Congressional Record.

FIFTY-THIRD CONGRESS, FIRST SESSION.

## Silver.

# SPEECH OF HON. W. BOURKE COCKRAN,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

*Saturday, August 26, 1893.*

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. COCKRAN said:

Mr. SPEAKER: After the very interesting address which we have just heard nobody will deny that the argument for free silver coinage may be made picturesque, even if it fail to be convincing.

Sir, when the gavel of the presiding officer descended upon the desk of this House on the 4th of March last, and members of Congress returned to their homes, they found the country blessed with universal prosperity. Everywhere the fires of content blazed upon the hearthstones; the light of hope illumined every household; yet in a period when everything that ought to produce prosperity was ours, the skies over our heads became somber; the dark cloud of a panic settled down over the length and breadth of the land, wrapping in its sinister folds countless thousands of American citizens, threatening to send the gaunt specter of starvation stalking over American highways, menacing the cottages that shelter American labor.

When we seek the source of the dangers that are now impending over us, we can find nothing in the character of providential interposition to prevent our continued march towards prosperity. Our bursting granaries show that Providence has smiled upon us in seed time and in harvest; yet, in every section of the country mills are closing, industry is suspended, the public mind is disturbed with apprehensions that during the coming winter our highways will be thronged, not with tramps who shirk work, but with industrious laboring men, vainly seeking a market for their labor. There is reason to fear that self-respecting men and women, who have been active forces in the production of our national wealth, may be forced to taste the bitter and humiliating bread of charity. When we see ourselves surrounded by these grave perils, and realize that our condition can not be attributed to the frown of Providence, we are forced to the conclusion that we must be suffering from the folly of man in the form of a vicious system of laws, which, in a time of bountiful production, has deranged and paralyzed the whole machinery of distribution.

I do not agree with my friend from Maine [Mr. REED] in his conclusion that financial crises are mysterious but unavoidable incidents in the progress of the human race. I believe that every commercial disturbance can be traced to settled and well-defined causes, and that this panic has been produced by vicious monetary laws, just as the panic of 1837, the panic of 1857, and the panic of 1873 were produced by unsound systems of finance. And a condition which has been produced by bad laws can be remedied by wise laws.

The President of the United States has called us together at a period of intense heat to apply a remedy to the evil from which this country suffers, and he suggests that the disasters which threaten us have their root in the operation of the act of 1890, known as the Sherman silver law. A proposition to repeal the purchasing clause of that act has been submitted to this House, and we have a series of substitutes offered for it—one a proposition for free coinage of silver with an assortment of ratios, and the other a proposition to revive the Bland act.

When we scrutinize the arguments that have been offered in support of these amendments I believe we may reduce them to two—one that the Democratic party, by its platform adopted at Chicago, declared in favor of free coinage of silver, and the other that if the amendment proposed by the gentleman from Missouri be adopted the value of silver will be increased so that it will circulate freely on a parity with gold at a ratio of 16 to 1.

Mr. Speaker, I do not join in the tone of levity with which the platform of the Democratic party has been treated in some quarters. I believe that a declaration of political principles is binding upon a political party, and when I stand here to-day opposed to this measure of free coinage, I stand on the Democratic platform with both feet, and he who seeks to pass such an act in the name of the Democratic party is trying to push me off the Democratic platform and to place me on the Populist platform. [Applause.] I assisted in the deliberations of the Democratic convention [laughter]; and, Mr. Speaker, the good humor which that remark provokes induces me to say that I had a good opportunity to discover with what vigor it set its foot upon opposition when any person undertook to interfere with its settled purpose. [Laughter.]

I remember, sir, that when the financial plank of the platform was under consideration, a delegate from Colorado proposed as an amendment the insertion of the word "free" before the word "coinage" and supported it in a speech of about an hour's duration, and did not poll ten votes for it on the floor when the convention took final action upon the proposition. Talk to me about the Democratic party having declared for free coinage! I believe the claim comes from Colorado and from Nevada, that those of us who favor the bill introduced by the gentleman from West Virginia [Mr. WILSON] are turning our backs upon the platform of our party. Why did Colorado and Nevada take to the woods during the election of 1892? [Laughter.] Why did they abandon both the great political parties of the country and take refuge in the Populist ranks?

Why, sir, I believe it is owing to a great upheaval in Colorado and Nevada, caused by the union of Democrats and Republicans with the Populists, upon the ground that both the old parties had declared against the free coinage of silver, that we are honored with the presence of the eloquent gentleman from Colorado [Mr. PENCE], who has delighted us so often since he has been added to our membership. [Applause.]

The Democratic party did not declare for the free coinage of silver. It refused to declare for it, and the assertion that we who are loyal to its declarations are abandoning our platform, is not the least extravagant of the many extravagant assertions made by gentlemen on the other side of this question in the course of this debate.

The Democratic party did declare for the use of both metals as money; and, sir, while I am opposed to the free coinage of silver, I am equally opposed to the total demonetization of silver.

Silver is a part of the world's money, and it is and always will be a part of the money of every country, but there can never be a bimetallic standard of value in any one country. There never has been and there never will be.

Mr. Speaker, we have heard it said here, and it is the principal delusion cherished by our friends who support the amendments offered to this bill, that there was bimetallism in this country prior to 1873, and that there was bimetallism in France from 1803 to 1873. Now, I venture to state that while there was free coinage of both metals in these two countries, there never was bimetallism in either, in the sense of the two metals circulating together.

These two metals never have been at one and the same time the standard of value in any country, and in the nature of things one metal must always be the standard of value. This proposition was laid down by Locke in 1695, when the principles of finance were still obscure, and when the experience of the human race in a high state of civilization had not contributed to the sum of human knowledge upon the subject. In one of the papers which Locke contributed to the discussions which preceded the great recoinage in England at the close of the seventeenth century, he said:

> Two metals, as gold and silver, can not be the measure of commerce both together in any country, because the measure of commerce must be perpetually the same, invariable, and keeping the same proportion of value in all its parts. But so only one metal does or can do itself; so silver is to silver, and gold to gold. An ounce of silver is always of equal value to an

ounce of silver, and an ounce of gold to an ounce of gold; and two ounces of the one or the other of double the value to an ounce of the same. But gold and silver change their value one to another, for, supposing them to be in value as 16 to 1 now, perhaps the next month they may be as 15¾ or 15⅞ to 1. And one may as well make a measure, *v. g.*, a yard, whose parts lengthen and shrink, as a measure of trade of meterials that have not always a settled, invariable value to one another.

And that doctrine was repeated by Mill one hundred and fifty years afterward, when he said:

The plan of a double standard is still occasionally brought forward by here and there a writer or orator as a great improvement in the currency. It is probable that, with most of its adherents, its chief merit is its tendency to a sort of depreciation, there being at all times abundance of supporters for any mode, either open or covert, of lowering the standard.

* * * * * * *

And again:

The particular kind of variation to which the currency is rendered more liable by having two legal standards is a fall of value, or what is commonly called a depreciation, since, practically, that one of the two metals will always be the standard, of which the real has fallen below the rated value.

Mr. Speaker, these are the speculations and conclusions of the two chief philosophers who have written on this subject. And what Locke declared, what Mill repeats, is attested by the experience of the whole human race. I make the statement here now (and I challenge my friend from Missouri [Mr. BLAND] to contradict it, familiar as he is with the historical development of this question) that never in the history of the world have these two metals circulated side by side as a double standard of value. They never will so circulate and they never can. Let us take the experience on this subject of the three leading countries of the world—Great Britain, France, and the United States.

