

S I L V E R .

If you do this work faithfully and well, the people will bless the memory of this Congress for generations and generations to come. If you do it ill, they will undo what you have done, and they will not only sweep from the statute book the unjust law which you have written there, but they will drive forever from power and place the recreant representatives who have betrayed their confidence and disappointed their hopes. [Applause.]

S P E E C H

OF

HON. JOSEPH W. BAILEY,

OF TEXAS,

IN THE

HOUSE OF REPRESENTATIVES,

MONDAY, AUGUST 14, 1893.

WASHINGTON.

1893.

SPEECH
OF
HON. JOSEPH W. BAILEY.

The House 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. BAILEY said:

Mr. SPEAKER: My distinguished friend from Tennessee [Mr. PATTERSON] might have extended his Biblical history and reminded the House that the leader who had brought the children of Israel in sight of the promised land never lived to enter it. [Laughter.] I have, Mr. Speaker, been not a little diverted by the change in the arguments of our friends on the other side, and, as I heard the distinguished gentleman from New York [Mr. HENDRIX] on Saturday last describe what he called the "evolution of finance," I could not avoid thinking that some financiers had been undergoing that same process of evolution. [Laughter.] Up to within the past few months it was not common to find a pronounced advocate of the single standard in this country. The men who denounced silver and demanded its demonetization professed themselves to be bimetallists, but insisted that the ratio between the two metals could only be fixed by an international agreement; along this line the argument proceeded until now, and when they think that they have brought the people up to that point, they go a stage further, and beginning with the distinguished gentleman from Maryland [Mr. RAYNER], who opened this debate, one after another their leaders have declared that even an international agreement can not preserve the parity of these two metals. If they succeed in destroying silver money in this country now, ten years from to-day not one of them will vote for its rehabilitation under any circumstances.

Mr. Speaker, if the bill and substitute now pending before this House involved the use or disuse of silver as money in this country alone, it would be difficult to overstate their importance, and their importance is intensified many fold when we consider that the effect of our decision here will be practically to decide this question throughout the world, and perhaps for all time to come.

Gentlemen on the other side, at least, will not find it convenient to deny this view of the situation, because their argument of most frequent repetition is that the United States, even with the aid of other silver-using countries, can not maintain our double standard. If this be true, then it certainly must follow that the other countries, without the aid of the United States, can not maintain their single silver standard. And so it is, that

whatever the form in which it may be presented, the great issue which confronts us, is the preservation or destruction of silver as a money metal amongst all nations.

I have been puzzled to understand why the representatives of a free people should desire such a result. I am aware, of course, that each of the two schools of monometallists gives us a different reason for the faith which they both profess. One school contents itself with the scholastic argument that the double standard is absurd. But, Mr. Speaker, it appears to me to be assuming very much—more, indeed, than any man in this day and generation is justified in assuming—to stigmatize a policy established by Alexander Hamilton, with the concurrence of Washington and Jefferson, as an absurdity. And especially so, sir, when that policy was continued in successful operation for more than eighty years, and those years, whether tested by the increase or by the distribution of our wealth, the most prosperous in our history. I prefer to receive my instruction on financial policies from that period which brought us peace and kept us in contentment, rather than from a narrow sect of intolerant and “bookish theories.”

The other school votes to establish a single standard because it does not believe that this Government can sustain the double standard against the practice of what gentlemen choose to call the commercial nations. Mr. Speaker, I am very free to say that this argument deserves the most careful consideration, and proceeding as it does from men with whom I agree on so many questions, I shall attempt to make the best and most dispassionate answer to it that is within my power.

The serious, and I may say the fatal, vice of this argument is, that it overestimates the importance of our monetary system as related to our foreign commerce, and underestimates its importance as related to our domestic transactions. Our imports and exports added together aggregated less than \$1,800,000,000 during the last fiscal year, while our dealings with one another in our own country will exceed this sum by more than twenty times, and it therefore appears to me too plain for disputation that we can not in justice to our people ignore the domestic aspect of this question.

