

S I L V E R .

Let us compare the benefits of a full with the evils of a scanty circulation.—*Alexander Hamilton.*

S P E E C H

OF

HON. ELIJAH V. BROOKSHIRE,

OF INDIANA,

IN THE

HOUSE OF REPRESENTATIVES,

WEDNESDAY, AUGUST 23, 1893.



WASHINGTON.

1893.

S P E E C H
O F
HON. ELIJAH V. BROOKSHIRE.

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. BROOKSHIRE said:

Mr. SPEAKER: The subject of our inquiry is worthy of the best thought and the fullest investigation by the representatives of the people. It is fair to say that upon one side in this debate are arrayed those who argue that the Government should, at least for a time, perhaps forever, refuse to use any more silver as a basis and foundation for its circulating medium, and upon the other side are arrayed those who contend that much silver should be used from time to time for the purpose of making money for the people. Upon one side are those who believe that our monetary system should rest upon a gold foundation alone. Upon the other are those who believe it should rest upon a foundation of both gold and silver, upon a bimetallic base.

Speaking for myself, I desire to say that in this contest, as in the past, I have taken a stand with those who are friendly to silver; and in doing so, I feel that I will faithfully represent the preference of a very large majority of my constituents and fellow-citizens. Shall we strike down and demonetize silver and further enhance in all the world the value of gold coin, and thus increase the burdens of our indebtedness, both public and private? To use the language of Alexander Hamilton—

Let us compare the benefits of a full, with the evils of a scanty circulation.

The two countries on the continent of Europe where the masses of the people are said to be best housed, best fed, and best clothed, are France and Holland. The circulation of France is \$40.56 to each person, and Holland nearly \$29. The Treasury statement, bearing date of the 16th of this month, which gives the amount of money in circulation to each person in the twenty-six leading nations of the world, shows that those two countries have the fullest volume of money in the world. Not only are the people of the countries named the most prosperous on the continent, and have the largest circulating medium, but they have more wealth to each person:

WEALTH IN EUROPE.		
France to each person		£218
Germany to each person		140
Russia to each person		53
Austria to each person		95
Italy to each person		82
Spain to each person		93
Portugal to each person		86

Belgium to each person	£145
Holland to each person	240
Denmark to each person	198
Sweden to each person	152
Greece to each person	107

If all the wealth of France and Holland were divided equally among their people, each person would have about \$1,000. No other nationalities in all Europe, according to statistics, can make such a favorable showing.

When we strike down silver as a commodity out of which to make money, we have taken a step toward the destruction of one-half of the money of the world; and right here let me ask what do we mean by a standard of value? I understand a standard of value to be a common measure of commodities.

The two commodities which the nations of the world have generally used through all the period of civilization to measure the value of other commodities, are silver and gold. When these commodities have been coined into money, they are given a new use. The value of a thing depends upon its use: the value of any commodity is increased by being put to additional and more important uses. Thus silver and gold, when coined take on an additional value, which can only be measured by the strength and the power of the government which coins them into money, and the confidence which the people have in their government. I believe the way to use silver for monetary purposes is to coin it into money, and thus raise it above the plane of a mere commodity.

This is the principal reason why I voted against the bill of July 14, 1890, commonly called the Sherman bill. I believed then, as I believe now, that the principle of that bill was bad and vicious. It empowered the Secretary of the Treasury to purchase four and one-half millions ounces of silver bullion each month and stack it up in the Treasury vaults, and to issue to the market value thereof Treasury notes. Believing that this so-called Sherman bill was both wrong in practice and in theory, and would ultimately prove injurious to the cause of bimetallicism, I voted against its passage on the 12th day of July, 1890.

But again returning to my thread of argument, I want to say that the great majority of the people whom I have the honor to represent do not have fixed salaries, do not have bonds or money in large amounts to be enhanced in value by a contraction of the circulation. The majority of them are engaged in the production of those commodities such as are produced at the coal mines, on the farms, and in the shops and manufactories.

Sirs, what is the effect of destroying one of the commodities out of which coined money is made? Is it not to increase and enhance the price of the other commodity, gold? Let us illustrate this proposition by its apparent effect upon the commodities produced in the mines and on the farms of our country. Four of the principal commodities which are produced in my district are coal, corn, wheat, and pork. Suppose farmer A should sell farmer B 100 bushels of wheat worth \$50, and 100 bushels of corn worth \$40, and 100 pounds of pork worth \$10.