Our friends on the other side tell us that in this country a tremendous wrong was committed in 1873, that silver was then demonetized. Does not my friend from Missouri know that silver was expelled from our circulation in 1834, by the simple process of undervaluing it at the mints? He is too familiar with the economic history of the world not to be fully aware that the demonetization of silver has seldom been accomplished by specific enactment. The usual method pursued by nations to accomplish the demonetization of a metal has been that of undervaluing it at the mints. Silver was undervalued at the mints of the United States in 1834; and down to 1873 the annual coinage of it never rose above $8,000,000 except twice, and for seven years, I believe, it fell below a million dollars annually. The average coinage of silver dollars for thirty years prior to 1873 was about $1,800,000 a year. Although there was free coinage before 1873, there was no bimetallism. Silver disappeared. It left the country. It was shipped abroad, because it was undervalued about 3 per cent at the mints.

Yet my friend from Mississippi [Mr. ALLEN], following the lead of my friend from Missouri [Mr. BLAND], tells us in his own picturesque way that in 1873 a stealthy crime was committed by the demonetization of silver, while the fact remains attested by history that the demonetization, the practical demonetization of silver occurred in 1834, and the act of 1873 was but a legislative declaration and recognition of what was then the actual financial system of the country. Nay, more; since the "stealthy crime" of 1873, the average coinage of silver dollars has been nearly thirty million a year, so that the "conspiracy against silver" has resulted in trebling the use of silver at the mints, but even this extensive use of the metal has not sufficed to maintain it on a parity with gold.

Now, in England, where we find the best opportunity of studying the development of this question, in 1696 the great recoinage occurred, and from that period every person who comments upon the development of international wealth dates the beginning and rise of England's financial greatness. Prior to that time there were circulating everywhere throughout that country numbers of pieces of metal of different weight, though bearing the same denomination. The kings had set the example of plundering the public by doing what my friend from Missouri suggests we should do now; that is to say, debasing the coins of the country. Kings in all ages, rulers of all characters and in all countries had debased the coinage for their own profit by increasing the amount of seigniorage levied upon the metal at the mint.

The subject, seeing the king occupied in this nefarious business, retaliated by clipping the coin on his own account, and in England, the coinage was thrown into such confusion that in 1694 Lowndes, the secretary of the treasury, in a report to the lords of the treasury called attention to the fact that all trade was paralyzed through the demoralization of the currency. After persons had met in the public market places and had agreed upon the barter and sale of their commodities, they were launched into new discussions as to the rates at which the pieces of silver that then passed current should be accepted. Oftentimes these disputes prevented the most promising trades. The state of the currency was so universally debauched that the name or denomination of a coin was no indication whatever of its value.

The shilling might be worth 9*d.* or 10*d.* or 11*d.* Lowndes tells us that the officers of the exchequer made some experiments with money which had come into the treasury from various sources. In one instance coins which according to the standard should have weighed 280,000 ounces were found to weigh but 114,000 ounces. Other experiments showed that one hundred pounds, which according to the standard should have weighed about 400 ounces, when collected in different parts of the kingdom varied in weight from 240 ounces at Bristol to 116 ounces at Oxford.

Now, when this deplorable monetary condition had at length aroused the public opinion of the country, a suggestion was made, as we find a similar suggestion made here, that the true remedy for commercial disturbances is to reduce the value of the coin, to make it "the poor man's money," and that proposition Locke combated in a series of papers, from one of which I have read an extract.

In the settlement of the question of the recoinage in England a difficulty was presented, much more serious than any we have here. After the proposal to reduce the amount of metal in the shilling had been abandoned, and after it was decided that the whole money of the country should be recoined on a sound and honest basis, the question arose who was to pay the cost of the difference between the amount of metal in the old, debased coins, and the amount of metal in the new.

At first it was proposed that the loss involved in the recoinage should be borne by those who held the clipped coins, but it was pointed out that if such a policy were adopted, those who were possessed of base coins would keep them away from the mint and take their chances of passing them in trade. And finally, rising to the height of a great occasion, in the broadest statesmanship which that country ever displayed, it was decided that all the loss attending the recoinage should be borne by the government; and the people were invited to bring their clipped coins, their debased coins, their bullion, and their plate to the mint and to receive in return standard coin of full value. This was done, and the amount of silver minted amounted altogether to about £6,812,000. Lord Liverpool in his letter to the King, written, I believe, in 1805, points out that this recoinage of £6,812,000 cost the Government £2,780,000, owing to the debased condition of the currency. Mr. Anderson, in his history of coins, tells us the recoinage cost £3,000,000; but a great reform was accomplished, and England took an upward leap in the march of progress.

Now, Mr. Speaker, the English Government prescribed silver as the standard money of the country. It had spent £3,000,000 to recoin upon a stable and equitable basis less than £7,000,000. All the weight and influence of government were placed behind the metal. But, sir, in that same coinage the guinea was overvalued at the mint. It then passed current at a valuation of 21*s.* and 6*d.*, and silver left the country to such an extent that in 1717, eighteen years after the coinage had been completed, Sir Isaac Newton reports that if the scarcity of silver continues it will command a premium. And Lord Liverpool says that when the ministry asked Sir Isaac Newton's advice, he then being master of the mint, as to how silver could be kept in the country, he suggested the reduction of the value of the guinea to 21*s.*; that is to say, to 252*d.*

But the market or bullion value of the guinea at that time was 20*s.* 8*d.*, or 248*d.*, about 1⅓ per cent less than the mint valuation; and that 1⅓ per cent sufficed to drive silver so completely out of circulation that in the last forty years of the last century there were coined at the mint altogether but £63,933 in silver, a demonetization as complete and as entire as ever was accomplished by specific enactment of any legislature or the decree of any government. And we all know that the act of 1816, by which England was formally placed upon a gold standard, was a mere confirmation of the condition which already existed, for silver practically disappeared from circulation for seventy-five years.

Such was the experience of England where an undervaluation of 1⅓ per cent at the mint drove silver out of circulation in the country.

Now, my friend from Missouri and my friend from Nebraska tell us that in France there has been bimetallism since 1803, and that for seventy years the two metals circulated there on a perfect parity. There was a panic in England in 1825. There was the same complaint of scarcity of money that we hear around us now. A proposition was made to remonetize silver, as we hear a similar proposition made now. One of the Barings appeared before the House of Commons and advocated it. It was said then, as our friends say now, that France had a system of bimetallism which operated to swell the circulating medium to abundance; but Mr. Tooke, writing in 1826, answering the suggestions of the Barings and all those who were advocating the establishment of a double standard, says:

The example of France has been cited as one in which the two metals circulated with perfect convenience and harmony upon a footing of a double standard. But this, though nominally correct according to the mint regu lations, is not true in the real meaning of the terms. Silver is there the only actual standard, while gold constantly fetches a premium from 1 to 10 per mille, or from one-tenth to 1 per cent.

And Giffen, in the tables which he has appended to the book called The Case Against Bimetallism, shows that down to 1847 gold was at a constant premium and silver was practically the sole money of the country.

With the inrush of gold in 1850, the proportion of the two metals began to vary. Silver then, instead of being over-valued, was undervalued at the mint, and an exportation of it at once began. From 1850 to 1867 France imported the enormous sum of $600,000,000 in gold and went to a gold basis, and has been practically upon a gold basis ever since. True, she coined silver at the mint, but did not and could not keep it in circulation. There was free coinage of silver under the conditions of the Latin Union, but in 1872 the amount coined was about 5,000,000 francs, while in 1873 the amount deposited at the French mints was nearly 150,000,000 francs. Then it was that France herself came to the conclusion that she could not do that which these gentlemen here seem to insist that she is doing to-day. She closed her mints in order to preserve the parity and value of the silver coin she had, just as we, on this side of the question, ask you now to relieve the Treasury from any further purchases of silver, so that we may do what France did—maintain the parity and value of the silver coins which are now in circulation. [Applause.]