Again, sir, in our foreign commerce the usual course of business is that we pay for our imports with our exports. If I send a shipload of cotton to Liverpool and bring a shipload of cotton goods back to this country, I can use the money or the exchange which I receive for my cotton in payment for my cotton goods. And even if I desire to trade with different countries I can still attain the same result. If I send a cargo of wheat to London and bring a cargo of wine from Paris, I can use my London exchange in payment for my Paris wine.

But, sir, there is another, and, as I think, a stronger answer still. It is this: In the settlement of international balances we seldom use either of the precious metals, except when the balance of trade is against us, and this occurs, and ought only to occur, at rare intervals. When we use them at all we do not use them as money. If we use gold or silver coin we use it as bullion and at its bullion value. You might double the amount of silver in your silver dollar or divide the amount of gold in

your gold dollar without making any possible difference in the settlement of foreign balances, because they each would be taken then, as now, according to its weight and fineness.

What difference can it make to me whether the London merchant who owes me \$6,000 pays me in six thousand gold dollars, worth a hundred cents on the dollar, or in ten thousand silver dollars worth 60 cents on the dollar? It might, indeed, make a very great difference if you would open your mints, because I could then coin my silver into American silver dollars, and the wheat or cotton which I sent abroad would discharge \$10,000 of my debts, while to-day it acquits me of only \$6,000.

It has become the fashion, Mr. Speaker, in the discussion of this question, to lay great stress upon the necessity of all commercial nations conforming to one financial system. Yet, sir, the history of the very country to which the advocates of this policy most frequently refer unanswerably refutes their argument. England for more than fifty years maintained her single gold standard, while all the countries with which she traded maintained either the single silver standard or the double standard of both gold and silver. Yet it is not averred in all the volumes of English history, nor is it asserted in her parliamentary debates, that the difference between her monetary system and that which prevailed in other countries ever interfered with English commerce. England adopted a single gold standard in 1816 when she was exhausted in blood and treasure by her long Napoleonic wars, but she maintained it alone against all the world. Shall we in the evening of this nineteenth century, with our sixty-five millions of people, with our free institutions, with our measureless resources, and with a wealth surpassing even the dream of Oriental fable, confess ourselves unequal to an easier task? To do so would be an impeachment of the wisdom of American statesmanship and a calumny upon American energy and American patriotism.

OBJECT OF DEMONETIZATION.

Mr. Speaker, great as the temptation is to pursue this argument of the monometallists further, I must desist; and I crave the indulgence of the House while I submit to it what I conceive to be the real purpose which inspires this last and greatest attack upon the silver money of the world. I do not mean to impute such motives to gentlemen on this floor; but I entertain no sort of doubt that the men who are behind this movement are simply striving to double the value of the money which will be left by destroying one-half of the money which now exists.

It is within the knowledge of every member of this body that this question of a standard assumed no special significance until after the gold discoveries in California, followed shortly afterward by those in Australia; and in the earlier stages of the controversy the avowed and only object of demonetizing either metal was to enhance the value of the metal which remained. In support of this assertion I send to the Clerk's desk an extract from the official résumé of the French Monetary Commission of 1869, which I will ask him to read.

The Clerk read as follows:

There has been a striking coincidence between the rise of prices and the production of the new mines of gold and silver. The annual production of

the two metals, which was only \$80,000,000 in 1847, exceeds now \$200,000,000. It has nearly tripled, and it is easy to see that the real value of the metals has diminished. It is difficult to estimate exactly what the diminution is; but whatever it may be, it demands the attention of governments, because it affects unfavorably all that portion of the population whose income, remaining nominally the same, undergoes a yearly diminution of purchasing power. As governments control the weight and standard of money, they ought, so far as possible, to assure its value. And as it is admitted that the tendency of the metals is to depreciate, this tendency should be arrested by demonetizing one of them.

Mr. BAILEY. The concluding sentences of this paragraph, Mr. Speaker, state the doctrine of the monometallists, which is that whenever the accidents of mining threaten to increase the volume of money, and thus reduce its value, the Government should interfere for their protection.

In 1873 the monetary commission of the Netherlands convened and adopted the same reasoning. Two years after that, and one year after silver had been demonetized in this country, we find Victor Bonnet writing to the French Journal of Economy that—

What the world has to fear is not so much the scarcity of gold as the decline in the value of all money, if we keep both the precious metals in use as money.

