Silver.

SPEECH

OF

HON. JOHN DAVIS,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, August 21, 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. DAVIS said:

Mr. SPEAKER: I bring to you a bit of news. It is reliable and important. I received it in an open letter written by the President of the United States, and addressed to the members of Congress. It is in effect, this: "The stone which the builders rejected has become the head of the corner!" There *is* a money question! Our presence here in this Hall, in extraordinary session, proves that the money question is paramount. The tariff has been relegated to second place. The patriotic little party which I, in part, represent has been vindicated and our statements and positions approved. President Cleveland very justly attaches great importance to "a sound and stable currency."

In his inaugural address last March, President Cleveland said:

While every American citizen must contemplate with the utmost pride and enthusiasm the growth and expansion of our country, the sufficiency of our institutions to stand against the rudest shocks of violence, the wonderful thrift and enterprise of our people, and the demonstrated superiority of our free Government, it behooves us to constantly watch for every symptom of insidious infirmity that threatens our national vigor.

The strong man who, in the confidence of sturdy health, courts the sternest activities of life and rejoices in the hardihood of constant labor, may have lurking near his vitals the unheeded disease that dooms him to sudden collapse.

It can not be doubted that our stupendous achievements as a people and our country's robust strength, have given rise to a heedlessness of those laws governing our national health, which we can no more evade than human life can escape the laws of God and nature.

Manifestly nothing is more vital to our supremacy as a nation and to the beneficent purposes of our Government than a sound and stable currency. Its exposure to degradation should at once arouse to activity the most enlightened statesmanship: and the danger of depreciation in the purchasing power of the wages paid to toil should furnish the strongest incentive to prompt and conservative precaution.

In dealing with our present embarrassing situation as related to this sub-

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ject, we will be wise if we temper our confidence and faith in our national strength and resources with the frank concession that even these will not permit us to defy with impunity the inexorable laws of finance and trade. At the same time, in our efforts to adjust differences of opinion, we should be free from intolerance or passion, and our judgments should be unmoved by alluring phrases and unvexed by selfish interests.

I am confident that such an approach to the subject will result in prudent and effective remedial legislation. In the meantime, so far as the executive branch of the Government can intervene, none of the powers with which it is invested will be withheld when their exercise is deemed necessary to maintain our national credit or avert financial disaster.

Mr. Speaker, I am frank to say that I agree with every word and sentence here quoted. Words can not exaggerate the importance of the question of the finances among a commercial people like ours. There is a power in money which no human agency can resist. There is no engagement, national or individual, which is unaffected by it. The enterprises of commerce, the profits of trade, the arrangements in all the domestic concerns of life, the wages of labor, the transactions of the highest and lowest amounts, the payment of debts and taxes are all affected by the quantity or quality of money in circulation. There resides in money the most enormous power known to man. It is the tide in human affairs upon which all things must rise or fall. It is as irresistible as the wings and wheels of commerce on the high seas and the broad continents. More powerful than the thunder blasts of armadas that throb upon the ocean, or the tread of continental armies; and this mighty force is self-acting in all the large and small transactions of men. This is the concurrent testimony of the ablest writers.

The United States Monetary Commission of 1876 mentions the mportance of money in modern society as—

The great instrument of association, the very fiber of socal organism, the vitalizing force of industry, the protoplasm of civilization, and as essential to its existence as oxygen is to animal life. Without money civilization could not have had a beginning; with a diminishing supply it must languish, and, unless relieved, finally perish.

Sir Archibald Alison, England's great historian, speaks of money as—

This mighty agent in human affairs.

Mr. Alexander Del Mar, formerly director of the Bureau of Statistics of the United States, member of the United States Monetary Commission, an able writer on the finances, describing the operations of this factor in the affairs of nations, says:

Unheard, unfelt, almost unseen, it has the power to so distribute the burdens, gratifi ations, and opportunities of life that each individual shall enjoy that share of them to which his merits entitle him, or to dispense them with so partial a hand as to violate every principle of justice and perpetuate a system of social slaveries to the end of time.

The late Senator Plumb, speaking of the money question in 1888, said:

We are dealing with a question which has more to do with the welfare of the people of the United States, which is of more concern to them, than any other thing that is pending, or that can be pending, etc.

Mr. Speaker, I have not overestimated, and it is impossible to overestimate the importance of "a sound and stable" money system to the people of the United States. Having agreed upon this, the paramount question now arises, which, among the many systems which have been tried by commercial nations, or among the several systems, either tried or untried, proposed by the various currency doctors of the present day, is the one which is preëminently "sound and stable."

Is it gold only?

Is it silver only?

Is it gold and silver combined?

Is it a paper system founded on gold only?

Is it a paper system founded on gold and silver?

Or, is it a paper system founded on receivability in the Government revenues, and the quality of general legal tender?

In the discussion of a vital question like this, involving the material and moral interests, the prosperity and happiness, or the poverty, ruin, and death of so many millions of people, untried theories must have no place. Only the facts of history and the experiences of commercial nations and peoples should be considered. We can not afford to admit any new system as an experiment. In my opinion it is not necessary. In searching for "a sound and stable" money system, in my judgment it is only necessary to follow the examples of the greatest and most successful nations of history at those times when they were most prosperous.

THE GOLD STANDARD.

From the beginning of history gold has been used as money, but during the whole of that time it has never proven itself a safe or satisfactory money. Being a commodity of commerce, it has always been subject to the fluctuations in price common to commodities. Worse than that, its weight and volume are such that it is easily collected and hoarded by the gamblers in money. By this means it is rendered subject to greater fluctuations and more frequent changes in value than most other commodities.

The intrinsic value of gold is not great. Its commercial value arises from an artificial demand created by law; and, by reason of its being manipulated through the whims and devices of usurers and gamblers, the fluctuations of the value of gold are greater, more sudden and irregular than any other known substance. Unless one can foresee all the demands of commerce and all the means of supply; unless he knows the potency of all the schemes, intentions, and devices of the money gamblers of the world's great financial centers, he can not guess with any certainty the price of gold even for a single day. If a merchant buys goods to be paid for in gold on sixty days' time, his business is a game of chance, as uncertain as the winds, and quite as subject to destructive fluctuations.

In ancient Peru gold was plentiful, but it was not used as money. There was no artificial monetary demand created by law. It passed from man to man on its commercial value only. When thus left to itself, on its own merits, it had very little commercial value. Mr. Prescott, in his Conquest of Peru, tells us that on one occasion, in the open market of Cuzco, the capital of Peru, it required gold bullion of the weight of $116 to buy a quire of paper. A bottle of wine sold for the weight of $690 in gold bullion. A sword was worth $500; a cloak $1,160; a pair of shoes $400 or more; and a horse about $30,000 weight of gold bullion. Between that low price of gold and the high charges for it by the gold gamblers of our time, there is room for ten thousand stages and degrees of fluctuation. And, Mr. Speaker, the experiences and observations of all men in business prove that gold is equal to any and every emergency of that sort. It is the loaded dice of the gamblers who rob men and nations. It is the jumping-jack of the shylock revelry, when the gamblers and bandits hold high carnival in celebration of their greedy and merciless achievements. Long experience and observation have proven that gold is about as safe and reliable for the foundation of "a sound and stable currency" as is a powder keg or a plug of dynamite for a steady corner stone under a family residence. It is liable to explode at any moment, whenever it is to the interest of prowling thieves to touch it off that they may rob the house during the confusion.

Mr. Speaker, I do not and I will not speak at random on this important subject. The ablest writers agree with me as to the experiences of nations and the facts of history. An English economist has written of the gold-standard finances of England as follows:

England is the peculiar seat of monetary crises, just as Egypt is of the plague and India of the cholera. These monetary plagues are the bane and opprobrium of our country.

Prof. Vissering, of Holland, explained the troubles of England and objected to imitating her money system, as follows:

Because England, which then almost alone had the standard of gold, was subject to frequent monetary crises, and that, by adopting the same rule, we should run the risk of being involved in those crises.

