

SILVER.

SPEECH

OF

**Hon. Julius C. Burrows,**

OF MICHIGAN,

In the House of Representatives,

*Friday, August 25, 1893.*

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WASHINGTON, D. C.,  
1893.

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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. BURROWS said :

Mr. SPEAKER: On the 30th day of June just past and within a period of less than four months from the time the Democratic party assumed full control of the executive and legislative branches of the National Government the President of the United States publicly announced to the country and the world that "There is general distrust and apprehension concerning the financial situation of the country; that it pervades all business circles; that it has already caused great loss and damage to our people; and that it threatens to cripple our merchants, stop the wheels of manufactures, bring distress and privation to our farmers, and to withhold from our workmen the wage of labor;" and that he is therefore constrained "to convene Congress in extraordinary session to the end that the people may be relieved, through legislation, from pending danger and distress."

Forty days later, and on the 8th day of the present month, the President, by message, advises the assembled Congress that "there exists an alarming and extraordinary business situation involving the welfare and prosperity of all our people," and that he had convened Congress that the "present evils may be mitigated and dangers threatening the future may be averted."

These conditions as thus described by the President are not to-day materially changed.

There exists at this time the same "alarming business situation," the same "dangers" seem to be "threatening the future," and if the President of the United States could for a moment have his attention diverted from his piscatorial sports at Buzzard's Bay he would not only observe the continuance of this deplorable condition, but if he would listen he would hear the ominous tramp of a multitude of the unemployed which no man can number, fresh from the mine and the factory, carrying above them now not the delusive banner of "tariff reform," but the black flag of distress and desperation, and demanding food for themselves and their dependent families.

Such is the startling condition existing in our country to-day.

On the 6th day of December last, less than three months prior to the time this Democratic administration was inaugurated, there was read from that desk another message from the pen of Benjamin Harrison, the then outgoing President of the United States, giving a picture of the condition of the country at that time in striking contrast to that presented to-day. I beg leave to hold it up to the House and the country.

MESSAGE.

*To the Senate and House of Representatives :*

In submitting my annual message to Congress, I have great satisfaction in being able to say that the general condition affecting the commercial and industrial interests of the United States are in the highest degree favorable. A comparison of the existing conditions with those of the most favored period in the history of the country, will, I believe, show that so high a degree of prosperity and so general a diffusion of the comforts of life were never before enjoyed by our people.

The total wealth of the country in 1860 was \$16,159,616,068. In 1890 it amounted to \$62,610,000,000, an increase of 287 per cent.

The total mileage of railways in the United States in 1860 was 30,626; in 1890 it was 167,741, an increase of 448 per cent; and it is estimated that there will be about 4,000 miles of track added by the close of the year 1892.

The official returns of the Eleventh Census and those of the Tenth Census for seventy-five leading cities furnish the basis for the following comparisons

In 1880 the capital invested in manufacturing was \$1,232,339,670.

In 1890 the capital invested in manufacturing was \$2,900,735,884

In 1880 the number of employes was 1,301,388.

In 1890 the number of employes was 2,251,134.

In 1880 the wages earned were \$501,965,778.

In 1890 the wages earned were \$1,221,170,454.

In 1880 the value of the product was \$2,711,579,899.

In 1890 the value of the product was \$4,860,286,887.

I am informed by the Superintendent of the Census that the omission of certain industries in 1880, which were included in 1890, accounts in part for the remarkable increase thus shown. But, after making full allowance for differences of method and deducting the returns from all industries not included in the census of 1880, there remain in the reports from these seventy-five cities an increase in the capital employed of \$1,522,745,604; in the value of the product of \$2,024,236,166; in wages earned of \$677,943,929, and in the number of wage-earners employed of 856,029. The wage earnings not only show an increased aggregate, but an increased per capita from \$386 in 1880 to \$547 in 1890, or 41.71 per cent.

The new industrial plants established since October 6, 1890, and up to October 22, 1892, as partially reported in the American Economist, number 345, and the extension of existing plants, 108; the new capital invested amounts to \$40,449,050, and the number of additional employes to 37,185.

The Textile World for July, 1892, states that during the first six months of the present calendar year 135 new factories were built, of which 40 are cotton mills, 48 knitting mills, 26 woolen mills, 15 silk mills, 4 plush mills, and 2 linen mills. Of the 40 cotton mills 21 have been built in the Southern States. Mr. A. B. Shepperson, of the New York Cotton Exchange, estimates the number of working spindles in the United States on September 1, 1892, at 15,200,000, an increase of 660,000 over the year 1891. The consumption of cotton by American mills in 1891 was 2,396,000 bales, and in 1892 2,584,000 bales, an increase of 188,000 bales. From the year 1869 to 1892, inclusive, there has been an increase in the consumption of cotton in Europe of 92 per cent, while during the same period the increased consumption in the United States has been about 150 per cent.