It is true that the effort to demonetize gold—and the first effort was in that direction—proceeded upon an exaggerated estimate of the production of gold and silver in the new mines. Mr. Ruggles, who was a delegate from the United States to the International Monetary Conference at Paris in 1867, declared to that body that the production of the precious metals in this country alone, long before the close of this century, would reach three or four hundred million dollars, and insisted that the work of “unification”—which was but another expression for the destruction of one metal—could not commence too soon.

I have here a book which comprises a series of articles contributed to the current prints in 1854, 1855, and 1856, and it was deemed a work of such merit that Richard Cobden, the great apostle of free trade in England, translated it from the French into his own language. It was written by one of the most brilliant Frenchmen of his day, to persuade his countrymen to the demonetization of gold. He urged that course expressly upon the ground that the production of the precious metals in the new mines of the world had so greatly increased the store of metallic money that the only way to maintain its value was to destroy the money quality of one of the metals.

After discussing the effect of the discovery of these new mines, and predicting a continued increase in their production, he closes the chapter in these words:

Under circumstances similar to those which I have hurriedly enumerated, the only way to prevent a fall in the value of gold and a consequent rise in the price of all other commodities, would be the discovery of a new demand equal in extent to the increased supply thrown upon the markets of the western world.

His theory was that gold must be demonetized or a new demand found for it. He preferred its demonetization, and Germany, accepting his theory, actually demonetized it in 1857. England had previously adopted the single gold standard, and as its demonetization would depress the value of all money in her borders, she hesitated. She appointed a commission and sent it to California and Australia for the purpose of examining

their mines and reporting on the extent and richness of their deposits. That report was such as to disarm the fear of England about the increase of those mines. Before a final conclusion was reached, however, the discovery of the great Comstock mine, followed by the opening of other silver mines, rendered it certain that the annual supply of silver would soon again exceed the annual supply of gold, and straightway the usurers of the world cried out that silver must be stricken down!

In 1872, the year before the war against silver was inaugurated here, the production of our silver mines reached \$28,000,000—a greater sum than ever before in their history, and at the same time the production of gold had fallen lower than during any year since the discovery in California. The same condition prevailed elsewhere as here; the scale of silver production was a rising one; the scale of gold production was a falling one, and with unblushing impudence the men who for twenty years had been demanding that gold should be demonetized at once reversed their position and demanded the demonetization of silver. They were then, however, as their disciples are now, true to the interests of their clients and anxious to demonetize the most abundant metal. The policy which Chevalier taught is still being pursued. England and Germany could not agree in the demonetization of gold, but they have agreed to find a new demand for it, and they are everywhere united in their efforts to destroy silver as money and thus create the necessity of filling that vacuum with gold.

Of course, Mr. Speaker, the present advocates of monometallism in this country disclaim all purpose or desire to increase the value of money by reducing its quantity. Giving them the benefit of that disclaimer, let us judge them by the effect of their conduct, without reference to their motives. There is not one amongst them who will venture to affirm before this House that the amount of money in any country does not largely determine its purchasing power. There is no great writer on the subject of political economy who does not lay it down as a primary law in the science of money that as you increase its volume you diminish its value, and as you diminish its volume you increase its value. This was the doctrine of Ricardo, who declares that by limiting its quantity coin can be raised to any conceivable value. It was the doctrine of John Stuart Mill. It is the doctrine asserted in many places by Mr. Walker in his excellent work on money. Indeed, I do not believe that any writer of respectable authority can be found who denies it. And if it is true, then whatever may be the motives which actuate our friends in advocating a gold standard, the effect of their procedure must be to increase the value of money by reducing its quantity.

RESULTS OF DEMONETIZATION.

But, Mr. Speaker, it is a waste of time to detain this House in arguing that to make money scarcer makes it higher, and I pass to a consideration of the results which will follow the enactment of this bill into a law. An important and practical effect will be that an indescribable scramble for gold will ensue at once. There is not in the world enough gold to furnish France, Great Britain, Germany, the United States, and Austria with as much gold as France has to-day. Where, then, will the other

nations of the world procure the gold with which to establish their gold standard? Procure it they must, and will, but in doing so they can neither acquire enough for their own use nor will they leave enough for the use of the nations from which they take it.