If my friend from Missouri claims—and I understand it is the chief feature of his argument—that the mere impression of the coinage stamp upon silver will prevent all fluctuations in the value of the metal, he must be ignorant of the history of the price of silver when it was nominally at least a part of the circulating medium in England. Lord Liverpool in his very interesting work tells us that the fluctuation in the value of silver in 1797 was 9⅛ per cent, and he states, on the authority of a merchant who bought silver bullion, that in one year, 1792, I think, its value value varied 13¼ per cent.

Why did not the coinage stamp upon gold in England make up the difference of 1½ per cent between the market value and the mint value of the metal? Why did not the stamp upon silver from 1820 to 1850 in France raise the value of silver so as to bring it to a parity with gold? Why did the undervaluation of silver 3 per cent at the mints of the United States drive it out of circulation and place this country on a gold basis in 1834? Yet, in the light of all this experience, our friends would have us believe that a stamp which was powerless for forty years to obliterate a difference of 3 per cent between the market value and the coinage value of a metal can now exercise a magic power which will cause the value of silver to take an upward leap of 45 per cent.

My friend from Nebraska [Mr. BRYAN] says you can not have an honest dollar, and that there is no such thing as a perfectly stable measure of value. He might as well tell you that there is nothing perfect on this earth and that human ingenuity is unable to make a government that can not be improved. Gold fluctuates in value as all things must fluctuate; but the principle which makes bimetallism in one country impossible is this; that to the unavoidable fluctuations of one metal the bimetallist wants to add the additional fluctuations of another. To the variations of the metal which fluctuates least he wants to add the variations of the metal which fluctuates most.

We on this side of this question want to have the minimum of fluctuation; we want to have the maximum of stability. In fixing our standard of value we want to take the experience of the world for our guide; we are unwilling to trust to the prophecies of the gentleman from Missouri. [Applause.]

Even assuming that by any exercise of governmental power we could bring gold and silver to a parity, we would still be unable to retain a bimetallic currency; any attempt to establish it would inevitably reduce this country to a silver basis. If it were possible to bring these metals to a parity at a ratio of 16 to 1, that result could only be achieved by the use of an enormous mass of silver bullion at the mints. There is no other principle upon which such an increase in the value of silver could be accomplished.

But if such immense quantities of silver bullion be deposited at the mints for the purpose of coinage, a redundant currency must be the result. According to an economic law to which I will refer later, a redundant currency in any country always causes an exportation of bullion. Now, as between gold and silver, gold will always be exported on account of its smaller bulk and the comparative cheapness in the cost of transportation. So that even if we follow our friends on the other side, fly in the teeth of all human experience, and accept their prophecies that the free coinage of silver at our mints will increase the value of the metal 45 per cent, after we have done violence to common sense and consented to base our laws upon prophecies rather than upon experience, we are confronted by another economic principle, which shows that even if we succeed in bringing the two metals to an absolute parity, gold would still be driven from circulation, and we would be left upon a monometallic basis, with silver as the standard of value.

Are we not therefore justified in stating that such a thing as national bimetallism is a mere figment of the brain, a chimera, a delusion, a thing which is absolutely impossible in the ordinary operations of life? My friend from Nebraska is not bound by the commonplace restraints of economic laws. He tells us that he has climbed the sun-crowned summit of Democratic victory, and we may therefore be excused if the sonorous periods which have rolled down to us from that high altitude are a little beyond our comprehension. He tells us with the solemnity of a seer warning us of unspeakable dangers that if we pass this act silver will be demonetized and gold will be brought to the auction block. I wonder where he would like to have it brought!

The purpose and business of money is to go to the auction block, there to be exchanged against commodities. If the farmer parts with his produce to-day in order to obtain gold, will he not be at the auction block to-morrow with gold buying the things he needs? Does my friend imagine that the purchasing power of gold will shrink the moment it enters the farmer's pocket? If the purchasing power of gold be high when the farmer exchanges his commodities for it, will it not be equally high when he uses that identical gold for the purchase of the commodities which are necessary to his comfort?

My friend tells us, moreover, and here we approach the ground occupied by all our adversaries, that an ounce of silver still measures the value of corn and wheat and lard as well as it ever did. Well, if that be so, in the name of God and common sense, give the farmer a full ounce of silver when he is entitled to it, and do not deprive him of any part of the silver which is the fair equivalent of his produce. Computing the value of an ounce of silver at 72 cents, we find that the bullion value of a silver dollar is about 54 cents. A dollar in gold is worth, therefore, about 651¼ grains of pure silver, while the standard dollar contains but 371¼ grains. For every dollar's worth of produce which the farmer sells you want to give him 371¼ grains of pure silver, while I want to give him 651¼ grains of silver. [Applause.]

You want to give him 371¼ grains and a stamp; I want to give him 651¼ grains, and let him with a very few grains buy his own stamp, or use the whole in buying butcher's meat or clothing for his family. If silver be so essential to agricultural prosperity, why in Heaven's name do you not let the agriculturist obtain all of it that his produce can command? Do you think silver operates on the farmer like alcohol on the human body—a little stimulates, an abundance stupefies and destroys? [Laughter.] Mr. Speaker, the stamp which these gentlemen would add to the 371¼ grains of silver may increase their value, it may make them worth a dollar and it may not; but I know that 651¼ grains will buy a dollar's worth anywhere in the world. [Applause.] You want to give the farmer for every dollar's worth of his produce 371¼ grains of silver, plus the prophecy of the gentleman from Missouri. I want to give him 651¼ grains without any prophetic adornment, and you may take my word for it that he would rather have the additional 280 grains than the words of any seer, of any sage, or of any prophet. [Laughter and applause.]

I have noticed, during the course of this debate, that gentlemen have quoted from a pamphlet of Archbishop Walsh, of Dublin, one of the most illustrious of Irish churchmen.

Archbishop Walsh believes in bimetallism, and so do I. I believe in international bimetallism, for the reasons so thoroughly stated and explained by the distinguished gentleman from Maine [Mr. REED]; and on this economic question I do not believe there can be any party lines. I believe that on a question of coinage you must obey the economic laws of the universe, or, by opposing them, invoke disturbance and disaster; and when those laws are laid down as they have been by the gentleman from Maine, in clear, succinct, and precise terms, I am glad to accept his statement of them for the guidance of this House and of the American people. [Applause.]

Now, the pamphlet of Archbishop Walsh, as I have read it, does not advocate national bimetallism. But, Mr. Speaker, many years ago there lived an Irish churchman who gained a popularity in Ireland such as never was attained by any other man who wore the cassock, one who left a name which causes to throb in the heart of every member of the Irish race the same chord that vibrates when he hears the name of Grattan, of Emmett, of O'Connell, or of Parnell; I refer to Jonathan Swift. What was the cause of his popularity? Was it because he wrote Gulliver's Travels to entertain the young by its narrative and to instruct and amuse the mature by the keenness of its satire and the brilliancy of its wit? Was it because he wrote the Tale of a Tub or the Journal to Stella? No, sir; it was becasue he led brilliantly, successfully, and patriotically the Irish revolt against an English attempt to force upon the Irish people a debased coin.