The report of Ira Ayer, special agent of the Treasury Department, shows that at the date of September 30, 1892, there were thirty-two companies manufacturing tin andterne plate in the United States, and fourteen companies building new works for such manufacture. The estimated investment in buildings and plants at the close of the fiscal year June 30, 1893, if existing conditions were to be continued, was \$5,000,000, and the estimated rate of production 200,000,000 pounds per annum. The actual production for the quarter ending September 30, 1892, was 10,952,725 pounds.

The report of Labor Commissioner Peck, of New York, shows that during the year 1891, in about 6,000 manufacturing establishments in that State embraced within the special inquiry made by him, and representing 67 different industries, there was a net increase over the year 1890 of \$31,315,150.68 in the value of the product, and of \$6,377,925.09 in the amount of wages paid. The report of the Commissioner of Labor of the State of Massachusetts shows that 3,745 industries in that State paid \$129,416,248 in wages during the year 1891, against \$126,030,303 in 1890, an increase of \$3,385,945, and that there was an increase of \$9,932,490 in the amount of capital and of 7,346 in the number of persons employed in the same period.

During the last six months of the year 1891 and the first six months of 1892 the total production of pig iron was 9,710,819 tons, as against 9,202,703 tons in the year 1890, which was the largest annual production ever attained. For the same twelve months of

1891-'92 the production of Bessemer Ingots was 3,878,581 tons, an increase of 189,710 gross tons over the previously unprecedented yearly production of 3,688,871 gross tons in 1890. The production of Bessemer steel rails for the first six months of 1892 was 772,436 gross tons as against 702,080 gross tons during the last six months of the year 1891.

The total value of our foreign trade (exports and imports of merchandise) during the last fiscal year was \$1,857,680,610, an increase of \$128,283,604 over the previous fiscal year. The average annual value of our imports and exports of merchandise for the ten fiscal years prior to 1891 was \$1,457,322,019. It will be observed that our foreign trade for 1892 exceeded this annual average value by \$400,358,591, an increase of 27.47 per cent. The significance and value of this increase are shown by the fact that the excess in the trade of 1892 over 1891 was wholly in the value of exports, for there was a decrease in the value of imports of \$17,513,754.

The value of our exports during the fiscal year 1892 reached the highest figure in the history of the Government, amounting to \$1,050,278,148, exceeding by \$145,797,338 the exports of 1891, and exceeding the value of the imports by \$202,875,686. A comparison of the value of our exports for 1892 with the annual average for the ten years prior to 1891 shows an excess of \$265,142,651, or of 34.65 per cent. The value of our imports of merchandise for 1892, which was \$829,402,462, also exceeded the annual average value of the ten years prior to 1891 by \$135,215,940. During the fiscal year 1892 the value of imports free of duty amounted to \$457,999,658, the largest aggregate in the history of our commerce. The value of the imports of merchandise entered free of duty in 1892 was 55.35 per cent of the total value of imports, as compared with 43.35 per cent in 1891 and 33.66 per cent in 1890.

In our coastwise trade a most encouraging development is in progress, there having been in the last four years an increase of 16 per cent. In internal commerce the statistics show that no such period of prosperity has ever before existed. The freight carried in the coastwise trade of the Great Lakes in 1890 aggregated 28,295,956 tons. On the Mississippi, Missouri, and Ohio rivers and tributaries in the same year the traffic aggregated 29,405,046 tons, and the total vessel tonnage passing through the Detroit River during that year was 21,684,000. The vessel tonnage entered and cleared in the foreign trade of London during 1890 amounted to 13,480,767 tons, and of Liverpool 10,941,800 tons, a total for these two great shipping ports of 24,422,568 tons, only slightly in excess of the vessel tonnage passing through the Detroit River.

And it should be said that the season for the Detroit River was but 228 days, while, of course, in London and Liverpool the season was for the entire year. The vessel tonnage passing through the St. Mary's canal for the fiscal year 1892 amounted to 9,828,874 tons, and the freight tonnage of the Detroit River is estimated for that year at 25,000,000 tons, against 23,200,619 tons in 1891. The aggregate traffic on our railroads for the year 1891 amounted to 704,398,609 tons of freight, compared with 691,344,437 tons in 1890, an increase of 13,054,172 tons.

Another indication of the general prosperity of the country is found in the fact that the number of depositors in savings banks increased from 693,870 in 1860 to 4,258,893 in 1890, an increase of 513 per cent, and the amount of deposits from \$149,277,504 in 1860 to \$1,521,844,506 in 1890, an increase of 921 per cent. In 1891 the amount of deposits in savings banks was \$1,623,079,749. It is estimated that 90 per cent of these deposits represent the savings of wage-earners. The bank clearances for nine months ending September 30, 1891, amounted to \$4,049,390,808. For the same months in 1892 they amounted to \$5,189,601,947, an excess for the nine months of \$1,140,211,139.