What would constitute the most perfect standard of value with which to pay for these commodities? The same quantity and quality of these commodities? Mr. B says to A, "Ten years from now, if you do not desire money, I will pay you for these commodities in 100 bushels of wheat, 100 bushels of corn, and 100

pounds of pork of the same quality." When the ten years have rolled around B comes to A and says, "I am ready to pay you for the wheat, corn, and pork." A says, "I would prefer the money; my taxes are due." "Very well," says B, "here are \$50." A says, "At the time I sold you these commodities they would have brought \$100;" but B says, "Do you not know that silver is no longer used in the world as a commodity out of which to make money? Silver money is no longer used; all nations of the world are using and demanding gold. It has been placed upon the auction block, and all the nations of the earth are bidding for it. Gold coin has greatly enhanced in value; in fact its purchasing power has doubled, and now it only takes half as much money to pay debts as it did ten years ago." Sirs, you say this is an overdrawn illustration; but might it not occur in the course of human events if mankind were to set about to accomplish such a result; but of this I will have more to say further on in the course of our remarks. I am simply giving this illustration to show the possible effects of contraction.

Mr. Speaker, the great majority of the people whom I have the honor to represent are engaged in the production of those agricultural commodities, with many others, to which I have adverted, and any legislation which would reduce the value of those commodities will meet their heartiest and severest disapproval. But the gold monometallist says that we want an honest dollar, and that the only honest dollar is a gold dollar. I am frank to say that I believe the gold dollar is the most cruel, not to say dishonest, dollar the world has ever seen. The increase of the purchasing power of the gold dollar has brought upon the masses of the people of the world more wreck and ruin and debt and loss of homes than can ever be comprehended or described by the genius of man.

The increase in the value of gold has no doubt produced riots, bloodshed, and murder in many periods of the world's history. That is what I believe concerning the so-called honest dollar, and the commodity out of which it is made. If I had my way about it I would send along with every gold dollar coined by our Government a silver dollar to act as a sort of policeman to keep the gold dollar from terrorizing and oppressing the poor; and while I am permitted to occupy a seat in this body I shall never knowingly cast a vote for any proposition which will tend to enhance the price of gold. I think I know where the interests of the masses of my people lie, and I am sure I would be unfaithful to their interests if I should cast their vote in favor of any proposition which would tend to decrease the price of the products of their farms, mines, and shops.

We can but dimly and imperfectly comprehend the gravity and consequences of the destruction of one-half of the money of the world, or of measures which will tend to reduce its volume. Mr. M. L. Muhleman, Acting Assistant Treasurer of the United States at the subtreasury in New York, is credited with saying that on January 1, 1893, there were \$3,900,000,000 of gold in the world, and \$3,900,000,000 of silver. But then, it is argued that volume is not important, provided the circulating medium be sound.

On last Saturday one week ago the gentleman from Ohio [Mr. HARTER] said:

England at no time since 1844 has had any provision for the increase of

her currency; and I go further and say that as long as we keep our currency sound we can never have too little or too much.

Our friend seems to have his heart set upon the financial policy of old England. Why has England had no provisions for the increase of her circulating medium for nearly fifty years? I will let Mr. Gladstone answer this question. Mr. Gladstone, when discussing in the English Parliament a motion relative to the monetary conference at Brussels on March 1, 1893 (as reported in the London Times), said:

The complaint is a complaint of low prices. The desired condition which it (bimetallism) is sought to bring about is a state of rising prices; the means to be adopted are to supply the people who require money for the payment of debts or the purchase of commodities with a currency to which they will have access on easier terms. They are to get that currency cheaper. Very well, the consequence of that will be if that currency is to be obtained cheaper, that any given normal amount will be worth less in that currency than it is in the present currency. * * * I think Mr. Giffen, the highest living authority—though there are many living authorities well acquainted with this subject—estimates that the sum out at call is about six hundred million pounds (\$3,000,000,000), and I want to know what is to be the effect of saying to the owners of that six hundred million pounds, "allow your money to remain where it is, and you will have to take ninety or ninety-five pounds for every one hundred pounds; but before a given date you could get one hundred pounds." * * *

I am almost afraid to estimate the total amount of property which the United Kingdom holds beyond the limits of the United Kingdom. But of this I am well convinced, that it is not to be counted by tens or hundreds of millions. One thousand millions probably would be an extremely low and inadequate estimate. Two thousand million pounds (\$10,000,000,000), or some thing even more than that is very likely to be nearer the mark. I think under these circumstances it is rather a serious matter to ask this country to consider whether we are going to perform this supreme act of self-sacrifice.

What lessons are to be drawn from the words of Mr. Gladstone: He says that by bimetallism it is sought to bring about a state of rising prices. Are the people of the Mississippi Valley and of the South and the great Northwest interested in rising values? I submit that that is what they are now contending for. He says bimetallism proposes to give the people more money upon easier terms.