I hold in my hand Orrery's Life of Swift, with Sir Walter Scott's notes, and here we find the whole story of Swift's popularity and the foundation on which it was built. In the year 1724, there having been a very great scarcity of small copper coins in Ireland, the English Government issued a patent to one William Wood to strike off £108,000 worth of brass half pennies and place them in the Irish circulation. They were of less intrinsic value than the coins which had previously circulated in the country, and Swift protested against the proposal to choke the circulation with a degraded currency. He assailed Wood and his patrons in a series of papers bristling with sarcasm and invective, which were known as the Drapier letters, and which roused the whole island to a fierce and determined resistance. Referring to the pretense that the patent issued to Wood was rendered necessary by the scarcity of small coins, Swift said to remedy a scarcity of money by the issue of debased coins was like cutting off an arm to cure a scratch on the finger.

The British Government sought to indict the publisher of the letters and had him presented before the grand jury, and the only two grand juries that live enshrined in the hearts of the Irish people are the first which threw out the bill, and the second grand jury, which, when the same question was brought before them, instead of presenting the publisher or Swift, who was suspected of being the author of the letters, presented everybody concerned in the attempt to pass the coin.

And they presented them in these words:

We, the grand jury of the county of the city of Dublin, this Michaelmas term, 1724, having entirely at heart His Majesty's interest and the welfare of our country, and being thoroughly sensible of the great discouragements which trade hath suffered by the apprehensions of the said coin, whereof we have already felt the dismal effects; and that the currency thereof will inevitably tend to the great diminution of His Majesty's revenue, and the ruin of us and our posterity, do present all such persons as have attempted, or shall endeavor by fraud or otherwise, to impose the said half pence upon us, etc.

Walpole and the Duchess of Kendal were suspected of being the authors of Wood's patent. They had both writhed under the lash of Swift's sarcasm in his description of the royal court of Lilliput. Amazed, dismayed, and discomfited by the blighting sarcasm of the Drapier's letters, they quailed before the storm which had been unchained, Wood's patent was canceled and withdrawn, the debased coins were never put in circulation, and Swift became the idol of the Irish people.

Sir, I refer to the popularity which Swift achieved through a defense of honest money, because the most extraordinary feature of this free-silver movement is that it appears to be an attempt to win popularity by the debasement of the coin of this country. Never before in the history of the human race has such an attempt been made in the name of popular rights. Among the causes which led to the French revolt against royalty, there was none more decisive than the habit of the French court to debase the coinage in almost every reign. And when, in 1857, in order to prevent the export of silver from France, it was suggested that the amount of gold in the 20-franc piece should be reduced, although it was a suggestion that was conceived in patriotism and prudence, the French people, with the memory of the robberies which the kings had formerly perpetrated at the mint, rose like one man and protested in such tones that even the slavish Corps Legislatif of the second Empire respected their protest, and the coin remained untouched.

The adoption of the amendment of the gentleman from Missouri [Mr. BLAND] would place us at once on a silver basis. Mark you, I do not believe that if we went to a silver basis today all industry would be abandoned; that the fields would remain untilled; that the course of the waters would be arrested in the beds of the rivers. We would still work; we would still raise grain and wheat; we would still fatten hogs, and we would still sell the products of the soil. But the immediate effect of such legislation would be the robbery of every creditor throughout this Union of 45 per cent of the sum due him.

I know that my friend from Missouri, my friend from Nebraska, and all those who think with them are rather proud of the fact that the enactment of their proposals into law would be likely to interfere with the collection of debts throughout the country. They tell us that they are not anxious arbitrarily to scale down debts; but, in the language of my friend from Nebraska, "if we are to have a doubt, let us give the benefit of it to the debtor." Mr. Speaker, that brings up the question, who are the debtors of this country and who are the creditors? As we recall the rhetorical vehemence with which these gentlemen assailed the national banks, we must conclude that they believe all the banks are creditors and all the laborers and producers are debtors.

Here, sir, we see a striking instance of that strange disposition of gentlemen on the other side to stand upon their heads whenever they examine economic questions, to turn all economic law topsy-turvy, as my friend from Nebraska turned the facts of history when he undertook to explain the victory of an army by attributing the supreme command to a drummer boy. The debtors of the United States are not the laborers; the debtors of the United States are not the farmers; the principal debtors of the United States are the bankers, the railroad companies, the great corporations whom my friend from Missouri loves to denominate as Shylocks, gold bugs, and Wall-street sharks.

My friend from Nebraska [Mr. BRYAN] smiles, and I will take advantage of his complacent mood to instruct him on this subject. [Laughter.] I hold in my hand the report of the Comptroller of the Currency, containing a full statement of the business of the national banks of the United States for a single year. Opening it at random, I find the report of the largest bank of the country, the National Park Bank of the city of New York. It appears that the deposits of all kinds in this bank amounted during that year to about $34,000,000, while its loans were $25,000,000; that is to say, its debts to its depositors were nine millions in excess of the loans which it had made.

If my friend from Nebraska will consider the principles of banking for a moment and will examine this matter in his own mind, he will see that the very business of banking is the business of dealing with other people's money. The money which the banker deals with is not his own; it is the money which he owes to his depositors. Here we find in the case of this one bank that its debts are about $9,000,000 more than its credits; and if you pass a free-coinage law you simply reduce that $9,000,000 45 per cent; you enable that bank to settle the balance between its debts and its credits for about $5,000,000. Instead of suffering a loss it would actually gain four millions by the adoption of the amendments proposed by the gentleman from Missouri.

I hold in my hand the Statistical Abstract for 1892, and at page 38 I find that during that year the net deposits of all the banks of the city of New York were $391,900,000 in round numbers, while the loans were $344,200,000, a difference of $47,700,000. If the deposits and the loans, that is to say, the debts and the credits of these institutions be reduced to 55 per cent of their present value, as they would be reduced by the enactment of a free-coinage law, the debts due by the banks to their depositors would amount to $215,545,000, while the debts due to them would amount to $189,310,000, a difference of $26,235,000. Under our existing gold standard the banks would be compelled to add to the total amount of the debts due to them, $47,700,000, from their reserves in order to meet the claims of their depositors. Under the operation of a free-coinage law $26,235,000 would suffice to balance their debts and credits, and these Shylocks, these gold bugs, these objects of Populistic detestation, would gain about $21,500,000 from the operation of a law leveled against Wall-street sharks.

Mr. BRYAN. Will the gentleman allow me to interrupt him a moment?

Mr. COCKRAN. Yes, sir.

Mr. BRYAN. I would like to ask the gentleman whether it is not true that every solvent bank has for every dollar that it owes either somebody's note or the money in the vault and its own capital besides?

Mr. COCKRAN. The gentleman undoubtedly presents a truism in his question. It is upon precisely that statement of facts that I have been endeavoring to penetrate his intellect. [Laughter.] It is because the reserves of a bank which constitute the difference between its credits and its debts are held in cash—in coin, in specie, that you can not injure it by legislation such as you propose.

The loans and reserves of a solvent bank, taken together, must exceed its liabilities—the excess represents the capital and profits. But as between their debts and their credits all banks are debtors. If you debase the value of the circulating medium so that the debts due them will be reduced, the debts which they owe will be reduced to a corresponding extent, and since their indebtedness exceeds their credits, they will be gainers by any legislation which degrades the standard of value.

We all know the method by which railroad companies are capitalized. They issue stocks and bonds not alone on the property they have—they issue them on their franchises, on their earning capacity, on the money which they make and which they hope to make. That is to say, they are capitalized for an amount far exceeding the value of any property which they possess. The debts which they owe must, therefore, exceed any sums which are due to them. Cut down those debts 45 per cent, and who will be the beneficiaries of your legislation?

