an American, proud of my country, and I believe that we are more capable of taking care of ourselves and controlling the rest of the world than any other nation on earth. Why should we be dependent on Europe for financial policies any more than political? This country has set the example for much of the growth and development which has been recently seen in Europe, and I believe that American nations ought to stand shoulder to shoulder in this struggle and impress American views, American interests, and American principles on the remainder of the world. This was eloquently and wisely suggested by the Senator from Alabama [Mr. MORGAN] the other day.

We have time after time made overtures to Europe for an international agreement as to coinage. These overtures have resulted in nothing.

Why not now turn to our sister nations of the American continent and establish an American policy?

We have already advanced a considerable distance in this direction. On May 24, 1888, Congress having pssed—Mr. Cleveland, being then the President of the United States, approved—a bill requesting and authorizing the President of the United States—

to invite the governments of the Republics of Mexico, Central and South America, Hayti, San Domingo, and the Empire of Brazil, to join the United States in a conference to be held at Washington—

In the year 1889—

for the purpose of discussing and recommending for adoption to their respective governments some plan of arbitration for the settlement of disagreements that may hereafter arise between them, and for considering questions relating to the improvement of business intercourse and means of direct communication between said countries, and to encourage such reciprocal and commercial relations as will be beneficial to all and secure more extensive markets for the products of each of the said countries."

Section 2 of said act provides—

that in forwarding the invitations to the said governments the President of the United States shall set forth that the conference is called to consider—

* * * * * * *

Sixth. The adoption of a common silver coin, to be issued by each government, the same to be a legal tender in all commercial transactions between the citizens of all the American states.

To this invitation thus tendered by the Government of the United States there were general and favorable responses, and the conference of American nations held in Washington was the result. I will not now detain the Senate by any reference to what took place in that conference, but may do so later. That, however, is history now, and well known to us all: but I will ask the Senate in this connection and at this time to consider the recommendations as adopted by this conference, adopted section by section by a vote of fifteen out of sixteen nations represented, as follows:

The International American Conference is of opinion that great advantages will accrue to the commerce between the states of this continent by the use of a coin or coins that would be current at the same value in all the countries represented in this conference, and therefore recommends:

1. That an International American Monetary Union be established.
2. That as a basis for this Union an international coin or coins be issued which shall be uniform in weight and fineness and which may be used in all the countries represented in this conference.
3. That to give full effect to this recommendation there shall meet in Washington a commission composed of one delegate or more from each state represented in this conference, which shall consider the quantity, the kind of currency, the uses it shall have, and the value and proportion of the international silver coin or coins and their relations to gold.
4. That the Government of the United States shall invite the commission to meet in Washington within a year, to be counted from the date of the adjournment of this conference.

Was this Government sincere in issuing this invitation? Did we mean what we said when we directed the President of the United States to inform the other nations that one of the purposes of this conference was "the adoption of a common silver coin to be issued by each government, the same to be a legal tender in all commercial transactions between the citizens of all the American States," or were we simply trifling with them, as Great Britain evidently has been with us in our conferences with the European states?

The recent Republican Administration was hostile to silver, and was not responsible for this conference, and, of course, could have no sympathy with its purposes. But I respectfully submit that the present Government is committed to it and bound by it, and that good faith requires that we shall at once take the lead in carrying out an agreement which was reached upon our invitation.

A member of this body [Mr. GALLINGER], advocating the passage of this bill, but at the same time denying that the Sherman law is the cause of the trouble, during this debate quoted from a newspaper in his State, as follows:

Of all the senseless theories ever projected by a desperate party to account for hard times the one now advanced by the Democracy, that banks are suspending, factories closing, merchants failing, and business generally is being paralyzed simply because the Government is adding to the circulating medium of the country four or five millions just such coins as have been in use for fifteen years, and are now being taken at their face value, is the silliest. Hard times are upon us. Harder times than the American people have seen or dreaded since 1857, and they grow harder every day. They are hard and growing harder because a party which has declared "war to the death upon protected industries of the country" is in undisputed control of the legislative and executive branches of the Government. They will grow no better until it is certain that this party can be turned from its purpose or forced to stay its hand; until it is settled that the protective tariff is not to be smashed.