The United States Monetary Commission of 1876, the ablest of all American authorities on this subject, says:

In addition to the irregularities of its production, gold lacks sufficiency of mass to give it steadiness. It is necessarily so subject to "jerks and changes," that to use it as an exclusive standard must reduce all business to gambling. No merchant can buy goods with gold to be sold for gold a year afterward, or even a few months afterward, without being subjected to a heavy risk. If he covers the risk by extra profits in the nature of insurance, he must impose a heavy tax upon those who deal with him. Whoever enters into a contract to pay gold in one, two, or three years can not, by any possibility, foresee what its value may be when the contract matures. Gold, when unsteadied by silver, is as unstable as water. The long experience of England has shown it to be one of the most fluctuating, treacherous, and dangerous currencies ever devised. The present head of the British ministry said, three years ago, that England did not become rich by adopting gold, but adopted gold because it was already rich. He might have added that it was only the great wealth acquired by England under a sounder and better system which has enabled it to endure the mischiefs of a currency which has made it "the peculiar seat of monetary crises, just as Egypt is of the plague and India of the cholera." If England was not the creditor of all the world on gold contracts, and if that consideration did not really dominate everything else in determining its policy, it would abandon a system which is its "bane and opprobrium."

The report of the United States Monetary Commission further says:

With a currency of gold, or of paper convertible into gold, we should feel instantly every change in Europe, and especially England. We should not altogether escape that influence with the double standard of gold and silver, but at any rate, with such a standard, one part of our currency would be secure from European perturbations.

Mr. John J. Ingalls, for eighteen years United States Senator, and part of the time acting President of the United States Senate, has recorded the following correct opinion of gold as a currency:

No people in a great emergency ever found a faithful ally in gold. It is the most cowardly and treacherous of all metals. It makes no treaty it does not break. It has no friend it does not sooner or later betray. Armies and navies are not maintained by gold. In times of panic and calamity, shipwreck and disaster, it becomes the agent and minister of ruin. No nation ever fought a great war by the aid of gold. On the contrary, in the crisis of the greatest peril, it becomes an enemy more potent than the foe in the field; and when the battle is won and peace has been secured, gold reappears and claims the fruits of victory. In our own civil war it is doubtful if the gold of New York and London did not work us greater injury than the powder and lead and iron of the enemy. It was the most invincible enemy of the public credit. Gold paid no soldier or sailor. It refused the national obligations. It was worth most when our fortunes were the lowest. Every defeat gave it increased value. It was in open alliance with our enemies the world over, and all its energies were evoked for our destruction. But, as usual, when danger has been averted, and the victory secured, gold swaggers to the front, and asserts the supremacy.—*J. J. Ingalls's speech in the United States Senate*, February 15, 1878.

A nation using gold money, or gold-basis money, has no control over the volume of its circulating medium. It is in the power of the holders of gold to make money scarce or plenty as suits their own convenience and interests, regardless of the public welfare. Mr. Garfield once stated, most truthfully, that—

Whoever controls the volume of the currency is absolute master of all industry and commerce.

Senator Thomas H. Benton, speaking of the same dangerous class of men, said:

All property is at their mercy.

We thus see that according to the experience of nations and the testimony of the best writers, gold is not "a sound and stable currency." It has but little value, except through an artificial demand created by law. It is subject to very great fluctuations in value, because it is a commodity of commerce, and it is utterly unfitted for the basis of a monetary system because it is the handy tool of the money gamblers, by the use of which they are able to rob men and nations at will.

But, Mr. Speaker, if it were a fact that gold is a safe basis for "a sound and stable currency," there are still other considerations. The people of the United States are now staggering under a burden of some thirty billions of dollars of monetary obligations. That burden is in the various forms of national and State debts, railroad debts, municipal debts, and private debts secured by real-estate mortgages. On three great central States of the Union the private debts of the people are frightful. The people of my own State, ranking among the most industrious, intelligent, and enterprising, are mortgaged to the amount of $235,000,000; the people of Illinois $384,000,000, and the people of the great State of Pennsylvania, with their rich mines and their protected (?) manufactures (which are said to insure a prosperous agriculture), are mortgaged to the amount of $613,000,000.

Mr. Speaker, it is hardly necessary for the statement to be made to an intelligent statesman like yourself that, on the low level of gold-basis prices for the products of labor, the debts of this country can not be paid. In order to reach and to maintain the low level of gold-basis currency it has required and still requires a contraction of money and falling prices, ruinous to the prosperity of our people, dangerous to their liberties, and a menace to the peace of the country. Already the homes of the people are passing into the hands of foreign and domestic landlords with frightful rapidity. Already the wealth of our rich men, acquired from the earnings of labor through the manipulations of money and the conquests of the purse, rivals the opulence of the Roman patricians, when that great empire entered the dark shadow of its decline and fall. Already the great estates of our home and foreign landlords rival those of France when that unhappy country was dashing headlong into the abyss of the bloodiest revolution of history. Every indication of the times and all the facts of history prove most positively, with no shadow of doubt, that the public and private monetary obligations of the people of this country can neither be paid, nor much longer carried, with property and products at gold-basis prices. Such a policy of finance leads to bankruptcies and foreclosures for the workers, resulting in a change of ownership of the soil, whereby it passes into the hands of the rich. It means the establishment of universal landlordism, and the serfdom and slavery of the American people. Gold is the most fluctuating and unstable of currencies, and, in quantity, it is entirely inadequate as a money basis in America. Its use as such is incompatible with the preservation of popular liberty in this country.

Mr. Speaker, we are said to have had in this country a practical gold basis since January 1, 1879. Yet no one is satisfied with our financial condition. President Cleveland says:

> In dealing with our present embarrassing situation as related to this subject, we will be wise if we temper our confidence and faith in our national strength and resources with the frank confession that even these will not permit us to defy with impunity the inexorable laws of finance and trade.

Now, with these timely and truthful words in mind, let me call attention to a few facts of history which we are now copying, vainly hoping, it would seem, that "the inexorable laws of finance and trade" which have ruined other nations defying them will not harm us.

At the close of the wars of Napoleon in 1815 England stood at the front among the victors, in a blaze of glory unequaled in modern times. She was mistress of the ocean, had acquired an empire which encircled the earth, and dictated the policies of Europe. Her people were prosperous, happy, and jubilant. Ignoring or defying the lessons of history and the "inexorable laws of finance and trade," the British Parliament enacted a law restricting the use of silver, in order to establish the famous single gold basis for money. This checked the prosperity of the country by decreeing falling prices for agricultural products and the commodities of commerce.

Then were heard the first murmurs of distress among a people that for twenty years had uncomplainingly paid the troops which met Napoleon on so many bloody fields, a people that had carried victory on their bayonets throughout the Peninsula, on the Rhine, and on the field of Waterloo; a people whose cannons had won the victories of Trafalgar and the Nile and maintained the glory of British arms and British power as only Anglo-Saxons could. These people were now to be sacrificed by the millions to the false god known as gold-basis money. In 1819, in pursuance of this murderous policy, the British Parliament enacted a law for the retirement of the paper money which had conquered Napoleon—that money which Mr. Alison, the great English historian, said had saved England from becoming "a province of

France." The process of contraction, bringing falling prices, began in 1816; it was accelerated in 1819. By the year 1862 four-fifths of the landholders of England had lost their lands and the laboring people of the country were in such a condition of suffering that troops were necessary to compel men, women, and children to starve in peace. Landlordism was greatly extended, the relative number of the serfs and tenants of the realm was greatly multiplied, and the public distresses among the innocent people were such as no tongue can adequately describe.

Mr. Speaker, ignoring that recent and notable example of history, and defying "the inexorable laws of finance and trade," we are at this moment copying the baleful example of England in our efforts to reach and maintain a gold-basis currency.