Mr. Ricardo asserts that the precious metals will be distributed among the nations of the world according to their commercial needs. He does not contend that each nation will acquire enough for all its needs, but only that the stock of money in each country will bear the same proportion to its needs as the stock of money in other countries bears to their needs. This proposition has passed into the science of money as a fixed law, and according to it, if all countries adopt the gold standard, a redistribution of gold must occur. The dullest man in this House does not need to be told the consequences of this. The operation would manifest itself first in a tendency to limit purchases and increase sales on the part of all those countries which find it necessary or desirable to obtain gold. Nowhere is this tendency exhibited more plainly than in a recent report of the Treasury Department, which shows that during the last fiscal year our exports have fallen off more than two hundred millions and our imports have increased over ninety millions, as compared with the previous one. Allowing \$50,000,000 for the mistake which is said to have been made, our imports for the last fiscal year still exceed our imports during the previous one by more than \$40,000,000.

We have another and impressive object lesson as to the effect of gold acquisition by other nations. During the past eighteen months the English banks, under the advice of Mr. Goschen, have been increasing their gold reserves. Austria-Hungary has been buying gold to complete the establishment of a gold standard. Under the influence of these two demands we have exported something more than one hundred millions of gold, and the country is threatened with a panic. Yet with a strange infatuation, gentlemen who declare that these evils are attributable to our exportation of gold are advocating a policy which is certain to more than double that exportation.

They tell us that we can go into the open markets of the world with our bonds and buy gold enough to insure the safety of our gold reserve; but if this bill becomes a law you will meet the other nations of the earth in these same markets, with their bonds in their hands, trying to sell them for gold. Not only this; but the individual debtor in every country which undertakes to change its basis will be called upon by his bank to cancel his indebtedness, so that the bank can provide its gold reserve. The waters of every sea will be white with the sail of ships seeking a market in which they can exchange their produce and their merchandise for gold. The great mass of property thus forced upon the markets, coupled with the enormous demand for money, will reduce the price of all property to well nigh the point of confiscation. The combination of these two forces—this unprecedented offer of goods and this unprecedented demand for money—will be followed by a greater and more sudden divergence between the value of money and the price of commodities than has ever before been witnessed in the history of the world.

Under these circumstances the only thing which can avert a

universal and destructive panic is that the silver-using nations, perceiving the danger, will undertake the gradual adoption of a gold standard. This, while it will not subtract anything from the total suffering imposed upon the debtor class, will render their misery less acute by distributing it over a longer length of time.

It is not denied, and can not be successfully denied, that a law of this kind works a hardship upon the creditors of any country by requiring more of their property to pay their debts. But we are told that they ought to be willing to suffer this single misfortune, however great it may be, in order to establish a sound and permanent system, and we are assured that these bad effects are only temporary. Mr. Speaker, that is but a partial view of the subject. This bill, if it becomes a law will inflict a great and permanent injury upon all classes of our people except the money-lending class and the class whose incomes are fixed. I mean by this that a contraction in the volume of our currency must be followed by a contraction in the volume of our business. No subtlety about a standard of value and no refinement about the use of credits can convince me against the truth of this proposition. I know there is not an intelligent banker in the United States who would retire one-half of his capital and still attempt to transact his business undiminished in amount. I know that there is not a merchant or manufacturer so mad as to believe that he can withdraw one-half of his capital from his business without contracting his business to answer the reduction of his capital.

Even, sir, if we consider money merely as a medium of exchange, it still must be admitted that the amount of money ought to bear some fair correspondence to the exchanges which it is expected to perform. Of course there are credit devices which economize its use, but they derive their value from the fact that they are promises to pay in the money of ultimate redemption. Take the money of final payment from behind the checks and drafts about which we hear so much, and they would not be worth the clean paper on which they are written. The amount of our money must determine the amount and the value of the credits which we can use. No reasonable man, of course, expects a dollar in money to support every dollar of credit, but every sensible man knows that the more money we have, the safer our credit becomes.

