

Silver.

SPEECH

OF

HON. RICHARD P. BLAND,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 12, 1893.

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. BLAND said:

Mr. SPEAKER: I regret to be called upon to discuss this question without previous preparation, when we have just reached an agreement to take it up. I further regret that any gentleman on our side of the House should see proper to read in this presence one part of our platform and to retreat from that part, above all others, which contributed to the vote that gave him a seat in this House. I regret that any Western man should turn his face toward the East and his back to the West.

We understood, Mr. Speaker, what that platform meant. The whole Democratic party voted against the Sherman bill, and so far as I am personally concerned, I did what little my ability permitted me to do to prevent its passage in this House; but the so-called Sherman law passed, and a better law having been repealed by its passage, it is now the only law on the statute books looking to the use of silver as money in this country.

I know, Mr. Speaker, that the gold-standard elements, the very elements that are in opposition to the free coinage of silver, secured the passage of that act. I knew they would demand its repeal the moment they saw the opportunity. A promise to repeal that act was put in the platform at Chicago, I suppose, to satisfy that element of the Democratic party that wants no law upon the statute book for the coinage of silver. But following that, and in the same paragraph, a part and parcel of it at least, was the promise made at Chicago by the Democratic party for the use of both gold and silver as money in this country, with equal privileges at the mints of our Government. And speaking for myself and for the people whom I have the honor to repre-

sent, they understood at least that the free coinage of silver, in accordance with our platform, necessarily repealed the Sherman law; and it would. [Applause.]

The two laws can not exist together. They are inconsistent, and that part of the platform that pledged us to the free coinage of silver necessarily meant the repeal of the Sherman law by a free-coinage bill.

I want, Mr. Speaker, to call attention to this phase of the situation. We have here different propositions that will be voted upon, submitted in pursuance of the Chicago platform, if you please to call it so. Gentlemen may choose their ratio. They have an opportunity at least to express their own opinions by their votes in this House and by their speeches, and to state what they mean by the free coinage of silver and the Chicago platform.

It is not my privilege nor my purpose to call in question the sincerity of any member upon this floor or to undertake to criticize his attitude; but I do want to call attention to the fact that we are proposing, as I consider it, to try in good faith to conform ourselves to the platform on which we were elected in legislating upon this question.

Why, it is said we have met here under peculiar circumstances, in the midst of a financial crisis. We are asked by the opposite side to legislate in haste. We are asked to forego a part of our duties. We are asked to legislate by piecemeal, and to take our chances in the future.

I want to say, Mr. Speaker, that the great voting masses of the people of this country may get into a panic themselves when election day comes around. The people will not regard our proceedings in the light that gentlemen wish them to view those proceedings. You may proceed in a panic, you may believe that some legislative act is necessary here to stop a panic, and you may vote for it without due consideration; but every vote cast and every word uttered will be reviewed by our constituencies, not in a panic, but in cool deliberation, and you will be held accountable for what you do, whether you deliberate or not.

It is said that history repeats itself, and it seems that the Democratic party is especially the victim of repeating history in some way. When the people intrusted our party in 1884 with the administration of the Government, when the Democratic House of Representatives was chosen, I remember full well, and I see around me gentlemen who remember it as I do, for they were here at that time, that before the inauguration of the President of the United States whom we had elected, the emissaries of Wall street swarmed the lobbies of the House and this Capitol, just as they did last winter, demanding what? Demanding the repeal of the so-called Bland act.

Precisely the same proceedings that we had here last winter. We were told that it was the wish of the Executive-elect that that act be repealed, as we were told last winter. We were told that it was his opinion and the opinion of his advisers that this country was coming then to the single silver standard if we did not repeal that law. We were threatened with a panic, with gold coming to a premium. That House was forced to a vote upon that subject before we adjourned at that time, as we were

practically last winter; but it voted the proposition down by a tremendous majority. During the following summer the New York papers, as they have been this summer, were filled with predictions of gold premiums and panics.

The New York Herald, one of their leading papers, had every day in its columns "We are still coining the 70 and 75 cent dollar" as a standing advertisement of a panic.

Some time in September or October, before the meeting of Congress, these generous bankers in New York, who say that they control the finances of this country, and what they demand must be acceded, made arrangement with the then Secretary of the Treasury by which they were to withdraw \$10,000,000 of subsidiary silver coin and to place in the Treasury of the United States \$10,000,000 of gold, in order to secure and maintain gold payments, advertising to all the country that the bankers of New York had come to relief of the Federal Treasury with \$10,000,000 of gold to maintain the public credit.

It was done, Mr. Speaker, to terrorize the people of this country and, if possible, to bring about a panic such as you have today, and they know it. And we met in something of a financial panic; not so severe as it is now, however. The whole country was stirred on the silver question. We met in Congress and the question was debated. The result of it all was the refusal to repeal the silver law by over a two-thirds vote of that House; and the panic vanished. That was the end of it. When they ascertained that the free people of this country, through their representatives, could not be driven as a herd of buffaloes on the Western plains into a panic, to trample themselves and those depending upon them, they ceased.

The howl against silver and the panic stopped. The country continued in its usual prosperity, whatever that may be. We kept on coining these 70-cent dollars, and no disturbance was made of it, practically, for four years. The Democratic party in the House maintained it against all assaults. But when, unfortunately, our friends on the other side got the power they enacted another law, repealing the law of 1878.

That law, Mr. Speaker—the Sherman law—I denounced in an article in the North American Review, about two months after it was enacted, as a "Janus-faced" statute. A law that provided for the purchase of 4,500,000 ounces of silver bullion per month, on which Treasury notes should be issued at the market rate of the purchases; that these notes should not be kept in circulation in excess of the cost price of the bullion; that the bullion was to be coined for the redemption of the notes, and that it further provided that in the discretion of the Secretary of the Treasury the notes should be redeemed in gold, in order to keep a parity between the two metals.