Are the people we represent entitled to more money upon easier terms? Then, if the use of silver in making money means cheaper money, the destruction of silver means dearer money, and dearer money means lower prices for the commodities of our mines, shops, and farms. He gives us a reason why money should not be made cheaper, that England is the great crediting nation of the world. He says, in the event of bimetallism, that any given normal amount of the currency which we have to-day will be worth less then than now. He says that there are three thousand million dollars on call in England liable to be collected in a day, and that, in the event of bimetallism, the persons to whom this large sum of money is due would demand its payment at once. He says, furthermore, that the people in the nations outside of the United Kingdom owe the people of England ten thousand million dollars. He closed his remarks by saying, "Shall we perform this supreme act of self-sacrifice."

Mr. Speaker, the supreme act of self-sacrifice to which the great English statesman refers, is a proposition looking to an enlargement of the circulating medium of the nations of the world. In a word, the old English statesman does propose that English creditors shall receive the largest possible amount of the commodities, and labor of mankind, in payment of debts due

them. It is said that bimetallism is impossible without the assistance of England, and I would ask, in all seriousness, Mr. Speaker, what hope can we have of the assistance of England in the light of the condition of her people and the judgment of her public men?

The statisticians of our own country estimate that the people of the United States owe the capitalists abroad from two to four thousand million dollars. If this were all the indebtedness this proposition would not seem so appalling, but when we comprehend that there is an indebtedness existing among the citizens of our own country which amounts to many billions, we begin dimly to understand the probable misfortunes that would attend the adoption of a gold currency. Are the people who live in the vast agricultural empire known as the Mississippi Valley prepared for such a change?

Sirs, I declare to you that in my judgment they are less prepared to-day than at any time in the history of the United States. That part of our common country has substantially seen its development within the last fifty years. Our fathers moved there because they were too poor to live in the East. They went there to procure homes for themselves and their children. They have developed the country with amazing rapidity: ditches, roads, fences, houses and cities have been constructed upon almost every hill and in almost every valley.

The people along the Atlantic seaboard were the first in our country to amass large fortunes; they own the railroads, the stock of the insurance companies, express companies, telegraph companies, which are doing the business for our people. When we insure our property, ship our freight, send our telegrams, express our goods, the money gravitates to the East and to the homes of those who hold the mortgages and bonds and stocks. Thus our people are enormously in debt, and they now feel that there is an insufficient volume of money necessary to the transaction of business. The report of the Comptroller of the Treasury shows that the available assets held by the banks and trust companies exceed \$300 to each person in some of the Eastern States, while there are only \$5 to each person in the State of Arkansas; and this dearth of money generally obtains in the Mississippi Valley.

The consequences which are liable to follow upon the heels of a further contraction of our currency, or a cessation of its legitimate expansion, fill me with the apprehension of great discontent, and the further destruction of values. As long as I am permitted to remain here I shall persistently insist in faithfully representing those who have been kind enough to intrust me with their confidence. This much, Mr. Speaker, I have seen fit to say with reference to the volume of money and the standards of value.

Mr. Speaker, much has been said in this debate about the finances of the Old World, and especial reference has frequently been made to the manner in which silver is used in France. The finances of the French Republic, as well as the finances in the other nationalities of the Old World, are very largely controlled and directed by large banks. To illustrate, the Bank of France is controlled by the Government of France. It became essentially a government institution in 1843, and in 1857 the charter of the bank was extended to 1897. The bank has power to issue bills of

credit to the extent of 4,000,000,000 francs. A franc on exchange is equal, I believe, to about 19.3 cents of our money. The bank furnishes a paper circulation now of about 3,488,000,000 francs.

This paper currency amounts, when the bank has issued to its full capacity, about \$21 to each person in the Republic of France. To redeem this paper issue of currency there was held on the 3d of this month in the bank, as a metallic reserve, 1,720,000,000 francs gold, and 1,277,000,000 francs silver. The bank redeems its notes with either gold or silver at its option.

In consequence of the Franco-German war, the notes of the Bank of France were declared to be legal tender in August, 1870. The largest depreciation of the notes of the bank was 2½ per cent, as compared with gold in November, 1871.

There were, as measured by our money, in the Bank of France on the 1st of this month about \$332,000,000 of gold coin and \$247,000,000 of silver coin, and the paper currency of the bank in circulation at that time amounted to about \$671,000,000. Therefore the paper currency not covered by the coin reserve in the bank amounted, in round numbers, to \$92,000,000. So the uncovered paper currency of the Bank of France amounted to a little over \$2 to each person living in the French Republic; but the whole paper currency of the Bank of France, covered and uncovered, amounted to between seventeen and eighteen dollars to each person in that country.

The circulation of France consists of the paper currency of its bank and such an amount of gold and silver coin as is not absolutely held in the vaults of the Bank of France as a gold and silver reserve. As I have said before, on the 1st of this month such reserve amounted to about \$580,000,000.