All great writers on political economy affirm that money is necessary in the development of civilization and the extension of commerce; that without it there can be no division of labor, with its resulting skill and other benefits. Concede that proposition, and it follows as a corollary that enough money is necessary to attain the highest development of civilization and the greatest extension of commerce, and when we restrict the amount of money below the requirements of the people we obstruct the progress of mankind.

Gold alone can not furnish a sufficient supply of money to meet the necessities of commerce and civilization. There is not one-half enough of it now, and the supply as compared with the demand is diminishing. During the last year its entire production was about \$133,000,000. Of this amount, something like \$33,000,000 were produced by the silver mines; this source of supply will be lost when the silver mines are closed and the world will be left

with an annual increase of about \$100,000,000. Of this amount it is estimated that more than \$70,000,000 will be annually consumed in the arts and in dentistry, leaving about \$30,000,000 for money uses, and this is not enough to replenish the losses and the abrasion from the present stock.

Mr. Speaker, I shudder to contemplate the effect of this catastrophe upon my race. A stagnation of business and a paralysis of industry must follow it. Another long night of intellectual darkness and political degradation will settle down upon the world; and there is now no new America whose discovery will reilluminate the ages and unfetter commerce. An eminent historian, in a passage which can not be too frequently repeated, ascribes the great disasters beginning with the fifth century to a failure in the supply of the precious metals. I send to the Clerk's desk a quotation from Sir Archibald Alison's History of Europe, which I will ask him to read.

The Clerk read as follows:

The two greatest events which have occurred in the history of mankind have been directly brought about by a successive contraction and expansion of the circulating medium of society. The fall of the Roman Empire, so long ascribed, in ignorance, to slavery, heathenism, and moral corruption, was in reality brought about by a decline in the silver and gold mines of Spain and Greece. * * * And as if Providence had intended to reveal in the clearest manner the influence of this mighty agent on human affairs, the resurrection of mankind from the ruin which these causes had produced was owing to the directly opposite set of agencies being put in operation. Columbus led the way in the career of renovation: when he spread his sails across the Atlantic he bore mankind and its fortunes in his bark. * * * The annual supply of the precious metal for the use of the globe has tripled; before a century had expired the price of every species of produce was quadrupled. The weight of debt and taxes insensibly wore off under the influence of that prodigious increase; in the renovation of industry the relations of society were changed, the weight of feudalism cast off, the rights of man established. Among the many concurring causes which conspired to bring about this mighty consummation, the most important, though hitherto the least observed, was the discovery of Mexico and Peru.

Mr. BAILEY. I have here [exhibiting a book] the earliest treatise written in favor of a single standard, and while the author does not attempt to trace the causes which produced the dark ages, he corroborates Mr. Alison as to the agencies which revived commerce, the arts, and learning. After describing the discovery of America, and tracing the progress of mining up to 1545, he proceeds in the passage which I will ask the Clerk to read.

The Clerk read as follows:

From 1545 the scene changes. In one of the gloomiest deserts on the face of the globe, in the midst of the rugged and inhospitable mountain scenery of upper Peru, chance revealed to a poor Indian who was guarding a flock of llamas a mine of silver of incomparable richness. A crowd of miners was instantly attracted by the report of the rich deposits of ore spread over the sides of this mountain of Potosi, a name which for euphony the European nations have since changed to Potosi. The exportation of the precious metals from America to Europe now rose rapidly to an amount which equaled, weight for weight, 60,000,000 francs (£2,400,000) of our day, and it afterwards rose even to upwards of 80,000,000. At that time such a mass of gold and silver represented a far greater amount of riches than at present.

Under the influence of so extraordinary a supply the value of these precious metals declined in Europe in comparison with every other production of human industry, just as would be the case with iron or lead if mines were discovered which yielded those metals in superabundance as compared with their present consumption, and at much less cost of labor than previously; just, in fact, as occurs in the case of manufactures of every kind whenever, by improved processes or from natural causes of a novel kind, they can be produced in unusual quantities and at a great reduction of cost.