But my friend from Nebraska [Mr. BRYAN] has spoken in behalf of the workingman. He tells us the legislation he favors is in the interest of the laborer, because it is avowedly hostile to the creditor.

I say now that the banker, the railroad company, the insurance company, the great corporation, is not a creditor, but a debtor. The man who is and must be always a creditor while the world lasts and while economic conditions remain the same—the man who, by the nature of his situation and the character of our social organization, is and always must be a creditor, is the laborer.

Mr. SNODGRASS. Because he has got everything everybody else has in his hands.

Mr. COCKRAN. I do not know exactly the meaning of my friend's language, but that is my usual condition after one of his orations. [Laughter.]

I say that the laborer is not paid in advance for his day's labor. His capital is his labor—that which he can expend in production. When you show me a mechanic who has been paid his week's wages in advance, or a day laborer who has been paid his day's wages in advance, then I will show you a laborer who is a debtor; but while work must be done before wages are paid, the laborer is necessarily a creditor. [Applause.] And he is different from all other creditors.

For, as my friend from Maine [Mr. REED] put it to-day, if I want to loan $10,000, I will find plenty of people eager to apply for it. I will find in the exigencies and stress of circumstances that force men to become borrowers, my opportunity to incorporate a gold-payment clause in the contract, or any other provision for my own security; but if I be a laborer seeking a market for my toil, I can not choose my debtor. I must accept employment whenever and wherever I can get it. I can not hoard my capital for a day without injuring my family, without endangering the roof that shelters their heads and the clothes that protect them from the winter's blast. On behalf of those men, the real creditors, in the name of the laborers of this country, I protest against the degradation of the dollar, because it means a reduction in the value of the wages paid to toilers. I protest against the adoption of a variable and fluctuating standard of value, because it means that the wages of the laborer will be paid in a dollar of uncertain value, which will be rated at its highest when paid to him by his employer, and rated at its lowest when he seeks to use it in the purchase of the necessaries of life.

My friends insist that gold has appreciated in value. I deny it. If it has appreciated in value as measured by corn, by wheat, by pork, it has not appreciated in value as measured by wages. I hold here in my hand the Aldrich report, which comes to me with the approval of the distinguished Secretary of the Treasury, and which emanates from a Democratic Bureau of Statistics. The accuracy of its figures has never been impugned; and it shows that never in the history of human civilization have wages been so high, measured by gold. [Applause.]

Now, if in its relations to commodities, gold appreciates, while in relation to the wages of labor it remains stationary, we are impelled to the conclusion that there has been a rise in the laborer's wages. It means that the purchasing power of his money has increased. It means, in short, that he obtains a larger measure of the product which his toil creates. That is the true meaning of this apparent appreciation in the value of gold. It is the healthiest sign in the entire body politic. If you pass a law to-day for the free coinage of silver, you reduce these wages 45 per cent by reducing the value of the dollar in which his wages are paid, and you accomplish that which the employers of this country to-day are anxious to see accomplished but which they hesitate to undertake.

Oh, sir, remember the long tedious route, a veritable Calvary, which labor has ascended in the long struggle to benefit its condition. Remember that every stone along that dreary way is stained by bleeding feet, by the tears of hungry women, weeping over children who moaned as they vainly sought sustenance at their mother's breasts. Through long strikes and suffering and woe labor has improved its condition in this country until, by the figures of this Aldrich committee, we find that it enjoys today the largest proportion of that which it produces, that it has ever enjoyed in the history of the world. [Applause.] And you, my friend from Nebraska, you, my friend from Missouri, in the name of labor, in the name of the producers, in the name of the common people, would make the banks of New York a present of $21,000,000 and cut down the wages of toil 45 per cent in every State and Territory of this broad land. [Applause on the Republican side.]

Mr. BRYAN. Mr. Speaker, may I ask the gentleman a question?

Mr. COCKRAN. Mr. Speaker, I am limited in time. If the gentleman will take notes of what questions he wishes to ask I will give him fifteen or twenty minutes at the close and guarantee to answer them all.

Mr. BRYAN. I will ask just one question.

Mr. COCKRAN. If the gentleman will be satisfied with one question, I will yield.

325

Mr. BRYAN. If it be true that the gentleman from Missouri [Mr. BLAND] and the gentleman from Nebraska [Mr. BRYAN] are desiring to make a present to the banks of New York and are trying to oppress the toilers of this country, will the gentleman from New York [Mr. COCKRAN] state why it is that the banks of New York denounce us, and why it is that Terrence V. Powderly stands with us? [Applause.]

Mr. COCKRAN. Mr. Speaker, I will answer the gentleman's question. It is because the banks of New York have discovered that in all the dealings of life, honesty is the best policy. [Applause.] And the attitude of Mr. Powderly can only be attributed to the same mental operation that has caused the gentleman from Nebraska [Mr. BRYAN] to urge the debasement of the dollar in the interest of labor. [Applause.]

Now, Mr. Speaker, while I believe national bimetallism to be impossible, I believe that international bimetallism is entirely feasible. On that question, if the House will indulge me, I will read from Mr. Francis A. Walker's book on Money and Trade, premising it with the statement that Mr. Walker is an ardent bimetallist, one who believes that the action of France and Germany in 1872 was unwise and unfortunate for those countries and for all the world, and yet he says, speaking of the suggestion about bimetallism in 1878:

> For us to throw ourselves alone in the breach, simply because we think silver ought not to be demonetized and ought now to be restored, would be a piece of Quixotism unworthy the sound practical sense of our people. The remedy of the wrong must be sought in the concerted action of the civilized States, under an increasing conviction of the impolicy of placing the world's trade on a single money metal. The demonetization of silver was a work of ill-advice; let its restoration be a work of good advice.

On that platform, sir, I stand here to-day, hoping for bimetallism through international agreement, and meanwhile favoring the use of silver by this country so far as it may be used with safety to our monetary system, but, with the Democratic convention, refusing to put the word "free" before the word "coinage."

We have to-day a quantity of silver in use, and we always must have. The reason why silver can never be entirely demonetized is found in the fact that you can not subdivide gold so as to obtain the coins necessary to do the business embraced within the list of small transactions. If we attempted to utterly demonetize silver, trade would remonetize it of itself.

We know that in the early history of California counterfeit Spanish coins passed current, the dealers who accepted them knowing them to be counterfeit. They were taken at their face value, because traders felt the necessity of subsidiary coins, and being unable to obtain coins of intrinsic value these counterfeits circulated freely from hand to hand under an implied agreement that whoever offered them should accept them again at their nominal value. We would undoubtedly be compelled to use buttons, or some other form of token money, if we demonetized all our silver. The necessities of trade compel us to keep a large stock of it. The promise of the Democratic platform is that we will use all of it we can, and we urge the repeal of the purchasing clause of the Sherman act in order to enable us to carry our existing stock, and in the hope that in the course of time we will be able to add to it without disturbing the progress of trade or debasing the standard of value.

Gentlemen claim that an increase in the circulating medium is absolutely essential to national prosperity. My friend from Mississippi [Mr. ALLEN] pins his faith to this Sherman act because it operates to increase the quantity of money by a given amount every month. The advisability of increasing the circulation has been used as an argument alike for the free coinage of silver and for opposition to the repeal of the Sherman act, and it may therefore be advisable to examine the character of this argument and the grounds upon which it is based.