The face of the gold part of it was turned to the East—the gold standard; the other part, to redeem in silver, looked to the West; and in the statute was included with the purchase of bullion and coining it into money and the redemption of the notes in the resulting coin it would in some respects, at least, be in harmony with the idea of ultimate bimetallism. But I predicted in that article, with the Administration then in power, the purchase of silver would probably go on and the law be executed

until after the next Presidential election, and if an Administration hostile to silver was elected, gentlemen who gave it their support would be very sick of their bargain.

Now, Mr. Speaker, I have no defense to make of that law, further than this: We are told by the Herschel committee that investigated the subject of suspending the coinage in India that the repeal of this act, the so-called Sherman act, would cause a heavy decline in the price of that metal. I will send to the Clerk's desk and have read the portion of that report I have marked.

The Clerk read as follows:

Moreover, a strong agitation exists in the United States with respect to the law now in force providing for the purchase of silver. Fears have been and are entertained that there may come to be a premium on gold, and strong pressure has been brought to bear upon the Government of that country with a view to bring about an alteration of that law.

In December last a bill was introduced in the Senate to repeal the Sherman act, and another to suspend the purchase, under it. Whether any such measure will pass into law it is impossible to foretell, but it must be regarded as possible; and although in the light of past experience predictions on such a subject must be made with caution, it is certainly probable that the repeal of the Sherman act would be followed with a heavy fall in the price of silver.

Mr. BLAND. Mr. Speaker, there is another portion of that report that I will not have read at present, but it is to the same effect. It predicts a fall in the price of silver when we repeal the Sherman act of probably 6 pence per ounce, and it is said, sir, that it was the apprehension that the Government of the United States would suspend the coinage of silver, would repeal this law that induced the British Parliament to recommend to the Government of India the suspension of the coinage of silver at the mints of India. We understand that India, while it is said to have a government of its own, is simply governed by a council of Englishmen appointed for that purpose. I said the British Parliament, Mr. Speaker, but I made a mistake. The British Parliament had nothing to do with this measure, and they are even now beginning to criticise it. It was the British Council for India.

Now, sir, we are asked here deliberately to repeal this law, and I want to call the attention of my friends on this side of the House, who proclaim themselves to be friends of free coinage at a reasonable ratio—I want to call their attention to this point and to ask them this question: Why do you gentlemen insist that you will repeal this law and send silver down probably 15 cents an ounce before you fix the ratio? Is that an act friendly to silver? Can any gentleman here face his free-coinage constituency and defend his vote subtracting from the value of silver 15 cents an ounce before he votes to fix the ratio? I dare him to undertake it. He can not do it.

It may be convenient to follow the recommendations of the President, but the President does not elect the members of this House. We do not hold our commissions from the Executive, and I am afraid that if some of us undertake to act here upon that line, when our present commissions expire we shall have all the leisure that we want to study the silver question in peace and quietness at home. [Laughter.] For myself I feel it to be a conscientious duty to carry out my convictions on this subject, and I owe it to my constituents to represent what I believe to be

their interests. Why are we rushed in here and asked to repeal the only law that sustains, for the moment, at least, the value of silver, before we fix the ratio?

There is no consistency in it; none whatever. The claim is not sincere that the President expects hereafter to recommend bimetallism, for he does not do it in his message, and that claim misrepresents his position. He recommends the reverse. The concluding paragraph of the message means, if it means anything, that after you shall have totally demonetized silver by repealing this Sherman act, you will be required to go further in the same direction; and I make a prediction here and now, and, my friends, I want you to watch the proceedings of Congress in these coming weeks of this extra session, or of the next regular session, to see whether I am right or not.

My prediction is that in order to carry out the recommendations of that message we shall be called upon to sell bonds to procure gold. For what? To redeem all our pecuniary obligations, according to the very language of that message in that money which is recognized by the principal nations of the world. Why did not the President say "gold?" [Laughter.] We know what his language means. [Laughter.] You are asked to load up the Federal Treasury with gold, to redeem every pecuniary obligation of the Government with gold, although the standard silver dollar is the identical dollar on which bond obligations were based when they were issued, because they called for coin of the standard value at the time of their issue, and that was the standard.

But now, I repeat, we shall have to redeem all this bullion, all these Sherman notes, in gold; we shall have to sell bonds to get gold to redeem all our greenbacks, all our silver certificates, and we will be compelled to carry our silver dollars as so much dead weight of bullion in the Treasury, so that we might as well dump them into the Potomac. That is what all this means. In other words, every piece of paper money issued in this country to-day, every silver certificate, every greenback, every bond, every Sherman note, is to be redeemed in gold, and we must procure the gold for their redemption.

What, then, are you to do with your silver bullion and with all your silver dollars, together about \$500,000,000? They are to be demonetized as a base metal, and you know it. I am talking to intelligent gentlemen who have read that message, and there is not an intelligent gentleman here who has read it who can misunderstand it. Why should you go on, then, to try to deceive yourselves and your constituents on this subject? There is no silver in that message, and gentlemen on the other side will simply do themselves and the subject justice if, hereafter, in the course of their debate, they will leave silver out of it, because they are proposing a measure in which there is no consideration whatever for silver.

Mr. Speaker, it may be necessary, and probably is, that I go somewhat into the discussion of the silver question on its merits. I have alluded to these preliminary matters which have been thrown in, and have tried to state that no legislation which we can enact here is going to relieve the panic. This panic has been brought about for the express purpose of repealing this

law; there is no question about that. We were threatened last winter with a gold premium. I stated then on this floor, and I state now, that there is no gold premium.

On the contrary, I believe the people are now paying a premium for silver and silver certificates. We were urged that we must issue more bonds, that if we did not we were to have a panic. All the newspapers of the East especially were advertising a panic if we did not issue bonds. We did not issue them. The Secretary of the Treasury was threatened with a panic if he did not comply with the demand, and he refused. Those who were interested in getting up this panic began to refuse loans, to cramp, to draw in currency. Many of the banks which had been engaged in booming real estate, or in other questionable transactions, and were consequently weak, began to fail.