Our experiment commenced in 1866. The American Congress passed a law at that time to contract the currency of the country. It was enacted that interest-bearing bonds should be sold for currency, and that the currency which had saved the nation should be burned. This was, in effect, a copy of the English law of 1819. In 1873 the American Congress passed a law which demonetized silver. This was, in effect, a copy of the British law of 1816. Through these laws England destroyed the currency which had prevented that country from becoming "a province of France." We have destroyed a currency which saved the life of the Republic when gold was snugly hidden in the vaults of its unpatriotic owners. England demonetized silver for amounts above 40 shillings. We did the same for amounts above $5. In both nations that metal which had been good money, "current with the merchant" since the days of Abraham, was abolished, and that dollar of the United States, which had been the standard of value and the unit of account since the days of Washington and Jefferson, was dethroned and branded as base metal.

The results in both countries were alike disastrous. In England came falling prices, the closing of the shops, mines, and factories, the idleness of labor, the bankruptcy of business, the loss of homes by all land-owners who were not also bondholders. And the public distresses were so great that troops were on duty day and night to preserve the peace. It is estimated that more than a million men, women, and children in England died of starvation. That is, were sacrificed to the wicked gold-basis fallacy. No such wholesale sacrifices are recorded of heathen peoples in their worship of idols made of wood, stone, clay, or metal.

The President has rightly said that "the inexorable laws of finance and trade" can not be defied with impunity. So, having copied the financial policy of England, is it strange that we must suffer the same penalties? In 1865 the people of the United States emerged from the greatest war of modern times. They had been successful. They had saved the best Government on earth. Money was plenty, times were good, the national debt was not large, and, as individuals, we were "out of debt and prosperous." We felt as did the British people after their great victory at Waterloo, and the banishment of Napoleon. The British system of contraction, inaugurated here in 1866, began to tell on the clearing-house transactions in 1870. In 1873, the same policy struck down silver. This was at once followed by a disastrous panic, distressing the entire country, as had never before been witnessed. According to Senator Logan, it was a "money famine;" and it has continued ever since with only temporary abatements.

I have now shown the similarity of the British and American financial policies instituted for the same general purpose, under similar conditions. Ours was and is a substantial copy of theirs. To show that similar crab trees bring forth the same bitter fruits, I call attention to the testimony of eyewitnesses as to the results in the two countries.

Mr. Thomas Carlyle has pictured a period of monetary stringency in England in the following language:

British industrial existence seems fast becoming one vast prison-swamp of reeking pestilence, physical and moral, a hideous living Golgotha of souls and bodies buried alive. Thirty thousand outcast needlewomen working themselves swiftly to death, and three million paupers rotting in forced idleness, helping the needlewomen to die.

Col. Robert G. Ingersoll has drawn a picture of society in this country during contraction, as follows:

No man can imagine, all the languages of the world can not express, what the people of the United States suffered from 1873 to 1879. Men who considered themselves millionaires found that they were beggars; men living in palaces, supposing they had enough to give sunshine to the winter of their age, supposing they had enough to have all they loved in affluence and comfort, suddenly found that they were medicants with bonds, stocks, mortgages, all turned to ashes in their hands. The chimneys grew cold, the fires in furnaces went out, the poor families were turned adrift, and the highways of the United States were crowded with tramps.

Mr. Speaker, the inexorable laws of finance and trade can not be defied with impunity. We have copied England's financial policy, and we have suffered her disasters. We are still copying her policy and also continue still reaping the same results. It appears to be impossible for our public men to learn anything from history, or even from their own experiences, with the well-known facts thrust into their very faces.

It was said by the contractionists that when we reached a specie basis, in January, 1879, no further contraction would be necessary, and that then we would again have good times. The promise was false, and the hope delusive. Standing in his place in the United States Senate on two occasions, the late Senator Plumb, himself the president of a national bank, explained the question under discussion very fully. In 1888 Senator Plumb said:

But this contraction of the currency, by the retirement of national-bank circulation, has been going on for more than ten years, and all the committee has to say now is that it has considered some bill, but it is not completed. If the committee will not complete some measure the Senate must. If the Senate will not, and the other House will not, then the country is going upon the breakers of financial disturbance. As a Senator says in my hearing, "It is there now." I think it is there now.

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The retirement of the national banking circulation during the past twelve months has been 5 per cent of the total amount of the currency outstanding. There has been during that period a phenomenal depreciation of the prices of property. There has been the greatest depreciation of the price of agricultural products the country has ever known.

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The contraction of the currency by 5 per cent of its volume means the depreciation of the property of the country $3,000,000,000. Debts have not only increased, but the means to pay them have diminished in proportion as the currency has been contracted. Events based upon nonlegislation have proved of advantage to lenders, but disastrous to borrowers.

According to that statement, the contraction of the currency still proceeded long after the date of resumption of specie payments. And two years later (1890) the same Senator repeated the fact of the continued contraction of the currency by the banks and by hoarding in the Treasury. He described the devices of the false Treasury reports which are monthly made by the United States Treasurer, with apparently no other purpose than to mislead the people. He claimed that much gold was counted in the reports as circulating in this country which had long ago gone to Europe; that $46,000,000 of greenbacks were counted as in circulation which did not exist, and that hundreds of millions of money, said by the official reports to be in circulation, were locked up as reserves in the banks and in the United States Treasury. In his speech of June, 1890, the Senator said:

If I were deciding this case upon what I consider the best evidence, I would be bound to say that I believed the money in actual circulation did not much, if at all, exceed $500,000,000. Upon this narrow foundation has been built the enormous structure of credit of which I have spoken. It is the greatest of the kind that was ever built, because it was built by the best people that ever built anything. Over twenty thousand millions of debts, the enormous and widely extended business of 65,000,000 of people, all rest upon and must be served by a volume of currency which must seem to the veteran financier as absolutely and dangerously small.

Mr. Speaker, this gold-standard specie-basis policy has now been in force for over twenty years. During all that time the administration of that policy has been in the hands of its friends. The war on silver has been unrelenting. That ancient money has been, in practice, reduced to a commodity. The gold basis advocates brand it as "base metal," and with every opprobrious epithet. Although by law and contract the silver dollar is legal tender to bondholders, yet for twenty years we have not had an administration with courage or patriotism enough to tender silver dollars to bondholders. The practical discriminations are all against silver and in favor of gold as money metals.

In that respect we are copying the policy of England. The two most powerful commercial nations on earth, with the German Empire, and all northwestern Europe to help, have united and coöperated for twenty years to perfect the gold basis system. No experiment ever had a more auspicious birth and more thorough trial at the hands of its friends. What is the result? Banks everywhere on the brink of ruin. Boys on the streets of Chicago, peddling newspapers, are forbidden to announce the contents of their goods, lest the news of recent bank failures will cause other failures and precipitate a panic. The rulers of the greatest nations of Europe and America have been for twenty years working at the absurd experiment, trying to balance a pyramid on its apex—trying to rest the billions of business of two hemispheres on a handful of gold for which everybody is grabbing. So delicate is the experiment that the police officers of great cities hiss through their teeth, "Silence!" "Hush!" lest the breath of a street gamin may start an avalanche which will cause national or international bankruptcy and ruin on two continents.

Verily, gold is "a stable currency." Have not the Shylocks said so? And do they ever lie—except for their own purposes? And have not a thousand eminent statesmen and "financiers" sworn to the lies, as the agents, attorneys, and puppets of the Shylocks? Of course. In years agone an equal number of scientists and eminent men for centuries testified to the geocentric doctrine of the universe, when all the facts were as much against them as well known facts are now against the doctrine of the stability of a gold basis currency. This is the absurd position of the gold basis theory and practice in the hands of its friends, and among the banks and bankers who profit by the system. The condition is so precarious that we are having an extra session of Congress in the dog-days of August to redress the situation.

Mr. Speaker, is a gold basis currency "the stable (?) currency" which we seek? If so, we have it now in all its glory. We are now in the paradise of the Shylocks and the money gamblers. To prove this I need only refer to the condition of its victims—the people. The Census reports of 1890, which are just now being published, show that the people who were "out of debt and prosperous" in 1866 are now in debt and distress beyond the power of the imagination to comprehend.