There never has been a time in our history when work was so abundant or when wages were as high, whether measured by the currency in which they are paid or by their power to supply the necessaries and comforts of life. It is true that the market prices of cotton and wheat have been low. It is one of the unfavorable incidents of agriculture that the farmer cannot produce upon orders. He must sow and reap in ignorance of the aggregate production of the year, and is peculiarly subject to the depreciation which follows overproduction. But, while the fact I have stated is truth, as to the crops mentioned, the general average of prices has been such as to give to agriculture a fair participation in the general prosperity. The value of our total farm products has increased from \$1,363,646,866 in 1860 to \$4,500,000,000 in 1891, as estimated by statisticians, an increase of 230 per cent. The number of hogs January 1, 1891, was 50,625,106, and their value \$210,193,925; on January 1, 1892, the number was 52,398,019, and the value \$241,031,415. On January 1, 1891, the number of cattle was 36,875,648, and the value \$541,127,908; on January 1, 1892, the number was 37,651,239, and the value \$570,749,155.

Such was the condition of the country but ninety days prior to the ascendancy of the Democratic party on the 4th of March last. "Look upon that picture and then on this," and tell me what has wrought this appalling change. What is it that in the brief space of six months has plunged this nation, with all its colossal interests, from the summit of prosperity and hope to the depths of adversity and despair? When we know the cause we can intelligently apply the remedy.

And I may be permitted to suggest in passing that those of our fellow-citizens, who, nine months ago, were deluded with the idea of a necessity for a change have, I am sure, by this time the full measure of their desires gratified, unless

they have an appetite for misfortunes which no calamity can appease and no disaster satisfy. [Applause.]

The President of the United States in his proclamation convening Congress declared that "this condition is the result of a distrust and apprehension concerning the financial condition of the country and that it is the outgrowth of a financial policy embodied in unwise laws which he is compelled to execute until repealed." The country was left in much uncertainty as to the laws referred to in this proclamation, but the message removes all doubt by specifying the act of 1890, commonly known as the Sherman law, as the fruitful source of all our woes. While I am frank to admit that that measure in its practical workings has been a disappointment to its friends, yet I do not believe that it is responsible in any considerable degree for the deplorable condition in which we find the country to-day.

It will be remembered we commenced buying silver under that act on the 13th day of August, 1890, and we continued these purchases through 1890, 1891, and 1892, without any alarming symptoms of approaching disaster; and not until after the Presidential election last November did the business interests of the country take alarm, and stringency in the money market begin to appear. If the operation of this law is the fruitful source of the widespread disaster we witness to-day, is it not a little remarkable that it was not made manifest during the first two years of its existence? I cannot believe that this deplorable condition is to be attributed to an act which increased the circulation of this country more than three millions of dollars a month in good, sound currency; and I cannot believe that labor has been driven out of employment and into the street because of the bad character of our money. I do not believe the people hide money, as they are doing now and have been for the last sixty days, because they have any suspicions as to the soundness of that currency.

I do not believe that great business enterprises have been abandoned, once prosperous industries shut down, because of a suspicion that our money was not secure. The fact is that at this very moment our entire volume of currency, whether of gold, silver, or paper, is worth one hundred cents on a dollar, every dollar being kept at a parity with every other dollar. [Applause on the Republican side.] I am constrained to believe that the real cause of this widespread business depression is attributable chiefly to the hostile attitude of the Democratic party toward our protective policy, under which for the last thirty years the nation has wrought its marvelous industrial independence. [Applause on the Republican side.] This money stringency, which is of recent date, was, it will be remembered, preceded by business paralysis all over the country.

As soon as the result of the last Presidential election was known and that the people had actually affirmed the declaration of the Democratic platform, that a protective tariff was "unconstitutional," and that hereafter we were to have a "tariff for revenue only," with no element of protection in it, that moment the manufacturers put out their fires, labor was reduced in its employment or wholly discharged, men abandoned great business enterprises which they had in contemplation, and in every way curtailed their expenses that they might save something from the general wreck which was sure to follow the inauguration of free trade in this country.

I have heard it suggested that this could not be the cause, for the reason that as yet there had been no change in our tariff law. Neither has there been any change in our financial policy, and yet the President declares that there is an "apprehension" as to our financial situation which is the "fruitful source" of our present disorder.

So I say it is the "apprehension" of a change in our industrial policy that has brought this general suspension of business and universal distrust. Apprehension of danger is sufficient to put prudent men on their guard. Would it be necessary for a person to actually go over Niagara Falls to be convinced that the expedition is attended with disastrous consequences? [Laughter.] If a party in this country to-day should declare in favor of the enslavement of the

black race and that party receive the indorsement of the people on that issue, would it not occasion much trepidation among the people of color? The people are not ignorant of the results which would follow the inauguration of free trade in this country. We have had three periods of a low-revenue tariff during our national existence—1816, 1832, 1847, and each one of these eras was attended with general distress and bankruptcy, supplemented with the most serious panics this country has ever seen.

Well did President Harrison say in his message, to which I have already alluded, referring to a revision of the tariff: "It is a matter of regret that this work must be delayed for at least three months, for the threat of great tariff changes induces so much uncertainty that an amount not easily estimated of business inaction and of diminished production, will necessarily result. It is possible also that this uncertainty may result in decreased revenues from customs and duties, for our merchants make cautious orders for foreign goods in view of the fact of the prospect of tariff reductions and the uncertainty as to when they will take effect." Fear and apprehension are the most potent of all influences governing mankind.