Stocks called industrial stocks, that had been watered in Wall street, cordage trusts, lead trusts, whisky trusts, railroad stocks that had been watered, began to tumble down to something like reasonable rates, and you had a panic. Banks which were weak began to fail, and the people began a run on banks which were strong. The whole country became alarmed. People began to take their money out of the banks and put it into safe-deposit vaults or into their safes at home. It is said they ought to let their money remain in the banks. Well, probably they ought to do so; but what is the difference? The banks are afraid to let the money go out if they have it. Now, the panic has come; and those who conspired to bring it about have got more than they bargained for. The idea is that we can relieve this panic by the repeal of the Sherman law.

Why, Mr. Speaker, I say right here (and history will bear me out in the statement) that while there was some alarm in the country before, yet the moment the British Government demonetized silver in India, then the panic began in earnest—not before; that precipitated this panic in its present shape. We all understand that. In this way desolation was brought into many of the States of this Union, and men who had before been prosperous and happy were by the thousands sent as tramps throughout the land.

All parts of the country have felt the effects. It is this fight upon silver that has precipitated this panic; and the repeal of the Sherman law will only intensify it, not relieve it. The panic will be relieved when everything gets so low that people see they can make money by buying; when they begin to buy prices will go up; and when everybody is buying money will come from its hoarding places and you will have some relief. In no other way will relief come.

Gold is coming to us to-day. Notwithstanding we are told the people across the water are afraid to invest here for fear that we will not pay in gold, yet these people are sustaining prices to-day and sending here all the money that they can spare. There was a panic in gold-using Australia that has bankrupted that whole people and sent terror to the banks all over England. We know that gold can not be obtained there except by paying for it; yet it is coming here.

Talk about a premium on gold; here is the Treasury of the United States that is open to the plunder of every speculator in

the civilized world. He can take his Sherman note or his green-back or any other Government currency there and get gold without cost. Did you ever notice the names of these gentlemen in New York who are shipping gold abroad, or bringing it back? Every one of those names that I have seen has a foreign termination; every one of those gentlemen, so far as I am advised, is an agent or branch bank of some bank across the water.

If you go to the Bank of England to get gold for export you must pay a premium on it; if you go to the Bank of France to get gold for export you must pay a premium on it. The case is the same with every other banking house in Europe; no gold can be obtained there without paying a premium. But here is the Treasury of the United States professing to be so helpless that it can not prevent every gold speculator from robbing the Government of its gold. Our Treasury will not pay out the silver which it might pay.

The Bank of France will pay out silver, or will charge a premium on gold if it is wanted for anything but domestic use. But the Treasury of the United States, instead of paying out gold and silver in equal quantities and thus preserving its gold (if it is necessary to preserve it, though I see no necessity of preserving it, for all our money is at a premium to-day), lets everybody go there and get as much gold as he pleases. Why not pay out the silver when we have more of it than we have of gold, or pay out gold when we have more of it than of silver, and thus protect ourselves?

It is because the Administration is hostile to silver; and thus it is surrendering this country to the Shylocks of the Old World who have made war upon it. The aristocracy of western Europe has absolutely tabooed silver in those countries; driven it away from there. Here it finds its only resting place. The last fight for the white metal is to be made here in this country and in this House, my friends. Will you stand by it now, or will you let the Shylocks come and have their way? It is for you to determine.

I think, Mr. Speaker, that we can trust the people of this country on a question of as vital importance as this. The question is now before us. This is its last resort. Will you virtually demonetize the money of nearly 70,000,000 of people, with a vast empire of 3,000,000 of square miles, a people thirsting for money to open up new railroads, to establish new factories, to operate new places of business, to inaugurate new industries; 70,000,000 of people demanding money, twice what we have to day, a new people, a new country, a free people, or they ought to be free whether they are or not?

Are you to give up the fight and let this vast body of our wealth go to ruin? I do not believe it. We know well enough that if we repeal this law and give nothing for it, the people of this country will regard it as a total demonetization of silver, which it will be so far as this Congress is concerned, without any question.

Now, my friends—and I do not care whether you are Democrats or Republicans, or who you are. I appeal to you, especially as Democrats—when in 1890 in nearly every State of this Union the Democratic party in its platforms demanded free and un-

limited coinage of silver, when you embodied it in your great Chicago national platform, when the Democratic party has for years stood before the House and the country as the bulwark in defense of the white metal, in the face of all of these things are you now to desert the cause and surrender the fight? Can you afford to do it? Will you go to your people and tell them that you are not able to carry out the pledges of your platform, the promises upon which you were sent here, or any part of it, except that which resulted in the total demonetization of silver and the sacrifice of their interests?

What does free coinage of silver mean? It means that the holders of silver bullion, at some ratio to be fixed in the bill, may go to the mints of the Government and have it struck into the legal-tender money of the country and deposit the dollars so coined, if the holder so desires, and have a certificate issued to him in place of it. What is the effect of unlimited coinage of silver in this country, and I invite your attention to this particularly, because it is a question of vital importance? It means that the silver coins of the United States at whatever ratio is fixed, and I want the present ratio that we have now, 16 to 1, maintained precisely as it is, it means that the silver of the world can come here in exchange for what we have to sell.

Yes, it means that the silver of the whole world can come here. But they say that we will be flooded with the world's silver, that it will be dumped down upon us. Now, let us see about that for a moment. It means that anyone with 16 ounces of silver can come here from any part of the world, or with 1 ounce of gold, and he can buy your grain, he can buy your house and lot, he can buy your manufactured product, and buy the property and commodities of all sorts that you have to sell with either the one or the other; that is to say, he can buy just as much with his 16 ounces of silver as with his 1 ounce of gold.

With the billions upon billions of property existing in this country to-day, and being produced in this country every year, we simply offer to exchange that which we have in abundance on a basis of 1 pound of gold as the equivalent of 16 pounds of silver. We invite, then, the world to come with its silver and make the exchange. No nation now, it is true, offers in exchange for silver the gold at any fixed ratio: consequently all the silver that is coined is used in the countries where it is coined. And why? Because no great power offers to exchange commodities for one metal or the other at any fixed ratio. That is the only trouble with silver to-day.