I think I speak within the bounds of strict accuracy when I say that no man can tell the amount of money which is necessary to the trade of any country at any given time. When that problem is solved the greatest difficulty in economics will be removed. I do not believe even the gentleman from Nebraska [Mr. BRYAN] knows how much money is essential to carry on the trade of this country on any one day, because the prosperity of trade depends not alone on the amount of the circulation, but largely on the activity of the circulation.

Let me illustrate. Assume this coin which I hold in my hand to be a dollar. It is not a dollar, I am sorry to say, but following the example of my friend from Missouri [Mr. BLAND] I will invoke an exercise of faith on the part of the House and ask gentlemen to believe that this is a dollar. Assuming then that with this dollar a man purchases at a fruit stand a dollar's worth of fruit. The dealer goes to the market and purchases a dollar's worth of fruit to replenish his stock, the wholesale fruit dealer goes to the meat stall and purchases a dollar's worth of meat, the butcher goes to the hardware store and purchases a dollar's worth of cutlery necessary to his trade, the hardware merchant goes to the dry goods store and purchases a dollar's worth of cloth, the dry goods merchant goes to the grocery store and buys a dollar's worth of groceries, the grocer goes to the haberdasher's and buys a dollar's worth of neckties, the haberdasher goes to the stationery store and purchases a dollar's worth of note paper, the stationer goes to the book store and buys a book for a dollar, and the bookseller goes to the restaurant and pays a dollar for a dinner, each of these persons using in turn the same coin which was first invested in the purchase of fruit.

It is plain that in this case $1 has been sufficient to circulate an amount of commodities equal to the value of $10. It has been just as effective for that purpose as if $10 had been used in these ten transactions. If the coin had been twice as active it would have circulated $20 worth of goods; if only half as active it would have circulated goods to the value of $5. The value of money, then, so far as trade is concerned, is not necessarily in its quantity, but its activity, or, as John Stuart Mill says, "its efficiency."

Mr. Speaker, I venture the assertion that we are not suffering to-day from a lack of money, but from a redundancy of money; and I think that proposition can be demonstrated to the satisfaction of any man who sits in this Hall. According to the statement of the Secretary of the Treasury the circulation to-day exceeds by some seventy millions the amount in circulation last year, but last year the volume of business was vastly greater than it is to-day. If a smaller amount of money be able to circulate a greater quantity of commodities, will anybody pretend that the quantity of money we have now is not sufficient for all the purposes of commerce?

The fundamental mistake which gentlemen make in discussing this question springs from the assumption that money is wealth. It is not wealth. You can purchase wealth with money; but to obtain the wealth you must part with the money. If I buy $100 worth of books I have purchased $100 worth of the wealth of this Union, but I no longer have the $100 in money. The whole basis of industrial activity is parting with money to purchase goods, and when these goods are sold for money it is for the purpose of buying addditional goods, money being used as machinery to increase the stock of commodities. The pretense that there is not sufficient money in the country is a pretense which has been refuted by the experience of the human race. It is the favorite cry of amateur statesmen; it has been the butt of every man who is familiar with the elementary principles of political economy. Adam Smith, writing in the eighth decade of the last century, said:

No complaint, however, is more common than that of a scarcity of money. Money, like wine, must always be scarce with those who have neither wherewithal to buy it nor credit to borrow it. Those who have either will seldom be in want of the money or of the wine which they have occasion for. This complaint, however, of the scarcity of money is not always confined to improvident spendthrifts. It is sometimes general through a whole mercantile town and the country in its neighborhood. Overtrading is the common cause of it. Sober men, whose projects have been disproportioned to their capitals, are as likely to have neither wherewithal to buy money nor credit to borrow it, as prodigals whose expense has been disproportioned to their revenue. Before their projects can be brought to bear, their stock is gone and their credit with it. They run about everywhere to borrow money, and everybody tells them that they have none to lend.

Scarcity of money really means scarcity of credit, and scarcity of credit is the consequence of imprudence in trade. Every writer on political economy lays down the rule that money is merely the machinery by which trade is kept in operation. It is not property; it is not wealth; it is the great wheel that keeps commodities in circulation.

Adam Smith says:

Money is neither a material to work upon nor a tool to work with; and, though the wages of the workman are commonly paid to him in money, his real revenue, like that of all other men, consists, not in the money, but in the money's worth; not in the metal pieces, but in what can be got for them.

And again the same author says:

A guinea may be considered as a bill for a certain quantity of necessaries and conveniences upon all the tradesmen in the neighborhood. The revenue of the person to whom it is paid does not so properly consist in the piece of gold as in what he can get for it, or in what he can exchange it for. If it could be exchanged for nothing it would, like a bill upon a bankrupt, be of no more value than the most useless piece of money.

On this subject, Mill says:

There can not, in short, be intrinsically a more insignificant thing, in the economy of society, than money, except in the character of a contrivance for sparing time and labor. It is a machinery for doing quickly and commodiously, what could be done, though less quickly and commodiously, without it; and, like many other kinds of machinery, it only exerts a distinct and independent influence of its own when it gets out of order.

Sir, the machinery of our trade is disordered because the Government is every day forcing a large quantity of paper into the channels of circulation. Our currency has been swelled far beyond the requirements of trade, and as a necessary consequence the good money, the buoyant circulating medium of international value, has left our shores, and we have been compelled to maintain our commerce with a paper money over which there hangs a cloud of suspicion, forcing us to do business in an atmosphere of doubt and distrust.

An excessive circulation always shows itself by the departure of good money. Suppose $1,000,000 would do the business of a community, circulating its commodities, securing to labor the amount of its product to which it is entitled, and suppose that $1,800,000 should be put in circulation. You would then have $800,000 more in circulation than the trade of the community could possibly assimilate or use.

But money abhors idleness. When there is more money in a country than the business of that country needs the surplus is exported, and, as the best money is always the money of export, you find every panic preceded by a redundancy of money and an export of bullion. The panic from which we now suffer is a striking illustration of this rule. Now, it is perfectly true, as my friend from Maine [Mr. REED] says, that these panics do not always come from vicious legislation, they often result from overtrading, from an undue expansion of credit. Sometimes peopeople spread their capital over an extent that is too vast. They They exercise their credit to a degree not warranted by their stock, for the purchasing power of every man is the money he has, plus the credit he has.

But credit often feeds upon itself. When a man gets credit in one place and uses it to make a purchase of goods, that very fact operates to give him credit in another place, which he often uses to make an additional purchase. Of course, these purchases operate to cause a rise in prices. Other traders, seeing an advance in prices, and not realizing that it has been caused by this exercise of the first purchaser's credit, begin buying on what they conceive to be a rising market, and thus help swell the upward movement, which goes on increasing with each addition to the number of purchasers till some of the traders try to realize their profits. Then the upward movement hesitates and stops. Those who hold goods become alarmed. They hasten to offer their commodities for sale. The market becomes crowded with sellers, while few purchasers are to be found. Prices decline, the anxiety to sell becomes aggravated and produces a further decline, till the downward movement becomes a veritable panic, a total collapse.