As another well said: "All enterprise is on the spring of the prospective. It is not what to-day is, but what to-morrow shall bring forth, that governs its impulses and ventures. Hope is capital because inspiration is power."

I hold, therefore, that it is the threatening attitude of the Democratic party toward our industrial system that has brought upon us, in a very large degree, the present deplorable condition, and I much regret that the President should have assured the country that tariff reform was only held in abeyance, that it was soon to be prosecuted with vigor; for by so doing he has added fuel to the flame and has increased rather than allayed public apprehension.

But whatever the cause, the situation is before us, and we must deal with it as best we can.

It is unfortunate that the House in all its membership is not free to legislate. The President in his proclamation convening Congress invited "all those who are entitled to act as members of the Fifty-third Congress to convene in extra session," but under a rule adopted by the majority, without consultation with the minority, no member of the minority is permitted to offer any amendment to the propositions suggested by the majority. So far as legislation is concerned, or any suggestions from the minority, we might as well have remained at home. We can only vote with one or the other of the warring factions of the Democratic party, and only on the propositions which they in their wisdom have seen fit to submit.

What are these propositions? First, the repeal of the act of 1890, known as the Sherman law; second, the re-enactment of the law of 1878, known as the Bland-Allison law; and third, the free and unlimited coinage of silver upon some agreed ratio from 16 to 20 to 1.

Upon the first proposition, to repeal the purchase clause of the Sherman act, I have no hesitancy in giving it my support, for the reason that it is unsound in principle, and in its practical workings it has disappointed its friends, and if continued would, in my judgment, result disastrously to the country. What is this law and its workings? Under it the Secretary of the Treasury is required to purchase every thirty days not less than 4,500,000 ounces of silver and give in payment therefor the notes of the Government known as Treasury notes, payable on demand, in coin. In the execution of this law all Secretaries of the Treasury have redeemed these notes in gold. The practical workings, therefore, of this measure result in exchanging the gold in the Treasury for silver bullion.

The gentleman from Mississippi [Mr. HOOKER] the other day suggested that these Treasury notes ought to be redeemed in silver dollars, and that the Secretary of the Treasury has erred in insisting on their redemption in gold. A moment's reflection, Mr. Speaker, I am sure will satisfy the gentlemen that his position is not tenable. In the first place, every one of those Treasury notes

was given for silver upon its gold valuation, and the very day the owner of \$5 worth of silver sold the same to the Government and received a Treasury note for \$5 he could have exchanged that same silver for \$5 in gold. These notes, therefore, represent gold values, and for the Government of the United States to redeem them in silver dollars worth 57 cents, would be a piece of financial dishonesty which ought to discredit a Government, as it would certainly disgrace an individual. In the next place, if the present Secretary of the Treasury had carried out what was reputed at one time to be his intentions—to redeem these Treasury notes in coined silver—he would have at once landed this Government on a silver basis, and seriously impaired its now unquestioned credit. And I venture to suggest, in passing, that the rumored purpose of the Secretary of the Treasury in this regard sounded the note of alarm in our great money and business centers.

Now, what has been the resultant effect of this purchase clause of the Sherman act? We made our first purchase of silver under it on the 13th day of August, 1890, and from that day until August 13, 1893, a period of exactly three years, we purchased 162,102,772 ounces of silver bullion, equal to 5,558 tons, and we issued in payment therefor notes of the Government, to-day outstanding, of \$151,081,492, every one of which must be redeemed by the Treasury of the United States in gold. Does it need any argument to show that the continuation of such a policy as that would result in depleting the Treasury of the United States of every dollar of gold we possess, and putting in its stead a mountain of uncoined silver bullion? When the paper given for this bullion must be redeemed in gold, is there any question that gold will disappear from the Treasury as fast as these notes are presented for redemption? It needs no argument to show that this policy cannot be continued as a permanent financial system. It must be abandoned sooner or later, and the sooner it is abandoned the less will be the loss sustained by the Government.

This silver bullion in the Treasury of the United States is absolutely useless. We cannot coin it, because the law does not permit it; neither can we sell it, and if we were to sell it at the market price of silver bullion to-day—72 cents an ounce—that for which we paid \$151,081,492 would bring only \$116,713,895, entailing a loss upon the Government of \$34,367,597; but the loss, however, would probably far exceed that, for if we should authorize the Secretary of the Treasury to put this silver on the market and dispose of it, that moment silver would decline to a point hitherto unknown in its history, and the loss to the Government would be simply incalculable.

