

SILVER.

SPEECH

OF

HON. G. H. BRICKNER

OF WISCONSIN,

IN THE

HOUSE OF REPRESENTATIVES OF THE UNITED STATES

DELIVERED

TUESDAY, AUGUST 22, 1893.

WASHINGTON, D. C. :
PRESS OF GEO. R. GRAY,
1893.

SPEECH
OF
HON. G. H. BRICKNER,
OF WISCONSIN,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 22, 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. BRICKNER, of Wisconsin, said :

Mr. SPEAKER, this question is to my mind a purely commercial one—a matter of supply and demand. Having been engaged in commercial pursuits for over 40 years, having passed through several periods of commercial depression, and remaining in active business up to the present day, my experience has tended no doubt toward shaping my views on the silver problem. The condition of affairs to-day demands from every Representative upon this floor an expression of opinion on this vital question, and I would be neglectful of my duty to my constituents and to this House did I fail to make known my sentiments.

It is not my purpose to arraign any party for the enactment of this unfortunate so-called Sherman law. While my vote was cast against it in this House at the time of its passage, and I feared evil results instead of beneficial, as was claimed for it by its framers and advocates, yet I have no right to assail the other side and say they were not sincere at the time in their claims that this law would be of great benefit to the country.

It has proved a grave error, and is now acknowledged so to be by those who were most active in securing and who voted for its passage. A large majority of them will, I am informed, now vote for the repeal of the purchasing clause, and their courage and devotion to the welfare of our common country cannot be too highly praised. It is to the honor and glory of this great country that upon such grave questions of national character partisanship is brushed aside and patriotism rules.

Now, Mr. Speaker, I expect we shall all be manly and honest in dealing with this purely commercial question. The country is in sore distress, and it is no time for trifling or quibbling. Commerce is at a standstill. The majority of our workshops are silent, our factories are closed, our railways do

poor business, mines are shut down, and our harbors are crowded with ships with sails furled. Steamers with their fires out are moored idle and unfruitful at their docks, and sailors are lounging about the great cities in enforced idleness. No fierce fires burn in the rolling mills, and our great furnaces are cold.

Even in the great wheat fields of the Northwest I am told much grain is wasting for the lack of currency to pay the laborers, who would otherwise gather up and thresh a bountiful harvest. Doing business in over twenty States, I find the same distress is everywhere—there is no exception—whether you go to the manufacturing States of the East or the grain and cotton raising States of the West and South. And all this at a time when the country's granaries are full to overflowing with the products of the soil.

Now, Mr. Speaker, the men who control these industries, as well as the laborers employed therein, are looking to this Congress for some wholesome legislation. They do not want long-winded speeches, made up largely from extracts taken from old musty books in the library reiterating what some one said ten, twenty, forty, or one hundred years ago. They demand action. If the men who first uttered the sentiments that have been paraded here time and again, since this debate began, as original with the orator could be awakened from their everlasting sleep and hear some of the statesmen of to-day in their endeavor to turn back the dial of time and progress, they would gaze at each other in amazement and say wonderingly: "Are these our posterity?"

The country is suffering, and yet these silver-tongued orators want to feed the unemployed laborers on platforms and theories that may have been suited to a former day and need, but are certainly not applicable to the present situation. They seem unable to comprehend that conditions have changed since then, and that methods of years gone by will not meet the changed and changing conditions of to-day. Are they patriots, or are they trying to prejudice one section of the country against the other, or men in one pursuit against those in others?

Advocates of silver now opposing the repeal of the purchasing clause of the Sherman act, so called, admit it is bad law and harmful in its effects, and yet nearly every member who opposes repeal now and who was in the Fifty-first Congress condemned it then, and cast his vote against its passage. They now boldly proclaim that unless the House amends the Wilson repeal bill (which amendments I propose to show later on would make matters worse than to leave the Sherman law remain as it is) they will resist its passage and defeat the repeal of the purchasing clause. They admit the purchase clause is wrong and yet charge that those in favor of its repeal are controlled by Wall street; that Wall street only and its hirelings and dupes are for repeal. I for myself brand that statement as uncalled for and untrue. I am not the dupe of Wall street, neither am I the hireling of the silver kings. Nor do I want class legislation in any form for either.