Now, it must be remembered that France gave an example to the world in this regard, having kept its silver on a parity with gold for a period of seventy years on a ratio of 15½ to 1. It said to the nations of the world, "Come with your gold and your silver, 15½ ounces of silver or 1 of gold, and you can buy all of our salable property in France and you can pay us in silver or in gold, just as you choose, on that basis." And according to the report of the British royal commission of 1888 on that subject, France was enabled to maintain the parity of the two metals at that ratio, for the reason that she had property enough to effect exchanges on that basis. We are in the same condition.

What is it, then, that you are asked to do? It is that we, the Government of the United States, we as a people say to all the world, especially the silver-using people, all of the Asiatic nations and the Great Indies, come here with your white metal if you choose to come, and trade with us on the basis of 16 to 1 and buy your commodities from us at that ratio. When you do that, will not the silver-using people of the world come to our shores to make their purchases rather than go to the European powers, where they demand a ratio of from 22 to 25? There can be no doubt of the answer to that question.

You at once undermine and sap the prosperity of western Europe. You will divert from them all the trade of every silver-using country in the world, because you offer to sell those people property and commodities here that are better, and on better terms, than they can get anywhere else in the world. You say their silver will come here. Suppose it does. It will go back again, because here is the flood gate that is opened for gold and silver to come and to go with the tides of trade, of free exchange, in this the greatest country the world ever saw. It will come and it will go, and so it will continue; because we have opened up the mint, we have opened a sluice for the dam that now blockades the silver tide.

Do you suppose England could stand that for a moment? Certainly not. What has made the manufacturers in Manchester, England, the strongest bimetallicists in the world to-day? Simply the fact that they must sell their commodities in India for the India rupee. They are thus interested in the value of that silver rupee. They want to maintain it; and if all the manufacturing products of western Europe that are sent here and sold to us are sold for silver, as they must be, or gold at our ratio, do you not see how quickly you will convert them all to bimetallicism? Thus you will segregate all the industrial inhabitants of western Europe from those who live on fixed incomes, the aristocracy, the bondholders, and the coupon clippers. That is all there is about it, and we want to segregate them.

You see, then, that when we do this in this country western Europe must come to our standard or abandon commerce with all silver-using countries, and with us. Mark that. We are the best market in the world for manufactured European products. They can not live without this market, and they can not keep this market unless they recognize and take our silver at the same value that we take it; and they know it.

I know that the gold owners in that country and this, the bondholders and bankers, those who are living on fixed incomes, and who are living on interest, and whose business it is to loan money and to have that money increase in value from year to year—they fight this proposition as a matter of course: but I do not think they ought to do it, for ultimately I think they would be benefited, as would the industrial people of the world. They ought not to fight it. They know what I state is truth, that if this country gives free coinage of gold and silver at a fair ratio it settles the question for the world and drives the world to bimetallicism instead of gold monometallicism. They know that, and hence their eagerness and determination to prevent it.

It is a fight between the standards; and this great country

must settle it, and you, my friends, must think about settling it here. It is a serious question. It is not only a serious question for the American people, but we are appealed to by the oppressed in the Old World, those who have not the voice that our people in their sovereignty have.

The oppressed of the Old World are appealing to us to settle for the world this great question, and to settle it not for men who are seeking advantages in the stock markets, not for men who are seeking advantages in bondholding, in interest drawing, in money lending, in seeking to have money increase in value every day and every year, but for the great toiling and producing masses of the other countries as well as our own, for whom it is our proud province here to think about and to legislate. They are in a panic my friends. I want to remind you of that, and they will remind you of it when you go home if you are not reminded of it now.

The people are watching this thing. They understand that the battle to be fought here is the battle of the standards the world over, and the man who fails now they will brand as a traitor to the cause which is intrusted to his hands.

Now, Mr. Speaker, in this line of my remarks I wish to have read from the Clerk's desk an extract from the Parliamentary Report to which I have referred.

The Clerk read as follows:

191. The explanation commonly offered of these constant variations in the silver market is that the rise or depression of the price of silver depends upon the briskness or slackness of the demand for the purpose of remittance to silver-using countries, and that the price is largely affected by the amount of the bills sold from time to time by the secretary of state for India in council.

But these causes were, as far as can be seen, operating prior to 1873, as well as subsequent to that date, and yet the silver market did not display the sensitiveness to these influences from day to day and month to month which it now does.

192. These considerations seem to suggest the existence of some steadying influence in former periods, which has now been removed, and which has left the silver market subject to the free influence of causes, the full effect of which was previously kept in check.

The question therefore forces itself upon us: Is there any other circumstance calculated to affect the relation of silver to gold which distinguishes the later period from the earlier?

Now, undoubtedly, the date which forms the dividing line between an epoch of approximate fixity in the relative value of gold and silver and one of marked instability, is the year when the bimetallic system which had previously been in force in the Latin Union ceased to be in full operation; and we are irresistibly led to the conclusion that the operation of that system, established as it was in countries the population and commerce of which were considerable, exerted a material influence upon the relative value of the two metals.

So long as that system was in force we think that, notwithstanding the changes in the production and use of the precious metals, it kept the market price of silver approximately steady at the ratio by law between them, namely, 15½ to 1.

When once the conclusion is arrived at that this was the case, the circumstances on which we have dwelt as characterizing the period since 1873 appear amply sufficient to account for the fall in the price of silver, tending as they all do in that direction; and the fact that on any particular day the supply of silver and of council bills may be large while the need of remittance is small, and *vice versa*, would explain the constant fluctuations in the price of silver which have manifested themselves in recent years.

193. Nor does it appear to us *a priori* unreasonable to suppose that the existence in the Latin Union of a bimetallic system with a ratio of 15½ to 1 fixed between the two metals should have been capable of keeping the market price of silver steady at approximately that ratio.