This fall in the value of gold and silver, in comparison with all other productions, revealed itself by the increased quantity of coined metal which it was necessary to give for the generality of other articles, and it was thus that the working of the mines of America had necessarily for effect a general rise of prices; in other words, they made all other commodities dearer.

Mr. BAILEY. Mr. Speaker, I could multiply these evidences until I had exhausted my own strength and the patience of the House, but these seem sufficient to establish my contention.

FLUCTUATIONS BETWEEN THE TWO METALS.

Now, sir, upon what theory are we invited to subject our countrymen to these appalling consequences? Upon the inconclusive and unsatisfactory argument that the market value of gold and silver fluctuates. Gold and silver fluctuated in 1792, when our mint was established, but Alexander Hamilton, after long and careful consideration of the whole question, decided in favor of the double standard, and gave as his reason that—

To annul the use of either of these metals is to abridge the quantity of the circulating medium, and liable to all the objections which arise from the comparison of the benefits of a full with the evils of a scanty circulation.

I do not deny, sir, that there is, and always will be, some difficulty in adjusting and maintaining any given parity between the two metals; but I regard that difficulty as insignificant when compared with the evils which must result from reducing the world to an insufficient supply of money. Fluctuation in market value is not an insurmountable obstacle. Surely there is wisdom enough in the American Congress to meet and solve these difficulties as they may rise. Free coinage itself will powerfully contribute toward correcting fluctuation and settling the relative value of the two metals.

It is nonsense to tell me that a law which permits me to coin 412½ grains of standard silver into a debt-paying dollar will not greatly enhance the price of silver. It will, at least, render it more valuable in the payment of debts, and while the advocates of gold seem to have entirely overlooked the function which money performs as a standard of deferred payments, many of our profoundest thinkers on the subject regard this function as secondary to none of money's other uses.

Almost every gentleman who has spoken upon the other side, in discussing this phase of the question, has fallen into the curious contradiction of first asserting that this Government, acting alone, can not raise the price of silver bullion, and then in almost the next sentence declaring that if we enter upon a policy of free coinage the silver of all the world will flow into our mints. Both propositions can not possibly be correct, because there could be no inducement for silver to come here unless a free-coinage law had raised it above its present price.

It is beyond dispute, however, that a free-coinage law will increase its price, and it is barely possible that its first impulse may be in this direction. But will it come in any considerable quantities? Nobody now pretends to believe that the silver coin of the Old World will be brought to our mints, because 15½ ounces of their silver coin will buy 1 ounce of gold, while here it will require 16 ounces to buy an ounce of gold, thus entailing a loss of more than 3 per cent, in addition to the freight and the risk which must be incurred in bringing it across the ocean.

The only practical question for us to consider in this connection, is as to silver bullion, and it will help us toward a clearer understanding of that to recall the amount and the conditions of its production. During the last year the world produced about \$175,000,000 worth of silver bullion. Of this amount the United States produced about \$75,000,000, leaving \$100,000,000 produced by all the other countries. Of this \$100,000,000 not less than \$30,000,000 will be consumed in the arts and as subsidiary coin by gold-standard countries, leaving only \$70,000,000 for full monetary use. Will that \$70,000,000 come to our mints? I do not believe it will, because I believe that the silver-standard countries will need it to increase their circulation, and in order to retain it they will find themselves obliged to pay a price sufficient to keep it. It will be the same case as might happen with our wheat. If the wheat crop of Europe fails, the price of wheat advances here, and we are glad to sell our surplus at the advanced price; but when our surplus is gone our sales are practically ended, because whatever price they might offer us for that part of our crop which we need for home consumption we can not and will not sell it. The more the foreigner offers for it, the more our own people would be compelled to pay because they can not part with their bread. So it would be with silver—whatever its price might be, foreign countries which need it to increase their circulation would be forced to retain it for that purpose.

We often hear it asserted that it is not demonetization, but the difference in the amount of their productions, which has caused the displacement of the parity between gold and silver. This can not be true, for if this were the explanation the same cause would have produced the same effect at other periods.