France, with her full volume of currency, stands as fair before the world as any other nation, and when any of the nations of the Old World have been involved in trouble within the last few years they have drawn upon France for financial assistance. This tends to illustrate the benefits of a full volume of money as compared with the evils of a scanty circulation. In the Bank of Holland there were recently \$34,000,000 of silver and \$15,000,000 of gold coin. The two banks of the two most prosperous countries in Europe—France and Holland—hold the largest silver reserves of almost any national banks on the continent of Europe.

Mr. Speaker, I can see no reason why the Government of the United States should not so arrange its financial policy and so administer it that every paper dollar issued by the Government could be redeemed in either gold or silver coin at the option of the Secretary of the Treasury. Sirs, in this regard, I think that our Government could imitate with profit the financial management of France, as administered by her national bank.

But that I may not be misunderstood, I desire to say with emphasis that I do not approve of the policy of our Government, or any other, in permitting a bank or banks to control the issue and volume of the circulating medium. The issue of money should be controlled absolutely by the Government itself. Generally speaking I think that all our money should be issued by the Federal Government directly to the people, and that all our money should be made legal tender.

The Bank of France not only exercises the option of redeeming its circulating notes in either gold or silver coin at its pleas-

ure, but it carries the option to the extent of paying silver coin to those persons who are threatening to take the coin abroad, when such a course will best subserve the interests of the financial policy of France. That bank also, out of its gold and silver coin reserve, redeems its notes ordinarily in that coin—gold or silver—of which it has the largest amount. How very different is the policy of our financial management as made manifest by the action of the Secretary of the Treasury.

We now have in the Treasury and in circulation about \$1,100,000,000 of paper currency—six kinds of paper money—consisting of gold certificates, silver certificates, Treasury notes of the act of 1890, currency certificates act of June, 1872, United States notes commonly known as greenbacks, and national-bank notes. We have a sort of mixed paper currency of numerous denominations and divers series. While looking at the face of this paper currency we would take it that at least a part of it was redeemable in silver coin, but under the rulings of the Secretary of the Treasury it is redeemable in gold coin.

Thus, every advantage and option is given to the creditors of our Government instead of being exercised by the Secretary of the Treasury. It has frequently occurred to me that all our paper currency should be of one kind of money, and redeemable by the Secretary of the Treasury at his option in either gold or silver coin, in such a manner as would best subserve the convenience and prudent management of our financial system. It is insisted that we have silver coin enough now. Let me submit this inquiry, for to my mind it comes with great force:

If the French Republic—not over five times as large in area as the State of Ohio, impoverished as it was and trapped into the earth not over twenty-five years ago by the invading armies of Germany, paying as it did an indemnity of \$1,000,000,000 to the German Government—a little nation with two-thirds the population of the United States and only two-thirds the estimated wealth, can carry along on a parity \$700,000,000 of silver, \$800,000,000 in gold, and nearly \$700,000,000 of paper currency, redeemable in either gold or silver coin at the option of the Government, why can not the United States, standing in strength and power the superior of any nation in the world, maintain on a parity with gold a thousand millions of silver, even at the ratio of 16 to 1?

The Franco-German war was begun in the middle of the year 1870, and was fought in 1871. The amount of the indemnity, at the time of payment in 1872 was \$1,000,000,000. France was credited with the value of certain railroads in Alsace and Lorraine. This reduced the amount of the indemnity to be paid to \$998,000,000. Of this amount \$182,000,000 was paid in gold, and \$816,000,000 in silver; and the enterprising, patriotic people of France raised this sum of money by a loan in less than six months from the time the Government appealed to them for help. The fact that the French Government has such high financial standing among the nations of the earth, in the light of her numerous reverses, certainly makes her financial system worthy of study and high consideration.

I have before me a statement sent out from the Treasury Department which shows that France has in circulation and in her bank \$20.52 in gold per capita and \$17.95 in silver. According to this same statement we have in the banks and in circulation

in the United States \$9.01 in gold and \$9.18 in silver per capita. If we had as much coin silver in this country in proportion to our population as France has, we would have now nearly \$1,200,000,000 of silver in our banks and in circulation, instead of about \$600,000,000, as we have. But it is said that we do more business with checks and drafts through the banks than is done in France.

It occurs to me that the masses of our people would be benefited if more of the business were done with money. It is claimed that nineteen dollars in twenty of the business of the United States is done with drafts and checks. During a period like this, when there seems to be a lack of confidence, the business of our country is in a large measure done upon this one dollar in twenty. Therefore, does it not follow that a full and ample volume of money at least tends to prevent a lack of confidence, and to keep the wheels of business going, even in the face of panicky conditions?