It was argued in favor of the passage of this law at the time of its enactment that the reason why silver had declined was because the Government had discarded it in a large measure, and was only coining it in limited quantities, and it was contended that if we would utilize more of the silver that it would advance its price and more readily bring it to a parity with gold, whereby its free coinage could be safely authorized. But time has demonstrated that this assumption was without foundation, for on the 13th day of August, 1890, we paid for our first purchase of silver under this act \$1.13 an ounce, and on the 13th day of August, 1893, we paid 73½ cents an ounce, showing a decline in three years of 40 cents an ounce, while during this same period the highest price we paid for silver was on the 27th of August, 1890, when we paid \$1.20½, and the lowest on July 24, 1893, when we paid 69¼ cents per ounce, a difference between the highest and lowest price of 50 cents an ounce.

But this law, it is said, serves to increase the currency. We purchase silver and give our notes, which are made a legal tender, and which pass into the monetary circulation of the country.

While this is true, I venture to say that that is an unwise financial policy which runs the Government in debt for a product it cannot use for the purpose of increasing its volume of money. No government on the face of this earth ever adopted such a policy as that but our own, and I doubt if a like policy can be found in all history. We might as well buy copper, or iron, or wheat, or any

other product that the Government cannot use, store it in Government warehouses, and issue our promise to pay therefor to be used as money. We certainly ought to be able in some way to supply the people of this country with a sufficient volume of currency without resorting to a method so questionable as this. We ought to be able to increase our circulation without increasing our debts. I shall, therefore, vote cheerfully for the repeal of the purchase clause of the Sherman act, because I believe it to be unsound in principle, and if continued will be attended with disastrous results.

But the gentleman from Iowa [Mr. HEPBURN] would not repeal this act because it would be a confession that it was the cause of the present disaster. By no means. I am aware the Democratic party attributes the present condition to the Sherman law, and that is an additional reason why I would repeal it. I would tear down this shelter and drive the Democratic party out into the open, where it will be confronted with the evidences of its disastrous tariff policy.

I have heard it intimated, and by the gentleman from Nebraska, himself a member of the Democratic party, that this ought not to be repealed until something is agreed upon to take its place, and the gentleman from Nebraska announces that the message of the President favoring the repeal of this law is the "burial of silver," and then exclaims: "Abandon hope, all you who enter here!" Let me say to my young friend that that is an old sign that has been hanging on the outer wall of the Democratic party for over fifty years, and I am surprised he has just discovered it. But seriously, has he lost confidence in his own party? Is silver to be buried? Did he not make the people believe in the last election that the Democrats were the friends of silver?

The Democratic party in its platform not only declares the act of 1890 to be a makeshift, and demanded its repeal, but they further affirmed "We hold to the use of both gold and silver as the standard money of the country and a coinage of both gold and silver without discrimination against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and interchangeable value." Does that look like the burial of silver? More than that. There is now pending in this House, to be voted on next Monday, the following proposition offered by the gentleman from Missouri [Mr. BLAND].

A bill for the free coinage of silver, and other purposes.

*Be it enacted, etc.,* That from and after the passage of this act all holders of silver bullion to the amount of one hundred dollars or more of standard weight and fineness, shall be entitled to have the same coined at the Mint of the United States into silver dollars of the weight and fineness provided for in the second section of this act.

SEC. 2. That the silver dollar provided for in this act shall consist of 412½ grains of standard silver; said dollars to be legal tender for all debts, dues, and demands, both public and private.

SEC. 3. That the holder of the silver dollars herein provided for shall be entitled to deposit the same and to receive silver certificates in the manner now provided by law for the standard silver dollars.

SEC. 4. That so much of the act of July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," as requires the monthly purchase of 4,500,000 ounces of silver bullion, be, and the same is hereby, repealed.

Does that look like the burial of silver? There is now pending in the Senate of the United States, reported from the Committee on Finance, the following proposition:

A bill discontinuing the purchase of silver bullion.

*Be it enacted, etc.,* That so much of the act approved July fourteenth, eighteen hundred and ninety, entitled "An act directing the purchase of silver bullion and issue of Treasury notes thereon, and for other purposes," as directs the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate amount of four million five hundred thousand ounces, or so much thereof as may be offered in each month at the market price thereof, not exceeding one dollar for three hundred and seventy-one and twenty-five one-hundredths grains of pure silver, and to issue in payment for such purchases Treasury notes of the United States, be, and the same is hereby, repealed.

And it is hereby declared to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts. And it is hereby further declared that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetalism as will maintain at all times the equal power of every dollar coined or issued by the United States, in the markets and in the payment of debts.

Does that look like the "burial of silver?" If the Democratic party does not continue both gold and silver in our monetary system, and maintain that money at a parity, then they are false to party pledges and will be rebuked by the people. The Republican party is in favor of bimetalism—of the use of both gold and silver in our monetary system; and it not only believes in it, but it has legislated so as to secure it. For fifteen years we have maintained gold and silver at a parity and to-day we have four hundred and nineteen millions of coined silver dollars; one hundred and fifty-one millions of Treasury notes representing silver purchased, or nearly six hundred millions of silver currency which we are maintaining in our circulation on a parity with gold and propose to maintain it as a part of our monetary circulation, thus utilizing both gold and silver and keeping them at a parity.