The view that it could only affect the market price to the extent to which

there was a demand for it for currency purposes in the Latin Union, or to which it was actually taken to the mints of those countries, is, we think, fallacious.

The fact that the owner of silver could, in the last resort, take it to those mints and have it converted into coin which would purchase commodities at the ratio of 15½ of silver to 1 of gold, would, in our opinion, be likely to affect the price of silver in the market generally, whoever the purchaser and for whatever country it was destined. It would enable the seller to stand out for a price approximating to the legal ratio and would tend to keep the market steady at about that point.

194. It has been urged that during the earlier of the two periods which we have been contrasting, the conditions which existed from time to time were favorable to the maintenance of the legal ratio; that the great influx of gold towards the middle of this century found France with a large stock of silver, and that this silver, owing to exceptional circumstances, had a steady outlet to India.

But we do not think this affords an adequate solution of the problem without taking into account the existence of the bimetallic system. It may be true that the circumstances referred to were conditions which helped to make the bimetallic system operative. But as we have observed before, circumstances and conditions of a like nature have been more or less operative both before and since 1873, and yet the effect on the relative value of the two metals has been very different.

195. It is said that the altered circumstances since 1873 would have rendered it impossible to maintain silver at the former ratio, even if the Latin Union had not abandoned the free mintage of silver, and that sooner or later the bimetallic system must have broken down and its steadying influence have ceased.

To estimate the force of causes without adequate experience of their effects in the past is a matter of extreme difficulty. But even if it were true that the Latin Union would not have been able down to the present time to preserve silver from falling below the legal ratio, this does not prove that the views which we have propounded as to the causes of the former stability of the gold price of silver and of its present unstable condition, are incorrect.

Whether silver would ultimately have fallen to its present price, and whether the Latin Union could now, by reversing its action and reopening its mints, restore silver to its former gold value, and reestablish the former condition of stability, are questions very material to another part of the case, but the determination of which is not essential to the particular point with which we are now dealing.

Mr. CULBERSON. Mr. Speaker, as the time of the gentleman from Missouri is about to expire, I ask unanimous consent that he may be allowed to use such time as is necessary in order to complete his argument.

The SPEAKER *pro tempore* (Mr. OUTHWAITE in the chair). The gentleman from Texas asks unanimous consent that the gentleman from Missouri have such time as he desires in which to complete his argument. Is there objection? (After a pause.) The Chair hears none, and it is so ordered.

Mr. BLAND. Mr. Speaker, I thank the gentleman from Texas and the House for the courtesy.

If the gentlemen have given attention to the statement just read, I think they will attach all the importance to it that it deserves, especially as I say that it has been promulgated by twelve experts appointed by the British Parliament, one-half of whom were gold monometallists and among the ablest financiers of Europe, and I desire to read a brief extract when the document is returned to me.

But I want to call attention to the principle they state. They admit that France was enabled to maintain silver on a parity with gold at the ratio of 15½ to 1. They admit it, state it, and give the reason why. It is admitted by Herschel, the gentleman who was chairman of this committee that secured the demonetization of silver in India, and it is also admitted by Goschen, both of whom are monometallists.

Now, what was the principle laid down? They say in so many words that France had fixed the ratio at 15½ to 1 and that France had told the nations of the world "you could come here with your gold and your silver and you can buy all that France has, and you can buy as much for 15½ ounces of silver as you can with 1 ounce of gold." France was able to do that because it was an important country. The report cites the Latin Union, but we all know that France is substantially the Latin Union.

It was because it was a country of sufficient power to make those exchanges by which it could keep the parity between gold and silver the world over; because the world could come there and exchange it for property at that rate; and why? Why, they say no matter where anyone had silver bullion, wherever it be in the world, the owner would not take any less at that spot for it than he could get in France, less the cost of transportation, and he could hold it for that value.

Now, we frequently hear it said that if we adopt a ratio of 16 to 1 and coin silver it will have no effect except in this country; but if it is coined at that ratio it will affect silver everywhere, because the world would know that they could take it at that rate and get that amount for it in the United States. Now, I will read from the report of that commission:

The fact that the owner of silver could in the last resort take it to those mints and have it converted into coin which would purchase commodities at the ratio of 15½ silver to 1 of gold would, in our opinion, be likely to affect the price of silver in the market generally wherever the purchaser and for whatever country it was destined. It would enable the seller to stand up for a price approximating to the legal ratio and tend to keep the market steadily about that point.

Why, the gold monometallists here tell us that it will run the gold out of the country. Those monometallists whom I have read from do not say that, and it is not true. They say you will exchange commodities for it, that you will buy commodities for silver and gold at a fixed ratio; and because the holders of the silver anywhere in the world can come here with it and exchange it for commodities, silver will be used as much as gold at a fixed ratio; and it will not matter whether they pay in silver or gold. Then you will see the parity between gold and silver restored and maintained at this rate. France did it, in a territory not so large as the State represented on the floor by my distinguished friend who did me the honor to have my time extended, having 38,000,000 of people.

Now, I say, Mr. Speaker, the contention that we lose our gold, and that we have got to exchange gold for silver, does not hold good. It is put on the broad proposition of a nation which produces enough wealth; and where is the nation under the shining sun that compares with this growing country of ours in population and increasing development? I believe that I may yet live to see this country with nearly 100,000,000 inhabitants, increasing, as it does, at the rate of over a million and a half annually.

Many now born, by the time they are voters, will compose part of a nation containing perhaps 125,000,000 of people, with unsurpassed energies, with a genius nowhere equaled, and with a vast territory upon which those energies and that genius can

operate. But a short time ago when you looked across the Alleghany Mountains you beheld the western wilderness roamed only by the savage and the wild beast. To-day it is teeming with its millions of civilized people, the great Mississippi Valley, and when you cross the Mississippi you just begin to enter the great domain of this country of ours, for more than two-thirds of it lies beyond the Father of Waters.