During the nearly fifty years from 1801, when Mr. Jefferson became President, until after the gold discovery in California and Australia in 1848, the production of silver more than doubled the production of gold throughout the world, but their parities were without violent variations. Almost in a single year their relative production was reversed, and for a series of years the production of gold was more than twice the production of silver, and still their ratios were not seriously disturbed.

From 1687, the time when the world began to renew its liberties and its commercial vigor, down to 1873, when the silver dollar was dropped from our list of coins, the ratio between gold and silver fluctuated, but it never fell as low as 14 to 1, and never rose as high as 16 to 1, except in the two years of 1812-'13. They were both full money metals during that period; but since 1873, when one was left a money and the other degraded to a commodity, the ratio has risen from less than 16 to 1 to more than 27 to 1. The market value of gold and silver varies to-day so widely because one is a full money metal and the other is a commodity, and their value will continue to vary so long as this relation continues. The way, and the only way, to elevate and steady the price of silver is to open your mints to its free and unlimited coinage, and thus create, as a great nation like this easily can, an unlimited demand for silver at its coining value.

FOR WHOSE BENEFIT IS THIS DONE?

Mr. Speaker, it may not be improper for me to conclude my part of this discussion with a hasty glance at the classes who are to be benefited or injured by the enactment of this measure, which destroys a portion of the money of the world. The French Monetary Commission in 1869 declared that demonetization was for the benefit of those whose incomes are fixed. One of the earliest advocates of the single standard, discussing it in a country where the people did not rule and where, therefore, the object of all legislation and its effects could be frankly admitted, declares the same thing in a passage which I send to the Clerk's desk to be read.

The Clerk read as follows:

All commodities excepting gold, and every kind of property excepting that of which the income is from the present fixed, as is the case with the Government funds, ought, from the moment that the monetary crisis is terminated, to have attained in a gold currency double the price which they are at present worth, upon the supposition, quite arbitrarily, I admit, of the depreciation reaching 50 per cent. Thus, a house or a landed estate now worth £4,000, or 100,000 francs, would then sell for £8,000, or 200,000 francs.

The hectoliter of corn or of wine, the quintal of iron, or the meter of calico will undergo the same rise, at least if no change conducive to cheapness be introduced into the conditions of their production or into the relation between the supply and demand. It will be the same eventually with the wages of labor, and with all personal services, whether rendered in the factory or on the farm, or from the liberal professions; we are warranted in believing that their value will have doubled.

Thus, as a definite analysis, the proprietors of lands, houses, and other real estates, manufacturers, merchants, and their auxiliaries of every kind; public functionaries of all ranks; and also those who follow the different learned professions, will all find themselves in the end compensated in the new state of things with advantages equal to those which they now enjoy—all other things being equal. It is another class of persons, whom we have previously defined in a general way, who have to submit to a sacrifice in proportion to the fall in the precious metal.

Mr. BAILEY. Mr. Speaker, the other class of persons whom this writer says he has previously defined in a general way are described on a preceding page of the same chapter as the "income class." The proposition asserted here is, that the increase of money affects all classes favorably except the income class and the owners of government funds. The converse of the proposition must therefore be true, that a decrease in the amount of money affects the income class and the owners of government funds favorably and affects all other classes unfavorably. The authorities are unvarying and unequivocal in declaring that a decrease in the volume of money benefits nobody except the income class and the holders of government funds, and that the increase of money benefits everybody except them.

I do not believe, sir, that legislation ought to be shaped for the benefit of any particular class; but if special privileges must be conferred by law on somebody, they ought to be conferred in accordance with the time-honored maxim of Democracy, which declares the sum of wise government to be comprehended in the motto: "The greatest good to the greatest number."

It is useless to disguise, or to attempt to disguise, the fact that, in a large degree, this is a contest between the debtors and the creditors of the world. The debtors are willing to pay in the money of their contract, desiring, however, to exercise the option which the law has allowed them. The creditors are determined to destroy that option, and thus compel a payment in the more

valuable money, rendered more valuable still by the aid of legislation.