In the face of this legislation on the part of the Republican party, the gentleman from Nebraska [Mr. BRYAN] I have no doubt, joined his party in the last election in denouncing this policy of the Republican party as a "cowardly makeshift," and appealed to the people to overthrow that party in the interest of a party pledged to establish a wiser and safer financial policy. The opportunity is now with you to redeem your pledges and continue to utilize both gold and silver in our monetary system and maintain bimetalism as we have safely established it.

The next proposition submitted by the majority is the restoration of the act of 1878. I shall not detain the House long with a discussion of this proposition. That was an act which directed the Secretary of the Treasury to purchase at least two million dollars' worth of silver bullion every month and coin it into standard silver dollars of 412½ grains. The only material difference between that act and the act of 1890 is that the former required the silver purchased to be coined, and the act of 1890 does not. And if there are degrees of evil, then the act of 1878 is worse than the act of 1890; for under it we were coining 371½ grains of pure silver into a silver dollar, and with the stamp of the Government certifying it to be a dollar, when intrinsically it was worth much less. Under the operations of that act we coined \$378,166,793, and that, together with the coinage of the trade dollar and the coinage under the act of 1890, makes a sum total of silver coinage already stated of \$419,294,835.

Yet of this vast sum of coined silver dollars the Secretary of the Treasury advises us that on the 1st day of June, this year, only \$58,000,000 of it was in circulation, the balance being in the Treasury of the United States and represented in our circulation by silver certificates. If the coin will not circulate, as seems to be the case, why convert the bullion into coin? Better continue the present law, purchase silver and issue our notes therefor. But one of the most effective arguments used at the time in favor of the passage of the act of 1878 was that we demonetized silver in 1873, and that act caused silver to depreciate, and that if we would remonetize it even in part it would at once advance the price of silver and bring it to a parity with gold.

It has been demonstrated that this assumption was without foundation, for while the value of the bullion in the silver dollar in 1877 was 92 cents, after twelve years of coinage, in 1889, the silver in the silver dollar was worth only 72 cents, or the value of the bullion in the silver dollar at the end of twelve years had declined 20 cents.

When this bill was passed in 1878 President Hayes promptly vetoed it as

being unwise financial legislation, but it was passed over his veto, and I shall have no hesitancy in voting against its reenactment.

The third proposition submitted is the free and unlimited coinage of silver upon a ratio of somewhere between 16 and 20 to 1. I have but a word to say in relation to this proposition. None of these ratios represent the commercial ratio. Coin your silver dollar in the ratio of 16 to 1 or 20 to 1 and you have a dollar intrinsically worth less than the gold dollar, and coin such a dollar as that—permit the owners of silver bullion to bring to the mints of the United States, and have manufactured into dollars, a certain number of grains, worth in bullion much less than when they are coined, is a proposition to which I cannot give my assent.

But it has been stated in the course of this debate and repeatedly asserted that the present silver dollar is the "dollar of the fathers." That statement is not true. It is not the "dollar of the fathers," and the fathers if living would repudiate such an assumption as a reflection upon their integrity and sagacity. The silver dollar of the fathers was intended to be and was in fact exactly equal to the gold dollar in intrinsic value.

When Hamilton and the men of his time were considering the establishment of the United States Mint, in 1792, the question presented was whether we should coin silver or gold, or both, and having determined to utilize and coin both gold and silver the only remaining question was just how much silver should be put in the silver dollar and how much gold in the gold dollar, and it was agreed on all hands there must be just such an amount put into the silver dollar and the gold dollar as would make them exactly equal in commercial value, for there was no man living at that time outside a mad house who entertained the idea that you could coin dollars of unequal intrinsic value and make them circulate side by side in any monetary system. For it is a law as old as monetary science and as inexorable as the moving of the spheres that if you have two dollars of unequal value the cheaper will be the only one that will circulate and the more valuable will be driven out of circulation.

Mr. Baring said upon this subject: "A very slight difference of one-tenth or one quarter of 1 per cent. would determine the use of one metal or the other."

Our own history demonstrates the truth of this law. Under the ratio of 1 to 15, established in 1792, the two coins separated in a few years, because it was found that the commercial value and the monetary value did not correspond, and gold went out of circulation and our coined silver was the only money remaining in circulation. In 1834 the ratio was changed to 16 to 1, but it was soon discovered that the commercial ratio did not then correspond with the monetary ratio and the result was that silver was more valuable than gold, and went out of circulation, while gold became our only circulating metallic money. When the owner of 371½ grains of pure silver could get more for that silver uncoined than he could by having it coined into a silver dollar, certainly he would not take it to the Mint of the United States to have its value lessened by being coined into money. So silver dollars went out of circulation.

In 1861 we were flooded with a depreciated paper currency less valuable than either gold or silver, and the result was that it drove both gold and silver out of circulation, and they remained out of circulation until we resumed specie payments in 1879.