Mr. Speaker, there are but two questions to consider in this whole matter. How much silver can we float in addition to the amount we already have? And what effect will repeal have on our currency and on the country? If we can float more silver, then let us have more at the same ratio as the silver now in circulation. Let the Secretary of the Treasury be authorized to purchase silver bullion at its market value, or, better still, use the seigniorage bullion now in the Treasury, coin into dollars all that can be paid out to those who will accept them, and stop there. Turn the profits into the United States

Treasury and the whole country will have the benefit and not the bullion holders alone. It is my opinion, however, that we can not at this time use to advantage any more silver than we have now. If it were possible to float more silver it would not be necessary to issue certificates to represent it.

It is said repeal of the purchase clause would demonetize silver in this country and reduce the circulating medium about one-half. I can not see how it would do that. The Government has already guaranteed coined dollars to the amount of \$58,917,196 and certificates issued upon the coined silver in the Treasury to the amount of \$331,019,178, all now in circulation. I will oppose the retirement of this amount of circulating medium should its retirement be attempted.

The condition of the country requires more circulating medium, but we can not pay the premium that would be required to procure it through free coinage. The nonsilver-producing States are not willing to pay the enormous premium the silver States are asking in the proposed amendments to the Wilson bill. In other words, 65,000,000 people are not willing to pay tribute to 1,000,000. It would be far cheaper to pension them all or board them in our most fashionable hotels. When a boy, my father gave me what appeared to be a penny. Its inscription was: "Not one cent for tribute, but millions for defense." That was the principle of patriots in those days. Has that spirit died out in our land?

I have had prepared from the report of the Director of the Mint for 1892, page 51, a table showing the amount of silver produced in the four great silver-producing States of Colorado, Montana, Idaho, and Nevada, which I shall ask leave to print in the RECORD. The table shows the population of those four States according to the census of 1890, and probably does not vary largely from the population of to-day. The table is as follows:

Silver product, in ounces, in 1891, of the four great silver-producing States; also population in 1890.

State.	Product.	Popula- tion.
Colorado	21,160,000	412,198
Montana	16,350,000	132,159
Idaho	4,035,000	84,385
Nevada	3,520,000	45,761
Total	45,065,000	674,503
Total for balance of United States	13,265,000	61,946,757
Total for United States	58,330,000	62,621,260

NOTE.—It may be well to state that of the 13,265,000 ounces of silver produced in the United States outside of the four States named, 11,555,000 ounces were mined in the three Territories of Arizona, New Mexico, and Utah; so but a small fraction of all the silver bullion comes from the remainder of the States and Territories.

From these figures it is easy to ascertain just how much premium the people of the United States would have to pay to the people of these four States every year if we entered upon the free and unlimited coinage of silver at the present ratio. This is based upon the products of 1891; but should a free-coinage bill pass there would be no telling whether this product would be doubled or trebled or quadrupled.

Calculating the value of bullion at to-day's figures, 73 cents, and at its price under free coinage, \$1.29, gives us the difference, or premium, called for by free-silver advocates, in each of these States, as follows: Colorado \$11,961.200, or \$21.01 for every man, woman, and child in the State. And remember this premium would be paid every year, varying only with the price of bullion and amount produced. Montana's premium would be \$9,319,500, or \$70.51 per capita each year—nearly three times that of Colorado. Idaho would get \$2,319,950 premium, or \$27.45 per capita, and Nevada \$2,006,400, or \$43.84 per capita.

But not all the people in these States are engaged in the mining of precious metals. From the census of 1890 I have again gathered statistics showing the number of people engaged in mining in these States, which includes not only those who dig the metal out of the ground, but also the laborers and mechanics employed above ground. Those who desire to substantiate these figures may find them in the Report on the Mineral Industries of the United States, pages 59 and 60. This table also I should like to have appear in the RECORD.