Mr. Speaker, it does occur to me, all things considered, that no nation in the world has a population better adapted to the absorption and assimilation of a full and ample volume of money than the United States. In many sections of the country the population is very thin. In fact, in France, there are over one hundred and eighty-seven people to the square mile, while in the United States we have but twenty-one. Therefore, in a country largely agricultural, new and sparsely settled, it would seem that there are great opportunities for the assimilation of a full volume of currency.

Mr. William P. St. John, president of the Mercantile National Bank of New York, in an article upon silver, recently said:

The increase of our population in the brief period of ten years, from 1880 to 1890, exceeds the entire population of Mexico; an increase of population in the United States in ten years of more than 30 per cent of the entire population of France, more than 40 per cent of the population of Italy, nearly 70 per cent of the population of Spain; an increase equal to twice the population of Belgium, three times the population of the Netherlands or European Turkey, four times the population of Switzerland, and six times the entire population of Denmark or of Greece.

Mr. Speaker, the increase in population of the United States from 1880 to 1890 was 12,234,000 people. This is more than twice as many people as there are in the Dominion of Canada, and five times the present population of the State of Indiana.

Nations upon nations are thus being added to our population each decade, and that there should be a gradual and prudent expansion of the volume of our currency there can be no doubt.

Mr. Speaker, what I am contending for is a financial policy which will make every dollar issued by the Government equal in value to every other dollar. I believe in a sound and stable currency, which increases in volume as the population and business interests of the country expand and grow. In the report of the Director of the Mint, which gives us the last information with reference to the world's coinage of silver, I find that of the forty-four leading nations in the world but fourteen coined silver in the year 1891, and that in the year 1891 there were coined in the world 135,000,000 silver dollars, as against \$119,000,000 of gold, as measured in our own money.

In the year 1890 there were coined in the world, as this report shows, \$149,000,000 of gold, and \$151,000,000 of silver. Now, nearly all of this coinage, as I am informed, was in a ratio be-

low 16 to 1. In no instance has there been a coinage of silver anywhere which has any considerable influence upon the monetary system of the world in a ratio exceeding 16 to 1.

In a word, I do not believe that if our mints were thrown open to coinage of the product of the silver mines of the United States at a ratio of 16 to 1 there would be coined at our mints a sufficient amount of silver to increase the volume of silver coin in our Republic to \$1,000,000,000 within the present century. It is scarcely necessary for me to state that the product of our silver mines is only sufficient to provide silver enough to coin fifty or sixty million dollars per year, and I am not impressed with the idea that silver will be brought from abroad in considerable amounts for the purpose of coinage.

Secretary Windom, in his report to the Fifty-first Congress, stated that there is no known accumulation of silver bullion anywhere in the world, and that all the silver coined in Europe is needed and employed there for money purposes. And it is also true, as I have just shown, that more money is being added to the world's volume each year by the coinage of silver than by the coinage of gold.

It has been argued with very great force, especially by the gentleman from Tennessee [Mr. PATTERSON], that silver is being overvalued under our coinage system and will drive gold out of circulation. It is the duty of the friends of silver to meet every argument advanced by their adversaries in an open field with the weapons of reason. My friend from Tennessee stated that under the coinage act of 1792 silver and gold were coined in the ratio of 15 to 1; that silver was overvalued under the act, and that the cheaper money, silver, drove the dearer money, gold, out of circulation; that is to say, that silver drove gold out of active circulation. He also stated that in 1834 the size of the gold dollar was decreased; that the ratio between silver and gold was then fixed at sixteen to one; that by this act gold was overvalued and became the cheaper money, and in turn drove silver out of circulation.

My friend seems to have overlooked the fact that his argument has its real application to our monetary system as it existed prior to the war, when the whole volume of our Federal money consisted solely of gold and silver. I claim that it has been substantially demonstrated that the rule to which he refers, and to which he called our attention with such a show of learning, is not applicable to the financial system of any country having a large paper currency circulation which is being redeemed in either gold or silver coin at the option of the government. But that my remarks may not be prolonged, I shall now pass to a brief consideration of the effects wrought upon our financial system, due to the late war.

It is now over thirty years since our Government first issued circulating notes with the legal-tender quality. The effect of introducing a paper currency at the beginning of the war was to drive both gold and silver out of circulation. There was so little silver in circulation in 1873 that the demonetization act had no perceptible effect on silver, so far as the general public could observe, and it was not until about the year 1876 that the people began to fully realize that the silver dollar of the fathers had been mercilessly and secretly struck down.

If gold had been demonetized soon after the war stealthfully

and quietly as was silver in 1878, it would no doubt have taken the general public a considerable length of time to have fully realized the fact, because gold was not in circulation for a long time during and after the war. No doubt many people believed, during the period when these legal-tender promises to pay seemed to be the basis and foundation of our circulating medium, that the Government would, at no distant time, return to a specie basis for its whole circulation.