I have said, Mr. Speaker, that the history of all these panics shows either an unreasonable extension of the circulating medium or the extension of credit out of all proportion to the capital of the people. My friend from Maine seems to treat these recurring crises as something necessarily produced by the action of the human race in its march of progress. I do not believe it. I do not think the history of the world proves it. I think these commercial crises are like the great pestilences that sweep over the world. Ignorance attributes them to God; science knows they are the consequences of human folly. The black death that swept over Europe in the Middle Ages was called a scourge of God; but to-day we battle with cholera and all other epidemics according to scientific methods. We trace them to their sources, discover their causes, and arrest the march of contagion. So these commercial crises can be investigated, their sources discovered, and their causes removed. I have searched the history of this country and of Great Britain in vain to find a single panic that was caused by a scarcity of money. I speak within the limits of all authority when I say that the most pronounced cause of all crises has been the redundancy of money resulting from issues of paper by government itself, or by banks chartered by government. I call attention, briefly, to the experience of England. In 1793, just one hundred years ago, a panic swept over that country very similar to the panic which now broods over this country. From 1784 to 1792 the number of banks of issue had more than doubled. The currency had been greatly swollen, there was a period of wild speculation, and there was an export of bullion. Then came the crash, in 1793, which was so complete that its consequences led to the suspension of specie payments by the Bank of England in 1797. The panic caused a general suspension of banks throughout the country, and that suspension having reduced the circulating medium, credit revived of itself.

In 1798 and in 1800, although specie payments were still suspended, the notes of the Bank of England commanded a premium. During the first decade of this century the circulation was steadily increased and in 1810 the notes sank to about 13 per cent discount. In 1812 the currency was again in a condition of inflation; there was another period of extensive speculation.

Although England was then engaged in a death struggle with the great powers of the Continent, although she was upon the point of a desperate conflict with this nation, still trade prospered in the teeth of all these adverse circumstances through an inflation of the currency. An export of bullion, the sure indication of a redundant currency and the inevitable precursor of disaster set in, and in 1814 there was another panic. Fortunes were destroyed, all business was disturbed. Credit was wiped out; yet when the circulating medium through this very disaster was again reduced, we find that in 1817 the paper of the Bank of England went to par of itself; and although the resumption act of 1819 did not require the bank to resume until 1823, of its own accord it resumed specie payments in 1821.

In 1821, 1822, 1823, and 1824 there was another wild movement of speculation. Credits were extended to an enormous degree, gold was again exported, and in 1825 there was another panic, the panic which caused an agitation for a bimetallic standard in England on the ground that such a system worked well in France. A few Englishmen, however, took the precaution to go to France and study the financial system which prevailed there, and they found that while silver was in circulation, gold was at a premium; instead of bimetallism, they found a silver monometallism.

In 1837 the same causes produced precisely the same result. In 1844 the banking act was passed which separated the issuing department of the Bank of England from the banking department, limiting the power of the bank to issue notes, and providing that there should be no increase of the currency excepting such as might come from the natural operations of trade. And from that day to this, while there have been disturbances, while there have been hard times, while there have been periods of depression, England has never known what it is to have a panic in the sense in which we interpret that word.

The great panics which have convulsed the commercial life of this country have been preceded by similar symptoms and conditions. In 1830 the various State banks had issued notes to the amount of $66,000,000. In 1837 this amount had swelled to $149,000,000. And we all know the crash that followed. Everybody is familiar with the dark cloud of commercial distress that settled down over this country in 1837; and it was not until 1843, when the circulation was reduced to $58,000,000, that trade revived. In 1857, twenty years afterwards, another panic burst over the country. The stringent provisions which after 1837 had been adopted by several of the States against any overissue of bank notes had prevented the excessive circulation of paper money; but credits were swelled to an extraordinary and improvident degree. We find that in August, 1857, in the city of New York the loans and discounts of the banks amounted to about $122,000,000, while the deposits amounted to $94,000,000, which meant that those banks had lent to various borrowers much more than the amount of their deposits.

In August the Ohio Loan and Trust Company collapsed, and a period of wild confusion followed. Banks closed their doors, merchants failed, industry was suspended. The contraction of credit caused the subsidence of the panic and the revival of good times. In 1873 we again had a currency redundant beyond any necessity. From 1865 to 1873 there was a constant efflux of bullion. Gold was exported to the amount of from $20,000,000 to $90,000,000 a year. In 1873 the crash came, and for five years the trade of the country seemed to be paralyzed. The volume of the circulating medium was steadily reduced until 1878, according to the report of the Secretary of the Treasury; and in 1879 prosperity once more dawned upon us, and we had the immense business revival of 1880 and 1881. Surely, in the light of all this experience, I am justified in saying that a circulating medium swollen by the issue of Government paper has been a prolific source of commercial disturbance.

Now, sir, the operation of the Sherman law has been to flood this country with paper money without providing any method whatever for its redemption. The circulating medium has become so redundant that the channels of commerce have overflown and gold has been expelled. No power is conferred on any officer to secure sufficient gold to redeem the notes which the Treasury is compelled to issue.

My friend from Missouri finds fault with the operation of the act, as does my friend from Mississippi. These gentlemen think that the Government should redeem the notes in standard silver dollars. And here, sir, we are confronted with one of the most extraordinary ethical exhibitions that I have ever known in public life. Here are men honest as the sun. The great apostle of free coinage of silver is a man whose rugged independence and integrity are an ornament to the membership of this House. Yet, under the extraordinary mental operation that is involved in the support of his monetary doctrine, he coolly proposes that while the Government purchases 651½ grains of silver for a paper promise to pay, yet, if in the course of trade, I find that same piece of paper in my hands, I be allowed to collect but 371¼ grains for it, the Government confiscating the balance in spite of my protest.

If the case involved the issue by the Government of promissory notes against purchases of oats or barley or wheat, and the redemption of them on any such plan of confiscation, my friend would condemn the proposition as absolutely dishonest; he would say that what the citizen can not honestly do the Government can not do and respect its moral obligations; that robbery is none the less an outrage when it is perpetrated openly by force of law than when it is perpetrated stealthily by fraud or violence. Yet we find gentlemen here insisting that the Government shall plunder its own citizens by forcing them to accept little more than one-half the commodity which had been purchased by its notes, when these notes are presented for redemption.

I think it is safe to assert that every commercial crisis can be traced either to an unnecessary inflation of the currency or to an improvident expansion of credit. In the midst of the universal distress which has overtaken us, we are unable to discover any symptoms of overtrading. During the last few months the whole business of the country has been subjected to the severest tests; it has undergone the closest scrutiny, and no evidence of reckless expansion of credit has been discovered. On the contrary, business seems to have been conducted on very conservative principles. The panic which has almost shipwrecked our commerce can be attributed to no other cause than the operation of the Sherman act, which has inflated our currency with questionable paper, and driven good money from the country.

This Sherman law has given us a redundant currency, and what has been the consequence? The greater the amount issued, the less we find in circulation. Mill, in his work on political economy, points out that it is not the amount of money in existence, but the amount of money in circulation that affects prices.

> Whatever may be the quantity of money in the country, only that part of it will affect prices which goes into the markets for commodities and is there actively exchanged against goods. Whatever increases the amount of this portion of the money in the country certainly tends to raise prices. But money hoarded does not act on prices. Money kept in reserve by individuals to meet contingencies which do not occur does not act on prices.

The principle laid down by Mill we see in active operation to-day The issue of promissory notes by the Government for a commodity which it can not use has aroused distrust of our monetary system. Under the influence of gloomy apprehension money is hoarded, withdrawn from circulation, deprived of any beneficial influence on trade. Thus we see an expansion of currency by the Government, resulting, as it always must result, in an actual contraction of the circulating medium. The notes issued by the Government are absorbed and disappear from sight as a gallon of water is absorbed by the thirsty sands of the desert. You can no more fill the channels of circulation by a stream of questionable money from the Treasury than I could wash away the hill on which this Capitol stands by the little stream of water that is used every day to refresh the grass. Commerce resists every attempt of government to arbitrarily create money, but commerce in its own way proves the truth of Adam Smith's assertion that money can never become permanently scarce while we have commodities to give for it.