It is as follows:

Average number employed in gold and silver mining according to census of 1890 in the four great silver-producing States is as follows:

	Above ground.	Below ground.	Total.
COLORADO.			
Foremen.....	330	396	726
Mechanics.....	781	781	781
Miners.....		9,585	9,585
Laborers.....	1,505	569	2,074
Boys.....	16	14	30
Total.....	2,632	10,564	13,196
IDAHO.			
Foremen.....	128	163	291
Mechanics.....	354	354	354
Miners.....		2,566	2,566
Laborers.....	964	318	1,282
Boys.....	2	2	2
Total.....	1,448	3,047	4,495
MONTANA.			
Foremen.....	96	65	161
Mechanics.....	207	207	207
Miners.....		2,552	2,552
Laborers.....	2,613	254	2,867
Boys.....	5	5	10
Total.....	2,921	2,876	5,797
NEVADA.			
Foremen.....	83	84	167
Mechanics.....	261	261	261
Miners.....		2,003	2,003
Laborers.....	779	214	993
Boys.....	1	1	2
Total.....	1,124	2,302	3,426
Grand total.....			27,004

NOTE.—Above figures are taken from Mineral Industries of the United States, pages 59 and 60.

In addition to the 45,065,000 ounces of silver mined by these 27,000 men, the census of 1890 gives the following statistics about the output and value of lead, copper, and gold product in the four States named, as the results of the labor of the same workmen who mined the silver :

LEAD.

States.	Tons.	Value.
Colorado.....	70,788	\$2,100,014
Montana.....	10,183	456,975
Idaho.....	23,172	1,042,627
Nevada.....	1,994	72,653
Total.....	106,137	3,673,271

COPPER.

States.	Pounds.	Value.
Colorado.....	1,170,053	Not stated.
Montana.....	98,222,444	Do.
Idaho.....	156,490	Do.
Nevada.....	26,420	Do.
Total.....	99,575,407	Not stated.

GOLD.

States.	Fine ounces.	Value.
Colorado.....	169,312	\$3,500,000
Montana.....	169,312	3,500,000
Idaho.....	96,750	2,000,000
Nevada.....	145,125	3,000,000
Total.....	580,499	12,000,000

NOTE.—The above figures are taken from the Mineral Industries of the United States Census of 1890, pages 163, 155, and 48 respectively.

These figures give a still more startling exhibit than the others. Of the 674,503 population in these four States, but a trifle over 4 per cent. or 27,004, are engaged in mining. The other 650,000 really would not get their per capita yearly premium in the event of free coinage, but like the rest of us pay their share over to the ones engaged in the industry. What percentage of the 27,000 are mine owners is hard to tell, but it is safe to say it is not large.

It is also probably safe to say that very few of the real workers in the mines would ever realize any premium after all. It would be gobbled up by their employers—the silver kings. But supposing every one was to get his share, what would it amount to? Why, for Montana the premium would be \$1,580.19 each year, and for Colorado, \$907.11 each year; for Nevada, \$588.88 yearly, and for Idaho, \$516.11 a year for every miner in the State.

These figures are based upon the population of 1890 and the product of 1891, but since they were compiled I have been reliably informed the product 1892 exceeded 75,000,000 ounces, or an increase in production of about thirty per cent. over the previous year, unquestionably caused by the enforced purchase on Government account of 4,500,000 ounces per month. So that

while the figures I have stated are correct as to 1891, for 1892 they would be much larger.