During the period when gold and silver were out of circulation the people became so much accustomed to rely upon a currency with no coin behind it that it awakened in the minds of a very large number of our fellow-citizens the belief that a coin reserve was wholly unnecessary to the successful maintenance of our circulating medium. In fact, it gave rise to that idea commonly known as the fiat money idea. Before the war, when the debtor and creditor classes were small, and when the masses of our people were but little in debt, changes with reference to the character and volume of our circulating medium were not attended with such great and far-reaching effects as have attended changes since the war.

In 1860 the whole public debt was but \$65,000,000, and in 1836 it was but \$37,513. It is certainly fair to say that the Government of the United States was but little in debt prior to 1860, and that the Government's creditors were not numerous.

The Government's creditors prior to the war had but little to do, if anything, in shaping its financial policy. The war came, and by the year 1866 the public debt amounted in round numbers to \$2,700,000,000.

By 1866 the national creditors had become a powerful and influential class; they were the first people in our country to discover that our circulating medium and all the Government issues should be made payable in gold. They insisted that the principal and the interest of their bonds should be paid in gold, and it was done; and from that hour there has been a persistent and never-ending night-and-day fight by the wealthy money-lending, mortgage-holding classes of our own and of foreign countries, where our bonds and securities have gone, to have all bills of credit, both public and private, made payable in gold, and thus a most momentous effort has been made to enhance the price of gold coin decrease the volume of our currency, and greatly increase the indebtedness of our people.

Mr. Speaker, I am a bimetallist, and I think nineteen men out of twenty in the district which I have the honor to represent are bimetallists. They are bimetallists because they know that one-half in value of the coin money of the world is silver. Can any man be anything less than a bimetallist when he knows financial history? The gold monometallist cites the fact that England demonetized silver in 1816, Germany in 1871, the United States in 1873, Belgium in 1875, and Austria in 1879. And he also argues that India, the greatest silver-consuming country in the world, has recently discontinued the coinage of silver. He forgets the fact that, notwithstanding these acts, which affect the silver coinage of the world, the world goes on, and that more silver is being coined in each succeeding year than gold.

I have just shown that more silver in value was coined in 1890 and 1891 than of gold, and I see from the last report of the Director of the Mint, which I have before me, that the world's gold

production for 1892 was \$130,800,000 and the silver production was \$133,000,000, commercial value, and, while I have not the figures for the last calendar year, I take it that it is reasonably sure that more silver was coined the whole world over during that year than there was gold. The average production of the metals, one with the other, for each year of the present century is indicated in the following table:

1801-1820, 4 of silver to 1 of gold.
 1821-1840, 2 of silver to 1 of gold.
 1841-1860, $2\frac{1}{2}$ of gold to 1 of silver.
 1861-1880, 2 of gold to 1 of silver.
 1881-1889, $\frac{1}{2}$ more silver than gold.

Therefore, does not all history and all experience teach that the supply of gold in the world is largely insufficient, in fact scarcely half sufficient, to supply the nations of the world with necessary metallic money? It would seem from the last report of the Director of the Mint that of the forty-four leading nations on the globe, twenty-six coined no gold in the year 1891, and in the same year all of the said forty-four nations coined silver except fourteen. Why should the United States cease the coinage of silver, when we produce annually two-fifths or 40 per cent of the silver output of the world? Great Britain, with all of her resources, produces less than a half million dollars' worth of silver bullion each year, as this report shows. We produce annually about \$33,000,000 worth of gold bullion and over \$70,000,000 worth of silver bullion.

The Director of the Mint, in his last report, says:

The estimated stock of our own gold coin, which should exist in the United States on the first of the present year (1893) was \$567,961,000, and of silver \$492,903,000. Of the latter, \$417,876,000 were silver dollars, and \$75,026,000 subsidiary coins.

For the nine years ending in 1891 the annual coinage of gold at our mints amounted to less than \$26,000,000 a year. Mr. Speaker, in the light of the facts which I have detailed, I feel that there is more reason for the coinage of a large amount of silver each year in the United States than in any other country in the world.

I can see no reason why I should not vote for the amendment providing for the coinage of silver at the ratio of 16 to 1. And my investigation and research have led me to believe that there is no real occasion for changing the ratio that has existed since 1734. In the light of the coinage laws of other countries, I think we can as well coin silver in the ratio of 16 to 1 as at a higher ratio. In England and in the leading nationalities on the continent of Europe, silver is coined in the ratio of $15\frac{1}{2}$ to 1.

I am unable to discover any good and satisfactory reason why the old ratio, so long established and recognized, should be changed. I have before me the statement recently sent to members of Congress by Secretary Carlisle, in which he estimates that the recoinage at the ratio of 20 to 1 of our present volume of silver money would cost about \$113,000,000. I shall vote for the amendment offered by the gentleman from Missouri [Mr. BLAND] providing for the free coinage of silver at the ratio of 16 to 1, and shall vote against the amendments which provide for a change of the ratio.