And, Mr. Speaker, it is that two-thirds of our territory, rich as it is in gold and silver, embedded together in the same deposits, in the same mountains, so that you can not extract the one without extracting the other—it is that portion of our territory that would give us the money that we need, the money of the world, good money, hard money, Democratic money [laughter and applause]—a country that the civilized world must look to for its future monetary supply if it is to continue on what is called the hard-money basis. And yet we are to-day asked to do what? To lay the blighting hand of confiscation upon the millions of people inhabiting that country, to turn them out as tramps upon the land, merely to satisfy the greed of English gold.

Oh, my God, shall we do such a thing as that? [Applause.] Will you crush the people of your own land and send them abroad as tramps, will you kill and destroy your own industries, and especially the production of your precious metals that ought to be sent abroad everywhere—will you do this simply to satisfy the greed of Wall street, the mere agent of Lombard street in oppressing the people of Europe and of this country? It can not be done, it shall not be done! I speak for the great masses of the Mississippi Valley, and those west of it, when I say you shall not do it! [Applause.]

Any political party that undertakes to do it will, in God's name, be trampled, as it ought to be trampled, into the dust of condemnation now and in the future. [Applause.] Speaking as a Democrat, all my life battling for what I conceived to be Democracy and what I conceived to be right, I am yet an American above Democracy. [Applause.] I do not intend, we do not intend, that any party shall survive, if we can help it, that will lay the confiscating hand upon Americans in the interest of England or of Europe. Now, mark it. This may be strong language, but heed it. The people mean it, and, my friends of Eastern Democracy, we bid farewell when you do that thing. [Applause.]

Now, you can take your choice of sustaining America against England, American interests, and American laborers and producers, or you can go out of power. We have come to the parting of the ways. I do not pretend to speak for anybody but myself and my constituents, but I believe that I do speak for the great masses of the great Mississippi Valley when I say that we will not submit to the domination of any political party, however much we may love it, that lays the sacrificing hand upon silver and will demonetize it in this country.

For myself I will not support such a policy here or elsewhere, but will denounce it, and as a Democrat I will denounce it as un-Democratic and un-American, and will ask the people of this country to condemn it as they ought to have condemned the so-called Democrats engaged in it as the agents, the tools—I withdraw that word, but I will say as the representatives, uninten-

tionally, of the money power and the moneyed interests, and not of the masses of the American people. [Applause.]

Gentlemen, you can not hold the Democratic party together on that line. You can not pledge yourselves to bimetallism in your platform and ignore it in your legislation. We pledged ourselves in the first place to tariff reform, and the people had a right to expect us to deal with that first. In my part of the country we were told to let silver alone; that we already had a law on that subject. They said to us: "Do not disturb that question, but take up the tariff; we are united on the tariff [laughter on the Republican side]; let us take up the tariff and reform and reduce it; the tariff is doing us great injury, let us attend to that first." We thought that declaration was sincere and we thought the first thing to be taken up was the repeal of the McKinley bill.

Well, now, my people of the Mississippi Valley believed that you would let silver alone, that you would not try to demonetize it, that you would let it stand where it is; they believed the tariff would be considered first. But when you come to say that you are going to demonetize silver, let me tell you that this is a bigger question than the tariff or anything else. This battle of the standards is a world-wide question. The question is whether we are to be put upon a gold standard; and that question is one which in importance is away beyond the year by year regulation of your revenue.

We voted the ticket in good faith; we expected that the platform would be carried out as was promised—that we would have tariff revision, and that when we came to the money question it would be regulated according to the Chicago platform, that we should have the free coinage of silver, which in itself would destroy this makeshift. But lo and behold, we find that we were tricked, that we were deceived. [Laughter.] And I use that language advisedly. I believe it was not intended by our Eastern Democratic friends that tariff reform should be considered first, but their main, if not their sole, object was to put their hands upon silver and demonetize it and let tariff reform take care of itself afterward. [Laughter.] And here we are, just in that situation. Reduce the tariff 25 per cent. yet make money in gold 25 per cent more valuable, the tariff remains as great a burden as ever. It takes the same quantity of wheat, corn, pork, and cotton to pay it as before.

A MEMBER. That is where we are at.

Mr. BLAND. Yes; we know where we are at now. Now, I tell you I am not going to submit to it. You may pass your bill and do these things; but if you do we are going to cut loose from you. You may go ahead, but you will never trick us again. I am speaking for my people. Do not charge me with being a radical or a fanatic or with indulging in threats. I speak the sentiment of the masses of the people I represent, and they are resolved upon the policy I have stated. I would not say so if it were not true.

Now, Mr. Speaker, as I have already stated, the silver question, as now presented, is not the question we have had presented to us in the past. It is true that in what has been called the Bland coinage act we passed in this House a free coinage bill (I

mean not in this particular body, but in the House of Representatives) by a large majority—by a two-thirds vote. But when it went to the Senate there was engrafted upon it a provision requiring the purchase of at least \$2,000,000 worth of silver each month and not exceeding \$4,000,000 worth and its coinage into standard silver dollars. That was a bullion purchase bill.

But mark the distinction: It required every dollar of that bullion to be coined into money as fast as purchased; and it required the issue on that money of certificates redeemable in silver. To that extent the measure was in the line of bimetallism. The only difficulty was the limitation as to the amount. But the present law repealed that law. You do not propose now to put us back to where we were when you repealed that act, which was adopted as a compromise measure providing for the purchase of from two million to four million dollars worth of silver per month.

You propose to wipe out the act of repeal and to leave us where? You propose to remit us to the demonetizing act of 1873, which in all my section of country the Democratic party on every stump has denounced as the monumental fraud of the nineteenth century. Here is a Democratic House proposing to go right back to that act. When you do so you will be guilty of a greater fraud than that act itself. I speak advisedly when I say that if the Democratic party, after all the pledges it has made in regard to silver in its platforms, national and State, should take the country back to its condition under the act of 1873, you will have consummated the monumental fraud of the nineteenth century, because we never expected much from Mr. SHERMAN or his party; they never made many promises, as we have.