Let us see what they really are. Now, as is shown in the tables I have presented, the production of silver is confined in a large measure to the four States named, only 13,000,000 ounces out of 58,000,000 ounces being mined in all the other States and Territories—but 22 per cent. of the entire output. So we can assume that the proportion will hold good as to the increase. This would make the premium that would be paid to the miners in the several States as follows, presuming, of course, that the number of miners had not varied greatly from 1891:

	Per miner.
Montana.....	\$2,054.24
Colorado	1,179.24
Nevada.....	765.54
Idaho.....	670.94

And as the mine owners would appropriate the lion's share, how long would it be before billionaire silver magnates would take the place of the millionaires already made under the present restrictive silver laws? And how long would it be, too, before nearly all the wealth of the country would pass into their hands? Will the American people pay this immense tribute? Dare the members of this House assume the responsibility of placing such a burden upon the people?

Mr. Speaker, silver is a product, the same as gold, copper, iron, coal, wheat, or cotton. By aid of improved machinery it is now more cheaply and rapidly mined than formerly, and the supply has overtaken and passed the demand. The result has been a decline in the market. The same holds good with wheat. This commodity can now be produced for less than half the price possible before the invention of labor-saving machinery and the introduction of improved methods. The same applies to all these products in a greater or less degree.

The law of supply and demand fixes prices. This principle is as unchangeable and as fixed as the North Star. There is no government large or strong enough to turn aside the effect of this natural law any more than it could change the course of the sun. It is thought by some people that we can fix the price of our own products. That idea is erroneous. What do we do with our surplus? Do we not depend upon Europe to buy it? Let there be an advance or a decline in the price of cotton, wheat, or silver in Liverpool, London, Paris, or any of the market centers of Europe and its effect is felt in ten minutes in New York, Chicago, St. Louis, in fact, in hundreds of our purchasing markets, and prices are adjusted according to the change.

The seller has invariably to submit to the purchaser. You can not compel a purchaser to buy your products if he does not want them, neither can you make him pay more than the current price without his consent. There may be exceptions sometimes in seasons of great scarcity and exorbitant prices can be obtained, but it is generally of short duration. This applies to all commodities. It applies to money as well as to the products of the soil, the mines, or mills.

I have heard bankers very much abused by some of the speakers on this question.

I have no sympathy with the Shylock, whether he speculates in money or the necessaries of life, or if he be one of the robbers in the several profes-

sions; but an honorable banker is entitled to consideration. He is part of the machinery of commerce, and is as necessary to commerce as the driving-wheel to a machine. He is as essential a factor as the merchant or miner. If he were eliminated, trade would suffer, and in time the whole machinery of commerce be ruined.

The Government can assume the right to stamp anything and call it money, whether it be gold, silver, rags made into paper, or what not, place its stamp upon it, and compel its citizens to accept the same in payment of debts; but you take our silver dollar across the borders of our country and try to pass it upon one who has no direct interchange with our people, and he will tell you that your dollar is only worth to him 63 cents, more or less, as the bullion price varies. No one claims we can use our silver dollars abroad for more than bullion value. Our silver producer ought to take his chances as all other producers do, and sell where the highest price can be obtained, and not come to Congress asking that a market be created for him where more must be paid than the product is worth in the open market.

I am told that a new city in one of our silver-producing States has more millionaires, according to its population, than any city in the world. And yet they come to Congress asking to be made richer still. In the face of all this, we are told that we are the creatures of the gold-bugs. Why should a premium not be given to the grain-raiser, the cotton-planter, the stock-grower, and others as well? No, Mr. Speaker, I can never agree to such legislation.

The amendments proposed providing for free coinage at the ratio of 16, 17, 18, 19, and 20 to 1 would make matters even worse than to leave the Sherman act remain as it is. I understand the strongest fight will be made on the last amendment, the 20 to 1 ratio. Let us see what free coinage at, say, 20 to 1, means; how it affects commerce, and how much it will cost the people, *i. e.*, the Government, to recoin at that ratio the silver dollars we already have. According to the latest obtainable reports from the Treasury Department, we have in round numbers \$419,000,000 now in the Treasury and in circulation. The loss, if this is to be recoined at 20 to 1 ratio, will be over \$100,000,000.