Furthermore, Mr. Speaker, if the House shall see fit to vote down these several amendments proposing the free coinage of silver at various ratios, I shall vote for the amendment which

will be offered by the gentleman from Missouri [Mr. BLAND] providing for a restoration of the Bland-Allison bill of 1878, which empowered the Secretary of the Treasury to purchase not less than \$2,000,000 nor more than \$4,000,000 worth of silver bullion each month, and have the same coined into standard silver dollars at the ratio of 16 to 1. What I am contending for, and what I hope to see, is the opening of the mints to the coinage of silver, and when they are opened, I think they ought to coin silver at the ratio of 16 to 1; at least, that is my present judgment.

I think the present law ought to be repealed, but it is unnecessary for me to state why I think it ought to be repealed in the light of the able message of the President of the United States to the people. He has pointed out in a more epigrammatic and sensible way the reasons why the Sherman law should be repealed than it is possible for me to give in the brief time now at my disposal. I always believed that that law would prove both wrong in principle and practice, and it has certainly been demonstrated that such is true. While I am very desirous to see it repealed, I would be very glad, indeed, to see some good substitute take its place.

I believed when the Sherman law was passed that it was a menace to the cause of bimetallism, and, as I have before remarked, I voted against its passage in July, 1890, and at the same time voted to keep in operation the Bland-Allison bill, passed in 1878, which was repealed by the passage of the Sherman act. My feelings and judgment, Mr. Speaker, at this time, in the light of present conditions, are in a measure expressed in the words of my dear old deceased friend, Senator Joseph E. McDonald, than whom I never know a kinder, a fairer, a more conservative, a more intelligent, a wiser.

Senator Joseph E. McDonald, on the floor of the Senate, February 12, 1878, said:

I do not think that the free-coinage feature of the House bill should be retained or the principle of free-coinage applied to the coinage of the silver dollar until the market value of silver bullion shall equal the money value of the legal-tender coin, and that whatever seigniorage or profit accrues by its coinage should be covered into the Treasury for the benefit of the whole people. Unlimited free-coinage seems to be a popular idea in connection with the remonetization of the silver dollar, but it must be because the operations of the measure are not clearly understood.

I can see no reason why the holder of the bullion should be entitled to receive the profits that would accrue from the difference between the market value of the bullion and the money value of the coin so long as there was any difference, and when the market value of the bullion should equal the money value of the coin have in its power to either stop the coinage of the silver dollar or throw upon the Government the expense of its coinage.

I think also that we should guard, if possible, against the imposition by the holders of foreign silver coin in those countries where silver has been either in whole or in part demonetized. It is very important to us as a people that, while we are laying anew the foundations of our money system, we should make them as secure and stable and as free from fluctuation as possible.

Yet, Mr. President, if a majority of the Senate should differ with me on these questions, I shall vote for the bill as it came from the House, and shall trust to future legislation to adopt such safeguards as may be necessary, believing speedy determination of the question in favor of the principle to be more important than the perfecting of its details.

Senator Beck of Kentucky, who was one of our greatest and best Democrats, in the same debate in which Senator McDonald uttered these words, said:

As long as silver bullion is 6, 8, or 10 per cent below gold, I do not want

Congress to so vote as to give any private citizen, or any foreign nation, or any foreign corporation that seigniorage.

Mr. Speaker, here are two great Senators, either of whom was fit to be President of the United States, when speaking upon this subject in 1878, said that the Government ought to have whatever of profit there is from the coinage of silver. In other words, that the Government should have the difference between the market value of the bullion necessary to make a silver dollar and the coined dollar.

In order that we may appreciate the amount of this seigniorage, I will read a letter from the Acting Director of the Mint, which will explain itself, and ask that the same may be inserted in my remarks at this point:

TREASURY DEPARTMENT, BUREAU OF THE MINT,
Washington, D. C., August —, 1893.

SIR: In answer to your telegram of even date, regarding seigniorage, I have to refer you to "Director's Report, 1890," page 19, a copy of which I forward you to-day.

As will be seen, the seigniorage on the coinage of silver from 1878 to 1890 was \$65,698,057, a yearly average of \$5,474,838.

The seigniorage on \$2,000,000 worth of silver bullion bought at the present market price—74 cents per fine ounce—would be, monthly, \$1,494,402, and for the year \$17,932,824, as the following will show:

2,702,702 fine ounces can be bought for	\$2,000,000
2,702,702 fine ounces will coin	3,494,402
Monthly seigniorage	1,494,402 12
Yearly seigniorage	17,932,824

Very respectfully,

R. E. PRESTON,
Acting Director of the Mint.

Hon. E. V. BROOKSHIRE,
House of Representatives.