If we now violate in the light of day every pledge that we have made, we shall be convicted of insincerity, of betraying the people who sent us here, of bowing our necks meekly to the yoke of Wall street. If Democracy means anything, it is that those who come here from the people to represent them should carry out their pledges in good faith. It does not mean that we are to pass an act which (though some people say it will stop the panic) will put a yoke upon your constituencies for probably centuries to come.

I spoke of the British royal commission as having laid down the principles by which bimetallism was maintained in France; and I contend that this Government can maintain it upon the same principles, and at the ratio of 16 to 1. Yet the House will have the opportunity to vote on different ratios. My objection to changing the ratio is, in the first place, that the ratio of 16 to 1 is that which now exists. It is the ratio of the standard silver dollar, which is still the standard silver dollar that it always was. It is the law of the land and basis of equities between debtor and creditor.

Some gentlemen say that gold is the unit of value and the standard. What was meant by the unit of value was simply that the dollar was the unit of account from which we should reckon both down and up—down into fractions and up into multiples. It was merely the unit of account for Government accounts and private debts and everything computed in dollars and cents. That is what it meant. And that unit was to be coined in silver. That was the original act. Whether the unit of value as it ap-

peared in the act of 1873 was intended to mean anything more than the unit of account, I do not care. If it was, then, according to that construction, the silver dollar was the unit of value until 1873.

It was the only dollar authorized and coined until 1849, when the gold dollar was authorized to be coined. But the silver dollar was the unit. Now, in the act of 1878, the title reads "An act for the coinage of the standard silver dollar and to restore its legal-tender character." The context refers to the act of 1837, and the coining of the dollar authorized there with the same superscription, which is the same standard dollar, the silver dollar, that has been identically the same in all of the history of our country. That act restored that standard as the standard dollar, and displaced the gold dollar.

There is no question about that. We do not coin the gold dollar at all to-day. It is prohibited to be done at the mints, and the only dollar that is coined is the silver dollar; and I repeat, sir, I deny that the gold dollar is the standard of value. When we resumed specie payments and came from the midst of the greenback circulation to coin payments, we emerged with a standard silver dollar coined at the mints, and had been for nearly a year. In all of our business obligations, in all of our contracts since the resumption of specie payments, we refer to the standard silver dollar. We have been coining them, and our contracts rest on silver as well as on gold. But you want to eliminate them altogether and put everything on a gold basis.

But I repeat, sir, I deny the assumption that the gold dollar is the standard. I assert that the silver dollar is now, as it has always been, the unit of value in this country, and therefore that the unlimited coinage of silver will place bullion silver at par at the mints and in the world's markets equally with gold, according to the Chicago platform. It must necessarily do it, and we will comply with the platform and its pledges by coining our silver at a ratio of 16 to 1. For you must take notice that all of the silver in circulation in the world to-day, coined with reference to any ratio to gold, is about 15½, or below that amount. Four billions of silver money is in circulation at a coinage ratio of about 15½, while ours is 16 to 1. We have departed so far from the coinage ratio of the world as to go above 15½. But why? What reason is there for going above 16 to 1.

I say, sir, and the statistics will demonstrate the fact, that if you go back for the last twenty years and compare the production of gold with that of silver, that the ratio of production will be found to be about 15½, or between that and 16 to 1. Of course within the last four or five years the production of silver has increased, but you must take, in making comparisons of this character, long periods and not a few years. Take then for this purpose the production of silver for the last twenty years or since the price of silver has begun to fall, and the comparative production of the two metals is about 15½, or something below 16 to 1.

There is, then, no reason why we should change the existing ratio, except we admit in order to change the ratio that restoring silver to its proper and legitimate function will not restore its value.

Mr. JOHNSON of North Dakota. Will the gentleman allow me to ask him a question?

Mr. BLAND. Yes.

Mr. JOHNSON of North Dakota. Can the gentleman name any country of the world, where they have free coinage to-day, where the coin is not debased exactly to the bullion value?

Mr. BLAND. I do not understand the gentleman's question.

Mr. JOHNSON of North Dakota. I say can the gentleman name any country with free coinage where the coin and bullion are not exactly of the same value, and that the bullion value of that country is just the coin value?

Mr. BLAND. There is no country I know of to-day where gold and silver are coined at any fixed ratio free. I am not going on the hypothesis that Mexico or some weak country like that can, by any of its enactments, have any material effect upon the question.

I am speaking of a system for this country where it is proposed to coin the two metals at a fixed ratio, or of a country which, in the language of this report of the British commission, is of "sufficient importance to be considered," where it has property and products and commerce enough to make exchanges, and that country was France. I am not taking a little country like Mexico, that has no fixed relation between the metals, or even India. I speak of bimetallism, having a fixed ratio, and where the country is strong enough in its products to say we will give as much in exchange for 16 ounces of silver as for 1 ounce of gold. This can not be made to apply to single-standard countries. I am speaking of bimetallism, or where a nation of sufficient commerce fixes a ratio of exchange for the two metals with free coinage for both.

Mr. JOHNSON of North Dakota. Can you name such a nation now?

Mr. BLAND. I say that this royal commission, whose report I read awhile ago, admitted that France did it for over seventy years.

Mr. JOHNSON of North Dakota. Any country could have done it then, but no country has done it for the last twenty years.

Mr. BLAND. No country has been trying to do it for the last twenty years, and I want this country to try it. [Applause.]

Here is a country which, in the direction of its resources, is larger to-day than France, England, and Germany thrown together. I say that advisedly. I do not mean that it is larger in population, for we have not got the population. I do not mean greater in its visible wealth, for we have not that; but I do mean in our resources to be developed, in our demands for money as a new people. They are old and effete and worn out, and doomed to particular habits.