This people have not forgotten the battle for the resumption of specie payments, and they do not care to repeat that experience. It was a long journey, fraught with hardship and disaster to many individuals, and had to be pursued in the face not only of Democratic opposition demanding the repeal of the resumption act and the continued nonpayment of our unredeemed promises, but parties sprang up in favor of fiat money and the wildest financial vagaries which, for the time being, threatened the credit and financial integrity of this nation. Must we fight that battle over again?

This contest for the free coinage of silver began in 1874, and it has been prosecuted with unceasing vigor ever since. Why? Up to that time the silver

dollar was worth more, intrinsically, than the gold dollar, being worth in 1873 \$1.03 as compared with gold.

Up to that time the coinage of silver dollars in this country had been very limited. One would think from the tenor of this discussion that all at once a great outrage had been perpetrated upon silver, that it had been stricken from our monetary system at a blow, by the force of law, when the fact is that from 1793 to 1805, a period of twelve years, we coined but 1,439,517 silver dollars. From 1806 to 1836, a period of thirty years, we did not coin a single silver dollar. From 1836 to 1873, a period of thirty-seven years, we coined only 6,606,321 silver dollars. In eighty years we only coined a total of 8,045,838 silver dollars. So long as silver remained more valuable than gold there was no clamor for the free coinage of silver, but in 1878, when resumption was an assured fact, and the people had decreed that they would keep faith with their creditors and pay their unredeemed promises, then the champions of cheap money turned their attention to silver, finding it had declined in value from \$1.03 in 1873 to \$0.89 in 1878.

Then the cry went up for the free and unlimited coinage of silver dollars, of 371½ grains, worth 89 cents, and we entered upon the course of coining silver and continued it for twelve years, and during that period coined 419,000,000 silver dollars, while in the eighty years previous we had coined only 8,000,000. After continuing this for twelve years the silver in the silver dollar declined from \$0.89 to \$0.72, and we found ourselves with 419,000,000 silver dollars worth, intrinsically, but 72 cents each. In 1890 when it was believed that our volume of silver then in circulation was as great as could be maintained at a parity with gold and avoid the danger of a silver basis, then the Democratic party again clamored for the free and unlimited coinage of silver. The battle is now renewed under the plea of bimetallism, and the advocates of the free coinage of silver seek to delude the people by asserting that they are in favor of bimetallism while its opponents are not. We have bimetallism to-day.

We have not only the 419,000,000 silver dollars coined, the 151,000,000 Treasury notes given for silver bullion, but we have 5,558 tons of silver bullion uncoined, and let it be remembered that the repeal of the purchase clause of the Sherman act does not demonetize a single dollar of this nearly 600,000,000 of silver. On the contrary, in the interests of bimetallism we propose to maintain the whole volume of this silver coin and paper at a parity with gold. We who favor the repeal of the act of 1890 are the only real bimetallists, and we are pursuing the only course in my judgment by which bimetallism can be maintained. The free and unlimited coinage of silver at any of the ratios named will destroy bimetallism and will reduce this country to a single standard, that of silver, and that depreciated, and I am suspicious that for this very reason some gentlemen are anxious for its triumph. The opening of the mints of the United States to the unrestricted minting for individuals of silver into legal dollars at any ratio to gold less than the commercial value of both metals, under the pretense of aiding the cause of bimetallism or for the purpose of establishing or maintaining bimetallism in the United States, is simply playing upon the sentiment and credulity of the American people. [Applause.]

Bimetallism means the joint use of gold and silver as money and the history of our country prior to 1873 has shown, what is admitted by all the great authorities on bimetallism, that so long as there is a variation of one-half of one per cent. between the commercial value of the pure metal contained in the standard coins and their face value the one which has the commercial value in excess of the other will not circulate side by side with that other. For this reason, prior to 1834 gold coins did not circulate in this country, and after the change of ratio in 1834 and 1837, silver did not circulate. Of course the silver dollar now is practically credit money, sustained at par with the more valuable dollar by Government redemption in gold; but with the free and unlimited coinage this would necessarily disappear. There would be no gold redemption, so that free coinage of silver at this time really means the adoption of silver

monometallism. The real issue, then, is not between bimetallism and gold monometallism, but between bimetallism and silver monometallism.

Let the people but once understand that all this talk about bimetallism is simply a cover to hide the obnoxious fact that it is silver monometallism that is the real purpose, or at least the certain result, and they will have none of it. There is no considerable portion of our people who would vote to place this country on a silver basis. The argument between the advantages of the two systems is a real, living one. Turn your eyes to the countries having the silver standard alone—Mexico, South America, Asia—and those having the gold standard with a silver circulation maintained on a parity with it, like England and all Europe, and there is no room for argument. The latter countries are prosperous, intelligent, and progressive; the former embarrassed, poor, and ignorant.

As was once said by another, "I think I see clearly through this day's business." It is the old fight for cheap money, and the people are deluded with the idea that if money is cheap they will be prosperous. A farmer is in debt \$200; he can sell his horse for \$100 in the money of to-day, which, applied to his indebtedness, would discharge one-half of it. Now, if by some process he can cheapen these dollars until they are worth but 50 cents, he can then sell his horse for 200 of these 50-cent dollars and then discharge his indebtedness of \$200. This is the milk in the cocoanut of this whole business.