Over $3,000,000,000 have been paid on the national debt. This has reduced it over one billion. That is something of which we never cease to boast. But through the fall of the prices of commodities, it will now take as many bushels of wheat or as many pounds of cotton to pay what remains of the public debt in 1893 as it would have taken to pay it in 1866. So, then, there has been no progress in reducing the burden of the national debt by the payment of over $3,000,000,000. Contraction of the currency and falling prices has neutralized the entire payment. Besides the national debt, we have over a billion of interest-bearing State, county, and municipal debts, which, with present gold prices of the products of land and labor, can be paid only through the greatest sacrifices of the people. These are but the beginning of our burdens. The private debts of individuals, brought on by currency contraction and falling prices, are high up in the billions.

These burdens which have been heaped upon the shoulders of the people are the price of our present sound (?) and stable (?) gold-basis currency. So "stable" and reliable is this famous system that the breath of a child may topple it down and bring untold ruin on all the world. Our billions of debts and the inevitable serfdom and slavery of our people are a big price to pay and a terrible sacrifice to make, but the system is a famous one, and the Shylocks are patting our backs and telling us, "Bravo! good dog, Bose!" while we weld the chains on ourselves and our children!

Mr. Speaker, it is safe to say that our people can not pay their present debts with constantly declining gold prices for the products of land and labor. Our lands are already passing from the people into the hands of the money lords as fast as time can move and the courts can grind. In passing through the courts our farms usually pay the court expenses and part of the mortgages. The rest of the debts hang over the homeless debtors in the form of judgments. When the mortgages were executed the lands were worth twice the loans placed on them. The shrinkage of values came through currency contraction. Senator Plumb placed this shrinkage in a single year, through the retirement of bank currency, at three billions of dollars. That loss cost the people through shrinkage of values, in a single year, nearly as much as the war of the rebellion cost the country in four years.

Hon. JOSEPH H. WALKER, of Massachusetts, stated on the floor of this House in May, 1892, that farms in New England are selling to-day at about half the cost of the improvements on them. This statement means that the lands go for nothing, and half the improvements thrown in. This is the cost to New England of our stable (?) gold standard, which may be so easily toppled to the ground. It comes high, but the "eminent financiers" of New York and London, who have the ear of our rulers, say we must have it.

During the twenty-five years of our currency contraction the bankruptcies of business men have averaged about ten thousand per annum. The public and private debts of the people have grown beyond the remotest hope of payment, and the capitalization of our railroads, on which the people must pay interest and dividends, is now above ten billions of dollars. At present prices this burden (mostly water) is simple robbery. The corporations, like the military barons of the Middle Ages, stand between the people and their markets, and extort from them "all the traffic will bear." This burden grows annually at the will of the corporations. The people have no word nor voice in the matter. The officers of the corporations boldly publish that it is an "impertinence" for the people to discuss the subject. When it has been intimated that the railroads should be managed for the public benefit a leading officer of a great corporation has said, "The public be damned!"

It may be denied that our railroad capitalization came through contraction of the currency. I do not claim that it did; but, Mr. Speaker, all must admit that the burden of carrying it from year to year is greatly increased by currency contraction and the continued falling prices of products. The charges for travel and traffic are sometimes reduced through the clamoring cries of a distressed people, but seldom in proportion to the decreased prices of commodities and means of payment.

THE SILVER STANDARD.

Is silver a steadier basis for a money system than gold? If facts prove anything, it most assuredly is. During all the fluctuations of the two metals since 1873, as compared with general prices, gold has continually fluctuated, usually bounding upward by large jumps and subsiding by smaller ones. Silver has not done this, but has steadily remained "stable" as compared with the prices of commodities. This is especially true as compared to wheat and cotton, the leading agricultural products which are exported to foreign countries. The advocates of a single gold standard never tire in asserting that silver has fallen in value since 1873. This is not true. The bullion in the silver dollar will buy as much of the average products of land and labor now as in 1873, if not more. If there has been a change in the value of silver bullion since 1873, it has risen in value rather than fallen. This is proven beyond a doubt by comparing the commercial value of silver bullion with the commercial values of commodities in general. It can not be proven by a comparison with gold, as that fluctuating metal agrees with nothing with any reliable certainty. It is subject to every demand of the gold centers of Europe, and to every whim of the great gold gamblers and speculators of the world. Such a standard must necessarily fluctuate. It agrees with nothing, and is consistent with nothing except that it is usually going up, as is proved by the constantly falling prices of commodities as measured in gold.

Gold and silver have each made a record in history. Silver bought the field of Machpelah where Abraham laid to rest his beloved Sarah. Gold was the tool and ally of Philip of Macedon, when he overthrew the liberties of Greece. Silver was the only coin in the pockets of poverty during the struggle for American independence. Gold was the coin of the enemy, for which the first American traitor sold himself and his country's liberties. Silver, in all its history, has been the money of the common people—the money of liberty, the money of the Constitution, the money of four-fifths of the population of the world. Silver is steady and reliable, constituting the favorite hoards in the pockets of industry and serving as a balance wheel on the approach of panics. Gold has ruined Germany, covering 80 per cent of the people's homes with irredeemable mortgages. Silver and paper were the money of France in the days of anguish and adversity. They have raised France to be the most prosperous and independent nation of Europe. Gold is the fluctuating tool and ally of the gambler and thief, the tyrant and the traitor, and at this moment is driving the entire gold basis world into the dishonor and crime of repudiation, through falling prices, making the payment of honest debts impossible.

Mr. Speaker, I do not speak at random on this important subject. It would be treason to the American people to do so. I call your most candid attention to the positive testimony of the highest and most respectable authorities. Hon. JOHN P. JONES, United States Senator, and formerly chairman of the United States monetary commission of 1876, in his late speech in Brussels, before the international conference, says:

> Since its demonetization in 1873, silver has lost none of its command over commodities, and therefore none of its value. Even as bullion to-day it has the same power in exchange for commodities that as full legal-tender money it had in 1873.
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> Index numbers printed in a late number of the London Economist show that the fall in gold prices from 1869 to 1892 was 33 per cent.

The same authority shows that on twenty-two leading articles of commerce the fall in gold prices since 1869 has been 67 per cent. On the other hand, the same authority shows that silver prices during all that time have scarcely changed at all. In this way it is easy to show which is the "stable currency," and which the unstable.

The philosophers tell us that—

> By measuring two things, one against the other, you can never arrive at any determination as to which has changed. Instead of disputing as to whether one clock has lost or another gained, would it not be well to consult the sun and stars and ascertain exactly what has happened?

The commodities of commerce are the "sun and stars" of the commercial and monetary world. By this test the golden clock has gained twelve hours in the twenty-four, and at midnight tells us that it is noon, while the silver clock still keeps step with the "sun and stars" of the commercial world as from the beginning. The same in 1869 as in 1892. Silver then is "the sound and stable currency" of the world.

The London Bankers' Magazine, in 1881, deprecated the attempt of Italy to resume specie payments, upon the ground of the scarcity of gold, and said:

There has thus been created a new demand for gold, of considerable magnitude, and that at a time when the supplies of the metal are barely adequate for existing wants. For years past there have been complaints of a gold scarcity. The addition of Germany and the United States to the body of nations using a gold currency has greatly increased the demand for the metal in the production of which there has been no corresponding increase, but on the contrary, a slight diminution. The international competition for gold has therefore been keener, and the fear now is that the advent of Italy as a buyer will still further intensify this competition and thus cause a general enhancement of the value of money.

In November, 1873, Mr. Benjamin Disraeli (afterwards Lord Beaconsfield) said:

I attribute the monetary disturbance that has occurred, and is now to a certain degree acting very injuriously to trade—I attribute it to the great changes which the governments in Europe are making in reference to their standard of value. Our gold standard is not the cause of our commercial prosperity, but the consequence of our commercial prosperity. It is quite evident we must prepare ourselves for great convulsions in the money market, not occasioned by speculation or any old cause which has been alleged, but by a new cause with which we are not sufficiently acquainted.

Six years later this same statesman, Lord Beaconsfield, further said:

Gold is every day appreciating in value, and as it appreciates in value the lower prices become.