According to the Treasurer's statement, also, it will require five years' labor, five years' running of the mints, to recoin all our silver dollars into new dollars at the proposed weight. And as the loss would be over \$100,000,000 our circulating medium would be contracted that amount, just at a time when we need expansion. We would have the bad end of a barter in a commodity of uncertain value. This new coin would not pass in Europe, for it would be too light, even at the increased weight, to contain one dollar's worth of bullion.

They would serve no better purpose than the 16 to 1 dollar, as the ratio of bullion prices to-day to gold is over 28 to 1.

We would have no use for it in this country, for our people would rather have the paper certificate representing the coin than the coin itself. The effect might be to advance the price of bullion by reason of the Government being compelled to purchase in order to make up the deficiency in weight. The Government could be compelled to buy from the Shylocks (who are, and rightly, too, denounced by the free-silver men), who would surely corner the market if so large an amount of bullion was to be purchased.

They would buy up our silver certificates, and, having cornered the metal in the market, would compel the Government to pay them their own price for it, so as to be able to redeem the certificates with the new and heavier dollar. Now, after all this vast sum has been coined into dollars, no agreement being in operation with other countries as to uniform weight in coinage, silver bullion would go back to present prices or less.

Now I ask, in all candor, have we a right to attempt this! Is it necessary? I certainly say no. It is a dangerous experiment, upon which we have no right to enter, and it is fraught with the possibilities of absolute and permanent injury to the country.

One other point, Mr. Speaker, I wish to touch upon before leaving this part of the subject, and it is in support of my statement that we cannot float our silver coin in foreign countries. Last year there was exported twenty-three million dollars' worth of silver bullion and only ninety-four thousand dollars in United States silver dollars, which goes to show that foreigners will not have it for use as a circulating medium.

These are the figures for 1892, as furnished by the Treasury Department. But in 1891 there was imported of foreign and domestic coins over seventeen millions, of which over \$6,000,000 was in domestic coin, so that it is apparent all our exported coin is shipped back to us at the very first opportunity. Probably the silver men do not stop to think that our silver dollars can not be used abroad, even as fine bullion is used, for it is one-tenth alloy, and other nations, having a different percentage of alloy, find our coins unfitted for coinage in their own standard; therefore what little gets out of the country soon finds its way back again.

Now, Mr. Speaker, we come to the consideration of the second proposition I laid down at the beginning of my remarks as one of the two into which is resolved the whole silver problem. It is: What effect will the repeal of the purchase clause have on the currency and on the country? The primary effect, of course, will be to stop piling up silver bullion in the Treasury at the rate of 4,500,000 ounces a month. Back of this is the salutary effect of restoring public confidence that has been gradually undermined, and now all but destroyed through the distrust created, since the so-called Sherman law went into effect, by the large and continued purchases and constant accumulation of piling up of silver bullion under its provisions. People will know that the policy of depleting their Treasury of gold must cease.

Confidence in commercial lines and among manufacturers will again prevail when our policy shall have ceased to give cause for apprehension at home and abroad, when our finances shall be maintained upon a solid basis, and the Treasury no longer be made the dumping ground for a debased metal of uncertain value. The country can use and has use for the silver heretofore coined and the certificates issued thereon, and it is just and right that their legal-tender quality be kept unimpaired and the parity of our gold and silver coins maintained.

But the free and unlimited coinage of silver cannot but injuriously affect the value and usefulness of the amount we already have and also render it impossible for the Government to maintain their parity at this time. Should, however, an international agreement be made at some future time, which I hope is not far distant, then will it be possible to have free coinage of silver, and the parity will take care of itself.

Additional circulating medium is urgently needed, but it must be provided for in some other way than by free coinage of silver under present conditions. Neither will it do to enact into laws hasty, ill-advised, and crude systems of finance and banking. Let us pass this bill repealing the purchase clause of the Sherman act, and thus in a measure restore lost confidence. Then take up the question of amending our banking laws or formulating new ones. Let them be elastic, so the circulating medium can be increased or diminished according to demand, and let it be provided that the liability of bank stockholders to their depositors shall be unlimited, as a guarantee for deposits. Then will the people have renewed faith in the soundness of our financial policy, our currency will be ample in volume and unquestioned in value, and our banks deserving of the fullest confidence.