But let mesay that cheap money is a delusion, and a depreciating, fluctuating currency cheats every man who touches it. It cheats both ways—when it is declining and when it is appreciating. In war times the man who loaned \$1,000 in gold was obliged to take his pay in paper worth 33 cents. The farmer who gave a mortgage for \$1,000 on his farm when we were on a paper basis of 33-cent dollars felt it to be a hardship when he was obliged to pay that mortgage in paper dollars worth 100 cents. But that is the inevitable effect of an unstable currency. I affirm that whenever we have a vacillating, depreciated currency it injures all classes and all conditions.

But labor is sought to be deluded with the idea that it is in their interest, somehow, to have cheaper money. Labor does not want cheaper money, but good money—money that will be good today and tomorrow, for money is not only the measure of value, but it is the storehouse of values; and when a laboring man has completed his day's work he wants to be paid in a coin that will be not only the full measure of the value of that day's work, but in a dollar that will preserve the value of that day's work. [Applause.] The laboring people of this country having to-day \$1,700,000,000 in the savings banks, every dollar of which is worth its face in gold, do not want to be paid in a cheap currency worth one-half that amount; and yet the appeal is made here and elsewhere that all this struggle for cheap money is in the interest of labor!

It was once said "Liberty, how many crimes are committed in thy name!" and it might be as truthfully said to-day, how many crimes are committed in the name of labor.

At one time a practice prevailed in England of clipping the coins and thereby depreciating their value. The English government made that practice a felony punishable by death. Women were burned at the stake and men were dragged to the scaffold for clipping the coins of the realm. But it is now seriously proposed in the national House of Representatives of the American people to legalize an unlimited issue of debased currency. It is proposed that this great Government, which through all its perilous history of the last thirty years kept faith with all its creditors and stands to-day with a credit matchless and unimpaired, shall now enter upon the shoreless and fathomless sea of depreciated coinage, whose only harbor is national repudiation and individual bankruptcy, to the utter destruction of the nation's credit and the prosperity of the citizen.

Rather than do this, you might better at once invoke the policy of a Solon, and scale all public and private debts, and have done with it at once.

But it is said by some, "I must vote for free and unlimited coinage of silver at one of these ratios because it is the sentiment of my district." Gentlemen, do

not deceive yourselves. The honest sentiment of your district demands an honest currency and will sustain you in voting for nothing else. [Applause.] Your vote and my vote upon this great question, your speech and my speech, will be tested not in the hot furnace of the passions of to-day, but they must stand the crucial test of the sober judgment of to-morrow. [Applause.]

The gentleman from Nebraska [Mr. BRYAN] tells us that we can enter upon this policy of unlimited coinage with perfect safety, independent of the nations of the world, and, repeating the story of "Liberty Bell," which sounded the birth of a nation, conjures us to break away from English domination; and yet that same gentleman before the Fifty-third Congress shall have closed its labors, will be the first to toll the bell of a nation's dead industries and demand that the United States shall surrender its industrial supremacy and independence and the prosperity and hopes of its laboring millions to the unrestricted domination of British greed and power under the merciless policy of free trade. [Applause.]

I regret, Mr. Speaker, more than words can express, that in the course of this debate gentlemen have seen fit to employ language the effect of which, whether intended or not, is to arouse and ferment dissensions among the various classes of our people. The impression is sought to be made upon the public mind that there exists some monstrous conspiracy somewhere or somehow on the part of capital to oppress and outrage labor. I remember that the gentleman from Nebraska spoke of capital as "imperious, arrogant, compassionless;" and that "labor, work-worn and dust-begrimed, makes mute appeal."

Let me say, sir, that he who seeks in this country at this time or any other to inflame public passions and array one class of our citizens against another is an enemy to his country and to his race. [Applause.] He who seeks to incite labor against capital not only does himself, but his country, a grievous wrong. Such a course may serve the ends of party or some personal ambition, but it will be at the expense of the peace and good order of the State. [Applause.] Capital and labor are the two pillars upon which the superstructure of our industrial greatness and civilization are reared, and when you weaken or destroy either you involve all in a common ruin. The gentleman knows, however, the potency of such appeals, and they serve many times to arouse a storm of passion upon which some men are carried temporarily to power. May I be permitted to quote the words of Daniel Webster in this connection:

I know full well, sir, the power of such prejudices. I know how easily they may be excited and how potent is their agency. Efforts to excite them and calculations on their efficacy when excited have sometimes succeeded, and must be expected sometimes to succeed in popular governments. They are among the means by which little men occasionally become great. But they are not among the means by which lasting character is to be attained, any more than they are among the means by which substantial and important service is to be rendered to the country.

Instead of inflaming the public mind, let us rather by every means in our power seek to harmonize these conflicting forces, allay all public apprehension, and so legislate as to maintain the national credit unimpaired, restore public and private confidence, preserve the peace and good order of the State, and promote the happiness and prosperity of the citizen. [Prolonged applause.]