In January, 1876, speaking of the demonetization of silver, the Westminster Review said:

One of the things involved we hold to be the probable appreciation of gold; in other words, an increase of its purchasing power, and that, consequently, unless fresh discoveries are made, prices have seen their highest for many a long day, and that debts contracted in gold will, by reason of this movement, tend to press more heavily on the borrowers, and that it will be well if this pressure does not become so intolerable as to suggest by way of solution something like universal repudiation.

Mr. Bagehot, editor of the London Economist, in 1877 said:

If Germany and America, and, let us say the Latin Union, were to adopt the gold standard, the supply of this metal would scarcely suffice, and the money markets of the world would in all probability be seriously affected by this scarcity.

Prof. Thorold Rogers, of Oxford University, in 1879 accounted for the fall in prices as follows:

The principal, the most general, and in all probability the most durable [cause] is the rapid rise in the commercial value of gold. At the moment when the domain of civilization is enlarging in every way, and as a consequence the want of media of exchange is correspondingly increased, one of the great states of Europe [Germany] has expelled silver and at the same time adopted gold. She believes herself to be able to do so, thanks to the indemnity imposed upon France, but she has done the greatest harm to her population and industries.

Mr. Speaker, monetary history is bristling and blazing all over with facts proving that the commercial value of gold, exposed not only to the laws of supply and demand, as other commodities are, but to all the whims and devices of the money gamblers, is as unsound and unstable as the winds. As a standard of value it is the "dishonest dollar" the world over. To deny this is to ignore the universal experience of mankind. To attempt to build "a sound and stable currency" on a single-standard gold basis is to "defy the inexorable laws of finance and trade," which all agree can not be done with impunity. We are, then, driven by the logic and results of these researches to further inquiry after a better and safer money system than the gold standard.

SILVER AND BIMETALLISM.

A money system based on a single commodity, as already shown, must fluctuate with the demand and supply of that commodity. Such a system also gives the owners or holders of that commodity complete control over the volume of money afloat. It makes the holders of that preferred commodity complete masters of the monetary system, and, through this, masters of all industry and commerce. Senator Thomas H. Benton, discussing this subject and referring to the men or corporations who control the volume of our nation's money, said:

The Government itself ceases to be independent.

And further along in the same argument he said:

All property is at their mercy.

This shows the very great danger of basing a money system on a single commodity. The ease with which gold is handled, hoarded, cornered, and hidden away, makes it the most dangerous of all commodities. Silver is less easily cornered and hidden; less easily stolen and carried away. It is more likely to be in the pockets of the people. It is more difficult to collect into the great money centers; and far more difficult to manipulate in the interest of money-gamblers; hence, it is a safer foundation for "a sound and stable currency" than gold.

But as two is better than one—as a man on two feet possesses a broader and safer means of walking than a man on one foot—so a money system based on both gold and silver is broader, sounder, and safer than a one-metal system. With a moment's thought the bimetallic system will also be seen to be the essence of simplicity. And the maintenance of parity between the metals is so easily accomplished that in friendly or impartial hands it is self-acting. The commercial value of all things, including the money metals, is controlled by demand and supply. With a given fixed ratio between the money metals the loaner always exercises his option and loans the more plentiful and cheaper money. No one disputes his right to do this. This is a demand for the cheaper metal which tends to maintain its commercial value.

Now, if the debtor is permitted in like manner to exercise his right of option in choosing the money of payment, he will seek to pay with the more plentiful and cheaper money which he borrowed. It is only justice that the debtor be allowed this right. This double demand for the cheaper metal or money establishes its parity with the scarcer metal, which can not remain scarcer and dearer when relieved from the demands of both creditors and debtors. If, then, through the vicissitudes of supply and demand the metals change places, the disparity is at once checked, and parity is restored by the change of demands on the part of loaners and debtors, both uniformly choosing to use the cheaper money when permitted to do so. Disparity can only continue by depriving one or both parties in commercial transactions of their right of option to use any lawful money which they may prefer. The gold men who justify the loaning of cheap money utterly refuse the right of option on the part of debtors to pay in the same lawful money which they borrow. The gold men claim that loans of cheap currency, secured by real estate mortgage, can only be paid honestly with gold coin. This doctrine, in practice, compels an unnatural demand for gold coin. It creates and perpetuates the disparity of the metals which is so loudly complained of.

Bimetallism is like a man walking on two feet. The demand for action is always on the hindmost foot. This brings it up to the other and insures the continued parity of the two. Monometallism is like the man on one foot. He makes no progress except by jerks and jumps, which shock and derange the entire system. At the present moment in this country we are testing the qualities of monometallism. Gold coin is the lawful standard, and the prices of all commodities are rated by the fluctuating standard of the least "stable" of all standards. By this fluctuating standard, on which all demands are made, the prices of all property are fluctuating and falling. Nothing is fixed, because the standard of value is unfixed. The rocks of Gibraltar, with the same treatment—measured by the rolling billows and changing waves and tides of the ocean—would be as fickle and unstable as gossamer.

In our present experiment, all demands for payments are made on gold. That raises its price. All demands for monetary exports are made on gold. That raises its price still higher. The Secretary of the Treasury ignores and repudiates laws and contracts, and all the rules of common justice, swelling the demand for gold, and, by comparison, depreciates the price of silver. With our present unfair administration of the Treasury, we are like the man with two feet trying to make progress by the exclusive use of that foot which is already in advance of the other. His position is extremely awkward and absurd: such defiance of natural law is physical anarchy. Our Secretary's disregard for the rights of the people in the payment of coin obligations is very unjust toward the people. If the present Secretary of the Treasury would use both silver and gold coin on coin contracts, making the heavier demands on the cheaper metal—always exercising the right of option in the interest of the people—in all coin payments, the parity of the two metals would immediately be restored and maintained.

Gold can never meet the double demand for exportation and for home use as money. The man with two feet can not walk on one with the other tied to a post. His active foot may be a golden one, but he is paralyzed and helpless, as our country is to-day. Every interest is suffering. Business is bankrupt, labor is not employed, debtors are losing their homes, men, women, and children are unemployed and starving, the padlock of silence is placed on the mouths of children in the streets, lest their announcements of our bad condition may percipitate a revolution; and the Congress of the United States is called together in the "dog days" to redress the situation.

All this, Mr. Speaker, in my judgment, is occasioned by the Secretary refusing to pay out silver coin on coin contracts, and because of his continual demand on gold for every monetary purpose, with the certain practical result of increasing the disparity of the money metals, in the interest of the gold gamblers and money lords of London and New York, and against the interest of the American people.

It is said by some that the purchase of 4,500,000 ounces per month, by the United States Government, prevents the rise of silver bullion, and that, if this demand would cease, bullion would rise. Mr. Speaker, does not this position presume a little too much on the lack of intelligence among men? Does it not reverse the self-acting laws of demand and supply? Have we not said that the laws of finance and trade can not be defied with impunity? Sir, is not the Secretary of the Treasury, by ignoring the spirit of the law and the rights of the people, venturing upon an absurd and dangerous experiment? The logic of the situation is this:

If there were fewer buyers of wheat, wheat would rise; if there were fewer buyers of cotton, of corn, or of silver, then those respective commodities would bear higher prices.

That is the argument which is made in favor of repealing the silver-purchase law of 1890.

Mr. Speaker, I beg of you let us relieve the American people of this scandal. Let us not be guilty of harboring such unwisdom at the head of our financial affairs. It is bad to be robbed, as our people are now being robbed through currency contractions and falling prices. It is bad to be bankrupted, as our business men are being driven to the wall. It is bad to be idle and starving, as our miners, railroad employés, and other workers are out of work and starving, but it is unbearable, Mr. Speaker, to add to all of these distresses of the people the scandal and humiliation of financial idiocy! Let the Secretary, sir, pay out silver coin on all coin contracts—require him to increase his demands on silver, under the present laws and the present contracts—and silver will at once rise to a parity with gold.