We produce the commodities which will always purchase money; but when my friend from Missouri [Mr. BLAND] tells us exultingly that gold is now returning to this country, although the Sherman law is still in operation, I want to remind him of the method by which it has been forced to return, the sacrifice that has been made to secure it, and to tell him who it is that pays for it.

The currency famine from which we have suffered was the result of distrust in our monetary system, caused by the increase of paper money and the export of gold. We do not need more money, but we need better money. The inexorable laws of commerce are even now bringing back to this country the good money which is essential to its prosperity; but how? I ask the friend of the farmer who speaks on this floor as his special champion and who declares that the Sherman act operates to maintain the price of agricultural products—I ask him how is the quality of our currency to be restored, and who must pay the penalty which every violation of economic law entails upon the country?

I hold in my hands a report from the Treasury Department of the exports of wheat for the last three months and for the corresponding three months of 1892. It tells the whole sad story. I find that in 1892 there were exported 28,004,336 bushels of wheat, and they brought $25,722,835. In the corresponding three months of 1893 there were exported 32,400,791 bushels of wheat, and they brought $24,599,794. That is to say, in 1893 we exported 4,400,000 more bushels of wheat than in 1892 and received 1,200,000 less dollars for them. I have computed again the amount exported during the last two months, and I find that in June and July, 1892, the exports of wheat were 17,236,543 bushels, which realized $15,497,539. In 1893, during June and July, there were exported 23,067,466 bushels, which realized $17,289,964.

If the wheat exported during June and July, 1893, had been sold at the rate which prevailed during the corresponding period in 1892, that is to say, at 90 cents a bushel, $20,760,719 would have been realized instead of $17,289,964, which shows that the agricultural producers of this country have sustained a loss of $3,-

500,000; and this is the sacrifice they were compelled to make in order to bring back into the channels of our trade the honest circulating medium expelled by the promissory notes forced into circulation under the operations of the Sherman law.

Where is the friend of the farmer who looks upon that result and wants to perpetuate the financial system which has produced it? Yes, gold will return to this country. Our currency will not remain permanently debauched. The commodities which we produce will always command a generous supply of the best money in the world. But when vicious laws force us to part with these commodities in order to replenish a circulating medium exhausted of its gold, the burden of the sacrifice falls on the shoulders of the producer.

Bread must always be consumed. While men live they must eat bread, and whoever can sell the material from which bread is made can force the stream of gold to flow in his direction.

My friend from Nebraska [Mr. BRYAN] alluded in his speech to the recent purchase of gold by the sacrifice of agricultural products as though the farmer had submitted voluntarily to the loss. He was not a voluntary sufferer. He was the victim that was compelled to suffer under the imperious laws of trade which imposed this loss upon the primary source of national wealth. How can we bring gold back to this country except by offering for sale the products of the soil? We have no luxuries to sell, and there is no market for luxuries even if we were able to offer them. Our securities have been sent back by the cord, until they have depreciated in price so that we see a market full of sellers and void of buyers.

But bread must always be eaten and breadstuffs will always be purchased, and while we have the great staple products of the field we can always get our share of the circulating medium of the world. But when we are forced to extraordinary exertion in order to get the supply necessary to meet an extraordinary condition, we are forced to obtain a market for our agricultural products by a sacrifice in price such as we have made during the last few months. And the same laws that forced us to sacrifice our wheat will force us to sacrifice all other products unless we remove the causes which rendered the sacrifices necessary.

Sir, the friends of the farmer and the friends of labor, the enemies of the creditor and the friends of the debtor, are moving in a strange way to improve the condition of the producer. They oppose the repeal of a law which, by expelling gold from the country, has forced us to sell at a grievous sacrifice the product of the farms. They advocate a system of coinage which would reduce the debts due by the capitalist, and would enable the banker to escape paying 45 per cent of the balance which he owes to his depositors over and above the debts which are due to him. The laws which they propose can not affect the reserve—the accumulated specie which represents the banker's capital and his dividends. But the great army of creditors, which comprises all the laborers and producers of this country, these men they will strip of 45 per cent of the progress which they have achieved, and all this they would do in the name of the masses of the people, claiming to be the champions of the oppressed against the oppressor.

Gentlemen have appealed here to the country and to the sentiment of the country members as though the interests which they represent were hostile to the interests of the cities. Sir, I stand upon this floor, a Representative from a district in the greatest city on this continent, and I say now to this House that the interests of the city can never be hostile to the interests of the country; that municipal wealth and prosperity depend upon the productive energies of the laborers who toil in the fields and who dig in the mines. Show me legislation which will benefit the farmer, the laborer, the producer, and even if it cut down the profits of the banker or the capitalist 50 per cent, I would gladly vote for it. I believe in the lesson which Mentor impressed on Telemachus, that it is not the splendor of the cities but the prosperity of the fields that constitute the greatness of a nation; not the opulence of its palaces but the comforts of its homes.

But the interests of the city and of the country are identical. What benefits the one must benefit the other; what retards the growth of the one will reduce the prosperity of the other. In city and in country alike, labor is the sole source of wealth. In both man must eat his bread in the sweat of his brow. We have heard a great deal here of the conflicting interests of the various sections, and an attempt has been made to array the North and East against the South and West. As we heard the vehemence with which appeals were made to sectional prejudice a doubt must have arisen in the minds of the listeners as to whether after all the heroic struggle to preserve the Union was not a mistake.

Must we be forced to the conclusion that this country is so vast, its interests so diversified and irreconcilable, that any policy which the Government may adopt must necessarily be injurious to some part of the population; that legislation which is essential to the safety of urban interests must necessarily be hostile to rural interests; that laws which operate for the protection of New York must necessarily result in the oppression of Missouri and Nebraska? I do not believe that a law which benefits any part of this country can injure any other part. I do not believe that there ever has been a time in this country's history when an attempt to arouse sectional prejudice has resulted to the profit of anybody.

I believe this attempt to create prejudices based upon the occupations and interests of the various sections will be regretted by gentlemen when they come to realize the meaning of what they say; when they remember that the fires of disunion were stamped out by marching armies in this country; that the embers were quenched by the blood of martyrs and the tears of widows. [Loud applause.]

I prize my citizenship in this country, not simply because it embraces New York, but because it embraces Nebraska and Missouri and every square inch of the territory which is comprised within the Union. New York has no function except as she administers to your welfare. No grass grows between the stones of her pavements; she produces none of the things which she consumes or which furnish employment to her workshops. Her mechanics, working at their benches, transform the rude products of the soil and of the mine into the finished articles essential to the luxury or the comfort of the human race. Her laborers transship the fruits of your toil from the cars in which they reach her borders to the great argosies of commerce that bear them across the sea for distribution throughout the globe; and so she stands upon the verge of this western continent, with one arm gathering the fruits of your industry to distribute them throughout the universe, and with the other gathering for your benefit the golden tribute which the world pays to the producers of this country. As you prosper, she prospers. As this nation grows, she grows. As this country becomes great, she becomes great; but material greatness will not satisfy our national aspirations unless it be accompanied by moral progress; and we who ask you now to make honesty, equity, justice, the distinguishing features of your legislation, ask you to do that which will conserve the greatness we have achieved, which will broaden before labor and industry the broad horizon that even now is theirs, which will make the march of this country along the pathway of material development a decisive step in the progress of the human race towards the cultivation of the virtues that dignify humanity, justify republics, make the flag of liberty glorious, and democratic institutions perpetual. [Prolonged applause and cries of "Vote!"]



O