This profit has been constantly increasing since 1873. The following table gives the average value during each fiscal year (ending June 30) since 1873 of the silver bullion necessary to make a coined silver dollar at the old ratio of 16 to 1. In other words, the following table gives the average bullion value in each fiscal year since 1873, of 37½ grains of fine silver, the amount used in making the coined silver dollar since 1834:

Fiscal years.	Bullion value of silver in dollar, at average price of silver.	Fiscal years.	Bullion value of silver in dollar, at average price of silver.
1873-'74.....	\$0.98865	1884-'85.....	\$0.84507
1874-'75.....	.96777	1885-'86.....	.79750
1875-'76.....	.89087	1886-'87.....	.76029
1876-'77.....	.92931	1887-'88.....	.74008
1877-'78.....	.89116	1888-'89.....	.72055
1878-'79.....	.86152	1889-'90.....	.74932
1879-'80.....	.88509	1890-'91.....	.80588
1880-'81.....	.88057	1891-'92.....	.72430
1881-'82.....	.87880	1892-'93.....	.65063
1882-'83.....	.86490	July.....	.56062
1883-'84.....	.86115	August.....	.5500

Mr. Speaker, I am convinced that a very large number of our fellow-citizens who are friendly to silver, and who are bimetal-

lists, are desirous that the Government shall receive the profit or seigniorage when silver is coined. Now, the free and unlimited coinage of silver is the proposition upon which we have ordinarily voted in this House. It contemplates giving this seigniorage to the producers and owners of the silver bullion. I feel reasonably sure that the sentiment of the country is against this.

There is another reason why some people friendly to bimetallism are not inclined to vote for the free and unlimited coinage of silver. They believe that some limitation ought to be placed upon the amount of silver to be coined at recurring intervals, so that the people and the Government could know in advance what the increase of our circulation would be from time to time. This idea was, no doubt, in the mind of the President when he put these words into his recent message addressed to Congress:

Possibly if the undertaking we have in hand were the maintenance of a specific known quantity of silver at a parity with gold, our ability to do so might be estimated and gauged, and perhaps in view of our unparalleled growth and resources might be favorably passed upon. But when our avowed endeavor is to maintain such parity in regard to an amount of silver increasing at the rate of \$50,000,000 yearly, with no fixed termination to such increase, it can hardly be said that a problem is presented whose solution is free from doubt.

Mr. Speaker, this brings me to a direct discussion of some plan which would tend in a measure to meet these objections. I think of two plans, either of which would secure to the Government the seigniorage. If free and unlimited coinage is desired in the ratio of 16 to 1, and it is desired to secure to the people the seigniorage, why not require the owner of silver bullion presenting the same at the mints for coinage to first pay the seigniorage; that is to say, if he brings to the mint 371½ grains of fine silver, which is the amount that we have been putting in a silver dollar for nearly sixty years, let him pay into the Treasury 45 cents—the seigniorage—and then let him receive a legal-tender paper dollar or a coin dollar.

By this plan we could secure to the Government the profit, and at the same time have the free and unlimited coinage of silver at the ratio of 16 to 1. But if a still more conservative course is insisted upon, then the Government could fix the amount of silver to be coined each month, as was provided in the Bland-Allison bill. The Government could also require those offering silver at the mints to pay the seigniorage in advance, or it could buy the bullion outright and coin the same, as was done under the Bland-Allison law.

What I am contending for is the opening of the mints to the coinage of silver. I am a bimetalist, and I want to see much of our silver used in making coin money for the people. In a word, Mr. Speaker, I think that the true friends of silver and of bimetalism are not those who insist upon the unattainable, but are rather those who favor legislation which will secure the Government against loss, and send forth to all our people a steady flow of coined silver money, to be used in the remotest ramifications of trade and commerce. I also think it would be a good idea to dispense with the use of paper currency in less denominations than \$10, and let the whole volume of money in denominations less than \$10 be coined silver, silver certificates, and gold.

Mr. Speaker, what I would like to see is a thorough revision

and readjustment of our whole financial system. I would be glad to see some vigorous financial reform inaugurated by the present Congress. I know it is a task of great difficulty, and that any changes in our financial system tend to create distrust; but at the same time it does seem to me that some changes are so apparently necessary that the whole country ought to approve of such a revision as would simplify our confused and complex system of finance. And right along with this work of reform we ought to have our mints opened to the coinage of silver; for I am very desirous, indeed, that we have a prudent expansion of our money volume sufficient to meet the business needs of our country. I am a firm believer in that divine declaration which says that "a feast is made for laughter, and wine maketh merry, but money answereth all things."

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