It is said that the present silver-purchase law drives gold from the country, and hence must be repealed. The law does not do this. The law provides for the putting into circulation of about $40,000,000 per annum of United States Treasury notes. Those notes, besides being legal tender for most purposes, are redeemable "in coin," and the law provides for the coining of silver to redeem them, but gives the Secretary his option as to which coin he shall use. He chooses to use gold coin. This increased demand for gold raises its price, increasing the disparity of the two metals. It also robs the gold reserve by permitting the gold to be exported. It is not the law which robs the reserve and sends gold abroad, but it is the Secretary. It is obvious that the Secretary's wrongful ruling needs "repealing" much more than the law does. If the spirit of "Old Hickory" Jackson were in the executive chair now, that Secretary would, in my opinion, be dismissed so quickly that it would make him dizzy, and there would be no extra session of Congress in August to relieve the gold gamblers from their troubles.

If any man capable of opening his eyes desires positive evidence as to the superiority of silver over gold as a stable money basis he has but to observe the stable finances of Mexico at the present moment. That country is not a strong one financially, yet with her silver standard she sits serenely amid the storm which is rending the gold countries, viewing their trepidation and distresses with pity and complacency. With her mints turning out silver dollars at the rate of $14,000,000 per month, her finances were never in sounder condition nor her commerce more flourishing. The following dispatch explains the Mexican situation:

CITY OF MEXICO, *Ju'y 5.*

Published opinions of foreign bankers that Mexico will be bankrupted through the recent fall in silver are not taken in earnest here. Nothing approaching a business crisis is apprehended. The credit of the great commercial and financial establishments of this city continues unquestioned. The crop reports are excellent, and this is regarded by local bankers as a most hopeful feature of the situation. If Mexico is able to feed herself she can afford to play a waiting game in the matter of silver.

That example ought to teach enlightened and patriotic men an important lesson. If the Mexican finances were on the fickle gold basis, that country would be compelled to enter the general scramble for the delusive yellow metal. Every gold standard nation must, inevitably, be shaken by every cyclone in the great gold centers of the world. There is no escape from this conclusion. This great country of ours, struggling to maintain a gold standard, is compelled to call an extra session of Congress to doctor the finances and save the country: while "poor old Mexico" sits firmly and calmly on her basis of white metal without a tremor. It appears, Mr. Speaker, that wisdom and common sense are worth more than gold.

Mr. Allard, of Belgium, delegate to the International Monetary Conference in Brussels, last winter, made the following general statement as to the silver standard:

What is the state of things we see at present? We see that in those countries which have a gold standard, prices have fallen enormously, and that, on the contrary, in the countries which have a silver standard, in spite of the unfavorable treatment of silver in Europe, and in spite of the diminution in its uses, the relation of value between money and goods has remained almost exactly what it was twenty years ago. They try to frighten us by pointing to the dangers which ensue from the abundance of silver, and yet I repeat that in spite of the unfavorable position in which silver is placed, we fail to observe in silver standard countries any of the evil results which ought to flow from that abundance.

I call attention to another historic lesson which should be of value at the present time. The finances of England are on the single gold basis, long established and skillfully managed. France, just across the channel, on the Continent, bases her finances on both gold and silver, and on the quality of legal tender. During the last fifty years the bimetallic Bank of France has not been shaken with the fears of bankruptcy. Even the unusual demand on its resources to pay the German indemnity of $1,000,000,000, caused but a temporary tremor. On the other hand, on two or three occasions, we find the gold basis Bank of England, on the verge of ruin, applying to the bimetallic Bank of France for help, which was promptly given. The fact is, the payment of the German indemnity of France caused quite as much alarm in London as in Paris.

In proof of what is here stated, I call attention to the testimony of the very highest authorities. Mr. Allard, of Belgium, already quoted, stated in the Monetary Conference at Brussels, last winter, as follows:

Mr. de Rothschild appears to me to have forgotten that not long ago the bimetallic Bank of France came—for the third time, I think, and at any rate, for the second—to the assistance of the monometallic Bank of England, and was obliged to lend to that bank 75,000,000 francs in gold, in order to spare it the difficulties which might have ensued from a fresh suspension of the act of 1844. Is the system of the bank which confers the benefit, or of that which receives it, to be preferred by us? I do not hesitate to give the preference to the Bank of France, which conferred the benefit, although that bank is absolutely bimetallic, and my conclusion is that of the two banking systems I prefer that which is based upon the two metals. (Page 93.)

Sir Guilford Molesworth, delegate for British India, in the International Conference last winter, stated:

During the seven years, 1883-1890, the Bank of France only changed its rate of discount seven times, whilst the Bank of England changed it sixty-two times, the variations in France only amounting to 2 per cent, whilst those in England amounted to 4 per cent. (Page 143.)

Mr. Molesworth quotes Mr. Goschen as follows:

I feel a kind of shame on the occasion of two or three millions of gold being taken from this country to Brazil or any other country [that] it should immediately have the effect of causing a monetary alarm throughout the country.—*Page 143.*

Mr. Molesworth then says:

Then came the Baring failure, and our weakness was shown by having to call France to our aid. The currency of France had weathered without difficulty storms to which the Baring failure was mere child's play: for example, the Prussian war, the communistic struggle, the war indemnity, the failures of the Panama Canal, of the metal ring, and of the *comptoir d'escomte.*

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Mr. Giffen has stated that in almost every year since 1873 there has been a stringency of greater or less severity, directly traceable to or aggravated by the extraordinary demands for gold and the difficulties in supplying them.

And, finally, we have the declaration of Mr. de Rothschild which threatens us with a monetary panic, "The far-spreading effects of which it would be impossible to foretell."

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I repeat, "it is gold that is sick, not silver," and unless this fact be recognized by the members of this conference it will be impossible to apply the proper remedy to the crisis which menaces us.

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I beg also to lay before the conference the accompanying diagrams which I have prepared; and in doing so I would draw particular attention to diagram No. 3 A, because it shows at a glance the instability of gold and the stability of silver.—*Pages 143, 144.*

"A SOUND AND STABLE CURRENCY."

In order to arrest great national danger—to ward off impending ruin—I have shown the superiority of silver and bimetallism over gold, as a safe, sound, and stable basis of currency, under the present conditions and tendencies of the monetary world. I have appealed to the facts of history and the experiences of mankind. I have avoided untried theories. I think I have made out my case. Of course the gold gamblers will not yield. You can not reason with Demetrius: and the prostrate worshipers of Juggernaut would rather be crushed than face the anger of their idol. Yet the people may be convinced and saved.

But, Mr. Speaker, to merely escape sudden ruin is not a very high ambition for a great, glorious, and progressive people like ours. We should have higher aims than that. Money is the blood of our civilization. A single gold standard is a disease in an acute form. It is delirium. It is neither a healthy nor a plentiful blood. It is both paucity and impurity. Add to it silver, and you have a safer and more bountiful circulating medium. With this improved and increased supply of the "protoplasm" of commerce and civilization our people will stand on a higher plane and the nation will live longer. But our position in the world justifies higher ambitions than mere existence. The examples of the statesmen and heroes of our history beckon us onward to higher attainments. Our opportunities as an enlightened nation, and the moving, industrious, and enterprising characteristics of our compound American people forbid mere commonplace achievements. To reach our most cherished and reasonable destiny as a commercial and civilized people we must have a sound, stable, pure, and plentiful currency. To find and draft such a system we need seek for nothing new or untried. Although the most important of all questions, the money question is not difficult. Any common mind can easily comprehend and understand it when stripped of the glamour and mystery sought to be thrown around it by the gamblers.

The circulating medium of our industrial and commercial life must be pure, plentiful, and permanent. We must not subject it to the phlebotomy of the money gamblers, nor even to the uncertain supply of the costly money metals. Gold and silver coin must be continued:

1. Out of respect to the traditions and usages of mankind for forty centuries;
2. Because we have agreed to pay some billions of monetary obligations, which, per contract, are to be paid in coin of a given weight and fineness;
3. Because our country is the largest producer of the money metals in the world, and we should not demonetize and depreciate the value of our own products; and
4. Because we can not discard them without industrial and financial ruin.