We are progressing and demanding money every day. Every new factory that is started in this country is a direct demand upon the monetary supply, and a contraction of the currency to that extent. Every railroad that is built is a demand upon your volume of money, and a contraction of the currency to that extent, as compared to everything else. Every farm that is opened is a new demand for money, and a contraction of the volume of currency; and here we are opening up vast territories, and we ought to open up more still. All these things demand money

and must draw upon the present supply, and to that extent the currency is contracted, as compared to everything else.

Now, you can not do business on a contracted currency in this country. So that I say we are not to be compared with those people; and when you compare us, in the way of new demands, new developments, in population to be increased, we are greater than all of them combined; and when a gentleman admits that France and England and Germany, or two of them or all of them, could fix the ratio, they admit that this country can do more than all of them together. [Applause.] There is no question about that. You admit all the argument there is in it when you admit that much; and here is a commission composed of the most eminent experts of the Old World, a gold commission which admits that France did this thing, and practically admits that France could still do it if she wanted to.

We have been begogged upon this subject. We have been misled and misrepresented. It is difficult to get a silver argument into the subsidized press of this country, and it seems that nearly all the metropolitan papers are included in that term. They will talk about nothing but banks and bonds and gold, and they control practically the press; but the great argument is to come at last, and will come unless you settle it here. It will not stop, but it will be settled.

But if you say we are not able to fix the ratio at 16 to 1, we have offered other propositions. I have stated that I will not vote against a free-coinage bill because the House may fix a ratio that I do not like. I do believe, and I admit the proposition, that the fixing of the ratio is a fair question for discussion and debate; but I do assert that, as a constitutional question, free coinage is enjoined by the Constitution, notwithstanding the learned argument of the gentleman from Maryland [Mr. RAYNER] to the contrary. [Laughter.] The Constitution inhibits any State in this Union from making anything a legal tender except gold and silver, and it confers upon Congress the sole power to coin money and regulate its value.

Now, does that mean that a State shall make nothing a legal tender, and that Congress will refuse to make anything a legal tender? If the States have conferred a power upon Congress, the exercise of which is necessary to the life of the States, I say it is treason to the States to deny that right as a legal proposition. The States have given up the power to coin money and to make legal tender, and have conferred that power upon Congress. If Congress refuses to exercise this power which is necessary to the very existence of the State, it is, so to speak, disunion. We ought to give back, then, to the States the power to coin money and regulate its value and to make legal tender.

Now, Mr. Speaker, here we are. No State in this Union can coin money or make anything a legal tender except gold and silver. We are denying to them a privilege conferred by the Constitution of this country, which says they may make gold and silver a legal tender. Yet we will not coin it, will not conform to the Constitution and do our duty. Not only that, but "coin money" means an automatic supply. One of the arguments that you can adduce in favor of coin money in place of paper money is that coin money can not be overissued, and that is the most important distinction.

Another argument is that it is not so easily burned up. The metals are not so easily destroyed. Many other qualities pertain to it which it is not necessary to explain; but the great thought underlying all is that the supply of gold and silver is limited by nature, that contracts are based upon the stock on hand, accumulated for ages, as the world has grown up in business; that the values of contracts are fixed by the money of the world thus accumulated, and that the annual supply is so small in amount compared with the vast stock on hand—hardly 1 per cent a year—that you can not impair the equity of contracts by largely inflating the volume of money, nor very seriously disturb property values by lowering the value of the money by a large supply.

But here we want to interfere with that automatic supply. When we have free coinage and the mints open, the production of gold and silver supplies the volume in the manner I have stated: for you make all the stocks of gold and silver on hand and all that comes in the future a part of the possible monetary supply. Nature limits the supply, so that we can not overissue it if we want to. Very good; but some wise people about twenty years ago thought that this continuing supply of gold and silver was interfering with those holding bonds and drawing interest, and living on fixed incomes. They thought the production of silver was going to be largely increased, and would probably lower the value of both gold and silver as money, and hence they undertook by legislation to prevent the automatic supply of money and to inhibit the coinage of one of the precious metals in order to protect the volume of money from that increase.

Now, we had better be on a paper system than a system like that. If we are to regulate the volume of money by prohibiting the coinage of one of the metals, why not abandon the metals altogether and go to paper at once? We are asked to believe that the contention is true that we do not need much money anyhow, because 90 per cent of the business of the world is done on credit. Why not 100 per cent, and get rid of money altogether? [Laughter and applause.]

The time has come, my friends, when credit goes very slow and a little money very much faster. There is always a day of liquidation, and you must have the money. But, as I said before, if 90 per cent is credit money, why not a 100 per cent? Let us print credit money, but let that money rest upon the credit of the Government and not upon the credit of some bankers in London or Wall street. There is about 90 per cent of the American people who do not know anything about credit. They have to do their business on a cash basis. They must have money.

The concluding part of our bill provides that the dollar coined, whatever it may be, may be deposited and a silver certificate issued on it, as now provided by law; so that if you reach a ratio of 18, 19, or 20 to 1, you still have the same right to a certificate that you have to-day.

Mr. HEARD. I rise to a point of order. There is so much confusion in the House that we can not hear the gentleman speak.

The SPEAKER. The House will be in order.

Mr. BLAND. Now, Mr. Speaker, in closing this argument—and as stated, an argument entirely without preparation, not ex-

pecting that I would speak to it at all to-day—I wish to say that the time has come when we will have to decide whether or not this country is to come to monometallism or bimetallism. I think it is the duty of this House, and especially of my associates, to settle this money question, and to settle it on the lines I have pointed out, not by piecemeal, and not by a repeal of an act that sustains the value of silver before fixing the ratio, not to demonetize silver and then undertake to restore it afterwards; but we have time now to arrange, according to the principles of bimetallism, a measure in conformity with our promise to the American people; and we ask our friends on the other side of this question—our Democratic friends on this side, who are so eager to get rid of the Sherman law, so called, and which I do not defend upon any other principle than that it is the only law which sustains silver until we can fix the ratio—I ask them to come in all fairness and enable us to carry out our pledges to restore bimetallism to this country. If you do not, yours is the responsibility, not ours. [Loud applause.]

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