If our country was a creditor nation, Mr. Speaker, instead of a debtor, it would make but little difference how we legislated or what we had for a circulating medium. But we are a debtor nation. We owe largely to Europe, and are liable at any time to have our securities returned to us and payment demanded, it may be through mistrust or scarcity of money in their own country, and our railway and other bonds will be sent over here and collections enforced when payment is due, working severe hardship in many cases. To some extent this appears to be the situation to-day. Mistrust due to the fear that the Sherman law will remain unrepealed and that this nation is drifting toward a silver standard is largely the cause of the present crisis, and liquidation of our industrial indebtedness held abroad is being enforced to an extent never before known.

As a nation we must have a form of money that will cancel our obligations held in other countries—our bonds must be paid in the money that represents to the holders a standard of value the world over. Were the balance of trade always in our favor we would not need to worry about gold, for the balance of trade would bring it to us without difficulty. But when our crops are short, or we overtrade, or should there be a great stringency in the money market in Europe, then we must be prepared to meet our obligations honestly and in the recognized money of the world.

An individual may be dishonest and not fulfill his obligation. The distress it will bring will be felt and borne only by individuals. But when a nation is dishonest and loses its credit there is no telling where the distress ends. Instances are numerous in the history of the world where nations had not fulfilled their honest obligations, and war, bloodshed, and untold misery ensued. Let us not add a black page of strife and destruction to our nation's history by becoming dishonest, too.

I ask this House in all sincerity to pass the Wilson repeal bill now under consideration. Mark the prediction: Unless it is done ruin and distress will stalk through the country hand in hand, and woe follow after woe in swift succession until we shall all be swallowed up in financial chaos. The peril now threatening the welfare of the country will come full upon us, and disasters multiply a thousandfold. Bread riots, with all their bloody and ghastly results, will strike terror to the hearts of the people in our great cities, and starving mobs will overturn all semblance to law and order in their mad strife for food.

Winter's awful cold will drive thousands upon thousands of the unemployed into the workhouses, prisons, and reformatories, and Necessity will be the recruiting officer that will add hundreds to the ranks of the pauper and criminal classes.

Business will be paralyzed, commerce brought to a standstill, and many industries wiped out unless we give some measure of relief.

A great deal has been said by the advocates of free silver depicting the terrible condition of affairs in the great silver States and the distress that prevails among all classes, and especially among miners. The pictures are doubtless not overdrawn, and they are entitled to some measure of relief. It may be noted, however, that all the speakers for the white metal claim this condition is due to the shutting down of mines through fear of repeal of the purchase clause of the Sherman law, and the consequent closing of a great market for their product.

Now, the other side of the picture is still darker, and I think my assertion will be sustained by the observations of many Representatives from the non-silver producing sections of our country, that far more wide-spread and far-reaching in its effects is the apprehension and consequent business stagnation and suffering among our business men and laboring classes that exists everywhere throughout the great manufacturing and industrial States of the Union. And this apprehension is caused by the fear that the nation is drifting toward a silver standard and that the present ruinous policy relating to silver will not be changed for the better, if changed at all. Free silver to them under present conditions means untold misery and suffering.

Of what consequence to the nation is the shutting down of the silver mines of the West and throwing out of work the 27,000 men employed therein compared to the general shutting down of factories, mills, workshops, furnaces, and the great industries of the country, and to the closing to millions of workmen the means of earning their daily bread?

Mr. Speaker, I will not detain the House any longer. I have endeavored to avoid personal allusions in my remarks, and hope they will not be so construed. I am not prejudiced against any industry. I am not an enemy of silver and would be only too glad to see the way clear to use more of it as the money of our country; but that seems to me impossible at this time and be just to all sections and all classes. I hope a sufficient number of the members of this House will look at this question unbiased by prejudice and vote for the pending bill without amendment. [Applause.]