Let me illustrate: By the laws of 1873-'74 silver was demonetized. That act created a disparity between the coin and bullion values of silver. It created and now perpetuates a rich field for the great speculators of the world. Taking advantage of the disparity thus created, the British speculator goes into the London market, where he buys silver bullion at a discount. This is coined for him into East Indian rupees. The coin is more valuable than the bullion. With the new coin the speculator buys East Indian wheat and cotton for the European markets in competition with American wheat and cotton. The British speculator can sell his eastern wheat and cotton at the same low price at which he bought them because of his profits on silver. And Americans must sell in those markets at the same low prices, or abandon the European markets for our two great staples of export.

This explanation shows why American wheat and cotton rise and fall with silver bullion. It also proves that the cotton and wheat growing States have a greater direct interest in the silver question than the silver States themselves.

The same policy and the same speculations practiced in India in the handling of wheat and cotton are practiced in the South American silver-using countries in connection with wool, hides, and the cheaper grades of grass-fed beef. This shows that not only the wheat and cotton growing States, but also the cattle and wool growing States, are quite as much interested in the silver question as are the silver-producing States. Restore the parity between the bullion and coin values of silver by free and unlimited coinage of silver, and we raise the prices of our great agricultural staples in foreign markets at least 40 per cent.

It will thus be seen that this silver fight is comprehensive and one in which we are all deeply interested. Demonetization destroys our European markets for many of our leading commodities of export. That is one aspect of the question. Then, besides that, it closes the American silver mines, shuts off our supply of metallic money, and destroys our great and increasing mountain market for agricultural products. The western third of the American continent, rich in everything except agriculture, under normal conditions would be a better market for all agricultural products and for the products of our great manufacturing establishments than all the rest of the world.

By the demonetization of silver this best side of the Republic is made a desert. The mines are closed. Great and rich States are depopulated and changed into deserts. Their purchasing power is destroyed. Agriculture and manufactures are without a market, business is bankrupt, and laborers by the millions are changed into mendicants and tramps. We can not discard silver money if we would. The subject is far reaching, and afflicts all men with unbearable evils except the Shylocks of London and their American allies, agents, and attorneys.

In connection with this statement I call attention to a prediction made by the present Secretary of the Treasury, then a member of this House. It is not the first time in history when a prophet has become the willing agent of the evils which he opposed and predicted. In 1878, discussing this silver question, Mr. Carlisle said:

> I know that the world's stock of precious metals is none too large, and I see no reason to apprehend that it will ever become so. Mankind will be fortunate indeed if the annual production of gold and silver coin shall keep pace with the annual increase of population, commerce, and industry. According to my view of the subject, the conspiracy which seems to have been formed here and in Europe to destroy by legislation and otherwise from three-sevenths to one-half of the metallic money of the world is the most gigantic crime of this or any other age. The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilence, and famine that ever occurred in the history of the world. The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and all other appliances for carrying on commerce, while it would be felt more sensibly at the moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one-half of the metallic money of the world.

Mr. Speaker, we can not change the present ratio of 16 of silver to 1 of gold without great inconvenience and loss. It would involve the recoinage of our present stock of silver money now in the hands of the people. It would require a change of contract in connection with many millions of monetary obligations which are by their terms payable in coin of the standard weight of July 14, 1870. On this subject the joint resolution of the two Houses of 1878, known as the Matthews resolution, reads as follows:

> *Resolved by the Senate (the House of Representatives concurrring therein)*, That all the bonds of the United States issued under the said acts of Congress hereinbefore recited are payable, principal and interest, at the option of the Government of the United States, in silver dollars of the coinage of the United States, containing 412½ grains each of standard silver; and that to restore to its coinage such silver coins as a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith nor in derogation of the rights of the public creditor.

A change of ratio or a change of the weight of the silver dollar creates a lawful excuse for the bondholders to refuse the silver dollar in coin payments, which they will use to their own advantage.

In this silver matter we are all, except Wall street, in the same boat, and must sink or swim together. Our only course is to rehabilitate the old silver dollar as it was prior to 1873, and to maintain the full and free coinage of both gold and silver as money metals at the present ratio of 16 to 1. If the people are left alone, and the laws of supply and demand are permitted fair play, the parity of the metals, at that ratio, will be assured and perpetual.

Mr. Speaker, both sides in this discussion admit that neither of the metals, nor both of them combined, are a satisfactory currency for actual use in the channels of trade and business. Both sides propose a supplemental paper, either in the form of Treasury notes or bank notes. And in one of these forms we are expected to find that "sound and stable currency" which is to meet the necessities of the people. I now call the attention of the House to a discussion of these two forms of paper currency.

THE UNITED STATES TREASURY NOTE.

Mr. Speaker, money, strictly speaking, is not a material thing. It is a function created by law; and by law this function may be attached to any proper material. It is an office or function, as is the office of sheriff. A man naturally is not a sheriff or other public officer, but when the office or legal function is attached to the man, he is then a public officer, and as such can do many things and perform many acts which he could not do or perform in his individual capacity. When the money function has been legally attached to a material thing, then that material thing becomes tangible money. In rude societies the money function may grow up by custom, and by common consent may become attached to a material thing. In this way cattle, copper, gold, silver, tobacco, and various articles of commerce have become tangible money by reason of their endowment by custom or law with the money function. The various commodities of commerce have never proven themselves entirely satisfactory money, because of their unwieldiness and frequent scarcity.

All things considered, no material seems so well adapted to practical business purposes as well-executed paper notes. The material is easy of procurement, reasonably durable, and easy to transport, count, and handle in large or small amounts. It is easy to conceal about the person, being small of bulk and light of weight; and, above all, when executed in the highest style of art, it is the most difficult to counterfeit, perhaps, of all moneys. On this latter point, Mr. Alexander Del Mar, in hisable work on The Science of Money, says:

> The silk-threaded, distinctive-fiber paper, the water marks, the printing in colors, the highly artistic vignettes, the geometrical lathe work, the numbers, signatures, and other mechanical safeguards of the modern paper note, render it far more difficult to imitate than coin.

The importance of having a money above the arts of the counterfeiter is seen when we contemplate a few facts of history. All agree that money is valuable in proportion to limitation, and that an unlimited money must be ultimately a worthless money. A money that is easily counterfeited is practically an unlimited money. As examples in point, I mention the Continental currency of the American Revolution and the assignats of France. Both were largely counterfeited by the British Government. In each case the counterfeits are said to have far exceeded in amount the genuine notes when the point of worthlessness was reached.

The issuing of money is an act of sovereignty, and as such ought not to be delegated to individuals or to corporations. All money should be issued by the sovereign power of the nation. When so issued it is in effect a check on society for value, and like all checks, it must be redeemed. All money, whether metal or paper, must be redeemed. That is what money is for. It rests on the value that is behind it. But let us not be mistaken; let us not be misled by terms. Swapping dollars is no redemption. The first and primary redemption of money is receivability by the issuing power. It must be receivable in the revenues of the issuing government. That is primal redemption. A money so received in the United States and Great Britain has been and is uniformly good money. This primal redemption is like a man accepting his own checks in payment of dues to himself when he transacts business.

But there is a wider and more general redemption, which arises from the quality of legal tender. All perfect money is endowed with this necessary quality; and when so endowed all men advertise their eagerness to redeem such money with value. In effect, this is basing money—not on gold, not on silver, nor on any single commodity, but on all commodities. A money so based is precisely as good as the issuing government—no better, no worse. A money so based, though made of paper, never falls below gold while the issuing government remains intact and continues to collect and disburse revenues.

This rule has no exceptions. A paper money so founded and redeemed is always preferred to gold. Intrinsic or commercial value in the material which is endowed with the monetary function is not only unnecessary, but it should be further stated that such intrinsic value is a great and sometimes fatal objection to the money material. It gives the owners of the valuable money material a monopoly of the money of the country. If gold alone is used as money, then the amount of money in a given country can not exceed the amount of gold available in that country; and the holders of gold, by making money scarce or plenty at will, become masters of the situation. They occupy the position described by Mr. Garfield when he said: "Whoever controls the volume of the currency is absolute master of all industry and commerce." In the words of Senator Benton, speaking of the same dangerous class of men: "All property is at their mercy."