We have even been pleaded with in this Hall to preserve the faith of the Government untainted. I trust, sir, that the American Congress needs no such urgency. I do not believe there is a thoughtful American citizen in this broad land, and surely there is not an American Representative in this Hall, who does not unswervingly insist that every contract of his Government shall be fulfilled religiously and according to its terms.

But, sir, I am no more willing that Congress should take from the people and give to the bondholders than I am that it shall take from the bondholders and give to the people. It is one of those rules which works both ways, and ought to work either way with equal justice.

Our fathers sold these bonds, and the purchasers had it explicitly nominated in the law that they were payable in coin of the standard then existing. Let us pay them precisely as our fathers agreed to pay them, and to the utmost farthing, even if it takes the pound of flesh and the heart's best blood goes with it. This far every honest man should be willing and anxious to go but not one step farther. The law which authorized the issuance and sale of these bonds provided that they could be paid in gold dollars containing 25.8 grains of standard gold or in silver dollars containing 412½ grains of silver nine-tenths fine. This much I would pay if it impoverished our children, but one scruple more than this I will never consent to give.

It is a principle of both law and justice, sir, that a contract is faithfully kept when discharged according to its stipulations. This principle is as old as this Government—older, indeed, because it was cherished and taught by the wise men in other lands before the dream of this Republic had ever glorified a patriot's brain.

OUR PLEDGES.

Sir, I think that, under our form of government, it is just as important that the Representative should keep his faith with his constituents as it is that the Government should keep its faith with our creditors. We made a formal and a solemn promise last year that we would use both gold and silver as the standard money of this country; and, with the talk of "good faith" upon your lips, are you willing to repudiate your highest obligation?

Sir, the responsibility shall rest not upon us. Neither the bondholder nor the people shall be able to charge us with bad faith. We are not only ready to pay our bonds as we stipulated to pay them, but we are also ready to redeem the pledge which we made to the people at the last election and upon which we sought their suffrages.

We stand for no partial redemption. We go for a full, complete, and perfect performance of both the letter and the spirit of our promise.

I say to the gentleman from West Virginia [Mr. WILSON], and to those who are acting with him on this question, that if they will first join us in reestablishing the equality of gold and silver, both at the mints and before the law, we will then join them in maintaining that equality in the melting pot as well as across the counter.

In other words, sir, we will coin for them a silver dollar that shall stand the test of fire as well as of commerce. Place gold and silver bullion on precisely the same conditions, and we will bind ourselves to make and keep the gold and silver dollar of the same intrinsic value. There is no Democrat here, and there are no Democrats elsewhere, who demand anything for silver which they do not readily concede to gold. As for my part, I would forfeit the good will of my people, and retire forever from the public service, before I would vote, after having restored the equal privilege of these two metals, to then permit them coined into dollars of unequal value. My constituents desire no such arrangement as this.

But, gentlemen, you deceive yourselves as to the temper of the people on this subject if you imagine that you can pacify them by shallow declamations about a dishonest dollar. If the present silver dollar is not an honest one, the people are willing to make it so, according to any reasonable definition that can be proposed, and all they ask of you to-day is an opportunity to fairly test the matter. Will you deny them this? Dare you do so in the face of your platform? If you do, then when you come again to ask their confidence and their support they may answer you with the bitter words of Macbeth about the weird sisters:

And be these juggling fiends no more believed,
That palter with us in a double sense;
That keep the word of promise to our ear,
And break it to our hope.

You may go on, and in a blind obedience to the commands of the rich and powerful, you may strike down the money of the people and destroy the coinage of the Constitution. You may forget the millions who toil in the workshops and fields of this land, but they will not forget you. They are patient and long-suffering, but they can not and will not endure all things, and when the heartless exactions of avarice have ground their faces into the dust and aggravated their burdens beyond their capacity to bear them, they will arouse themselves to a consciousness of their strength, and then, when it may be too late, you will find what it is, having sown the wind, to reap the whirlwind.

If you do this work faithfully and well, the people will bless the memory of this Congress for generations and generations to come. If you do it ill, they will undo what you have done, and they will not only sweep from the statute books the unjust law which you have written there, but they will drive forever from power and place the recreant representatives who have betrayed their confidence and disappointed their hopes. [Applause.]