I do not propose to enter into a discussion of this extraordinary statement. This editor does not seem to know that there is no coinage taking place under the Sherman law. I agree that it is absurd to say that the increase of the volume of money which takes place under the Sherman law is the cause of the present trouble; but it will be difficult to make any unprejudiced man believe that fear of being rid of a system of taxation which has robbed every consumer in the country for more than thirty years has produced a panic. On the contrary, I have no doubt that the system of taxation which, after full and fair trial, was condemned by the people last November, is in a great measure responsible for the present deplorable condition of the country, and that its removal will give great relief.

It has enormously aggravated the evils resulting from the fall of prices, and these two causes, operating together and in line with each other, have brought about the conditions essential to the success of the conspirators who have precipitated this panic.

It has been pointed out for years that the wholesale robbery of the masses for the benefit of the classes under the tariff laws could not go on always. It has been demonstrated that it would result in absolute destruction if kept up. The goose which laid the golden egg would inevitably be killed in time.

The course of the Federal Government has for thirty years been in almost every respect one of gross injustice to the great body of producers and to all the consumers of the country, and, while we have protested against the wrong and injustice of such a course and predicted the evils which were sure to follow, it took years to arouse the people to decided and positive action. But it has come at last, and it only remains for this Congress to do its duty to bring relief. The marvelous progress and development of our country has been the wonder of the world, and agriculture has been the great source from which this development has sprung; yet the tillers of the soil, especially, have been by these laws compelled to carry burdens which would long since have driven any other calling but this, and any other people but ours, to desperation.

From the foundation of our Government down to 1860 our farmers, living under the freest government on earth, permitted to manage their own private affairs, without direct or indirect interference from Federal authority, prospered as no other farmers have ever prospered. Though they worked for what they got, they got all they worked for, and this was all they needed to make them the freest and happiest people in the world. A great war gave the opportunity for a change in the laws and the inauguration of a plan to turn the wealth, especially of that great class, into the hands of others.

The purpose of the change was at first a patriotic one—to raise revenue—but afterwards the other and absolutely indefensible purpose of swelling private fortunes took its place, and by the cohesive power of public plunder held it for many years, until the people, those who were being robbed, were driven by their sufferings to a full appreciation of their wrongs. This one cause, operating alone, would in time have so redistributed the wealth of the country as to produce general financial ruin.

The failure of farmers to meet their liabilities to local merchants and banks renders them in turn unable to meet theirs, and so the hard conditions imposed on the farmers are felt at last in calamities in the centers of wealth.

The inevitable result of the poverty forced upon the masses by national laws could not be postponed always, even by the fertility and productiveness of our country, or the wonderful energy, thrift, and marvelous self-denial of our people. The wonder is that it has been postponed so long. The increasing poverty of the masses, the struggle of the farmers against fearful odds, rendered it impossible for them to contribute to the wealth of others in their struggle for bread.

We have a country marvelous in resources, blessed with a salubrious climate and a people sprung from the progressive and adventurous elements of all nations, equaled in self-reliance, energy, and determination by no people on earth. Such a people with such a country was capable of bearing enormous burdens without breaking down; and, vast as was the systematic robbery of national laws, the people might have gone on for years successful in their efforts to make a living, and even to accumulate property while carrying this great burden, had not those who grew rich upon the labor of others and ate their bread in the sweat of the faces of other people seen fit to add to their burdens in an effort to increase their own gains.

The enormous and unjust advantages resulting from the tariff laws was not enough to satisfy the greed of these parasites on the body politic, and immediately upon the close of the war a systematic plan to contract the currency, lower prices, and thereby swell their fortunes, was entered upon. Not satisfied with their determination to destroy all Government paper money, they deliberately determined upon the destruction of half the metal money.

Supply and demand regulate prices. Money is no more exempt from this law than is anything else which is an article of traffic amongst men. The purchasing power of money is great when the supply of money is small and small when the supply is great. General prices are high when money is plenty, and low when money is scarce.

The volume of money should expand as population and trade increases. This bill proposes to stop the small expansion we now have, hence I will vote against it, and resist its enactment into law as long as possible, unless it is coupled with some measure recognizing silver and providing for an expansion of the volume of money.

379

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