Money has been defined as a "measure of value." This is not strictly true. Values are measured by the combined judgments of the parties concerned, influenced by surrounding circumstances and conditions. In other words, "values are measured with brains." But money is a unit of account, and values are expressed in the money units. In the United States the dollar is the unit of account, and values are expressed in dollars and fractions of a dollar. Values having been fixed by the combined judgments of the parties in interest, then it is the office of money to settle the account between the parties as a medium of exchange or means of payment. When I pay a man money for service I give him a general check on society for value. So far as I am concerned, he is paid, but in fact he has not yet received anything which satisfies his ultimate wants. He has only received a check on the general wealth of the country for what he desires. This check must be redeemed, and society is eager to redeem it with all the values of the country that are for sale. Hence the man to whom I paid the check is better paid than if I had given him some form of value which he did not specially need. If I had given him a horse or a cow, when he needed a suit of clothes, it would have been less satisfactory to him than the money, though of the same or even greater value. Though money may be without intrinsic value in itself, and should be so, yet, when fairly treated by law, it stands for all values: and the holder of it has a check or order on the entire country for his choice of all property that is for sale, to the extent of the value mentioned in his check or order, and all men are eager to accept or redeem his check, and give him choice of the values in their possession.

Money is a labor-saving machine. It is a bookkeeper and accountant, saving much time and expense when it floats in proper volume. For this purpose the material of money need not have value. If A owes B $10, and B owes A $10, the accounts balance, the parties shake hands, and the transaction is ended. If A owes B $10, B owes C $10, and C owes A $10, the parties, if brought together, may still see through the matter. The case is more complicated than before, yet the opportunity for cancellation exists, and the parties may shake hands, as before, without money payment. But suppose fifty men are involved. Then money must be used in some form, either to pay the entire debts or to settle the balances. Each owes another $10, but all are not aware of the facts. Let the parties be together with no money in their pockets, but, looking on the ground, one of them finds a $10 note. He asks for a claimant or owner of the money, but finds none. He then pays a debt of $10 to his neighbor standing near. His neighbor pays the money to another, to whom he is indebted. Debt-paying is the order of the day until fifty debts have been paid, when the money finally stops in the hands of the finder, who, owing no one present, puts the note in his pocket. I inquire, are those debts paid? Plainly they are. But suppose the holder of the money should drop it into the fire, and it should be consumed. Would that make any difference? Surely not. Whatever may become of that note, the debts are paid. But let us suppose that the holder of the bill, instead of dropping it into the fire, should carry it to a bank for deposit, and there find it to be a counterfeit. Now, are the debts paid? Let each reader decide for himself. Evidently it was a case of cancellation; and if the parties had known of the facts and relations of each to each, they might have clasped hands and the debts would have been settled, canceled, or paid, without the use of money.

Now, let us suppose that fifty men are present in a clearing house. The first man, A, hands his personal check to B, his creditor. (This is not final payment, as money is. A personal check may be called money of conditional payment.) The second man, B, owes C $40. He hands to C a $10 check, received from A, and his own personal check for $30. And so the payment continues until all are paid with these checks of conditional payment. Then comes cancellation and the payment of balances. In practice it is found that checks do not balance and cancel each other in full, as men do not owe each other the same amounts, but that there must be used in every clearing house some money of final payment; that is, money, or general checks on society at large, issued by the sovereign government or society in the concrete, which all are willing to accept as money of final payment. By the records of clearing-house business for long periods it is found that, on the average, the amount of money of final payment necessary to settle balances is about 5 per cent of the business done.

This is not much, but it is absolutely necessary to prevent bankruptcies. Ninety-five per cent of the business is done with individual checks and drafts. 5 per cent with money of final payment. In view of these well-settled facts some flippant writers and speakers have taken the ground that all business may be done with individual checks and drafts, and that the volume of actual money cuts no figure. This is not correct. The 5 per cent of actual money is small, but it is absolutely necessary to prevent bankruptcies. The entire business is based on this 5 per cent; and for every dollar of this money which may be withdrawn from circulation $20 of business must stop. This shows the importance of watching closely the volume of money of final payment. Even a small contraction deranges business, causes bankruptcies, and reduces the volume of the business of the country.

Money is a war power. There are two great war powers known among civilized nations—the sword and the purse. By the sword is meant that physical force which overcomes the enemy in the field. The purse is that power which equips, subsists, recruits, and pays the fleets and armies. Among savages there is much of the sword and little of the purse. As a rule, the purse power increases among nations as civilized methods are adopted, until ultimately most of the purposes of war may be attained with only a show of physical force. Money, as a war power, need not have intrinsic value. It has been proven time and again that modern wars can not be prosecuted with intrinsic money as a support to the armies.

I call attention to the following examples of money as a war power:

1. The history of the Republic of Venice is a history of continual war on land and sea. The Republic of Venice was the great commercial nation of the earth for centuries, and its maritime wars were necessary for the protection of its extended commerce in every quarter of the known world. In the year 1171 intrinsic money utterly failed to meet the monetary requirements of the republic, and a book credit or inscription money was adopted. This inscription money had no material value whatever. It was not redeemable in coin or bullion, and there was no pretense that it would be so redeemed; but it was receivable in the revenues of the Government, and legal tender for all debts. The legal-tender quality, in the language of Dr. Franklin, was "greater advantage" than coin redemption. For six hundred years that paper-credit money ruled 20 per cent above coin. During all that time there was not a money panic in the country. Venice became and remained the center of commerce and the clearing house of the world. There is not a line on record that any citizen of Venice was dissatisfied with their financial system. This is the longest and most satisfactory continuous financial experiment recorded in history, and it proves very conclusively the superiority of functional, or fiat money, over intrinsic money in times of war.

2. At the beginning of the American Revolution coin, or in-

trinsic money, failed to materialize. It was not to be had. It was an utter failure. Our fathers had no resources but paper. They had no government capable of issuing a proper money of any sort, but they did the best they could. They could print paper and call it money, but they could not receive it in the revenues of the government, because the old confederacy did not collect revenues. They could not endow it with the quality of legal tender, because the old confederacy was not a sovereign government. They could not even make it redeemable in coin, as there was no coin to be had. Coin is always absent when most needed. But the patriot fathers had wit as well as patriotism, and they issued the best money they could. It was rudely executed and easily counterfeited, hence in practice must be unlimited in amount. People were expected to take it as a matter of patriotism. This was the only foundation of that Continental money; yet for five years it met the requirements of the country, and Mr. Albert Gallatin afterwards spoke of it as follows:

> The paper money carried the United States through the most arduous and perilous stages of the war, and, though operating as a most unequal tax, it can not be denied that it saved the country.

If the American colonies had depended on coin money as a war power they would have remained subject to the tyranny of King George. American liberty would never have been born.

3. In the year 1797 money of intrinsic value failed in England. The bank paid out its last silver sixpence, and the nation was on the verge of ruin. A paper money not redeemable in coin was adopted, which met every monetary requirement for twenty-five years, through all the terrible trials of the wars of Napoleon. It carried the country triumphantly through every crisis, conferring on the empire a prosperity and glory unequaled in ancient or modern times. On this subject Sir Archibald Alison says:

> It is in these moments of public and private suffering that the paper circulation steps in to sustain public and private credit during the interval when national industry has been paralyzed by the disappearance of the precious metals from circulation. * * * But for its aid the empire would certainly have been destroyed. * * * Had bank notes been rendered scarce when gold disappeared, the nation and all its trading classes would have been bankrupted, and we should long since have been a province of France.

4. In the year 1813, during the wars of Napoleon, gold utterly failed to meet the needs of the allied armies on the Continent of Europe. England, Russia, and Prussia issued a joint paper money, which supported the armies, broke the power of Napoleon, and saved the Continent. The late Judge Martin, in his work on The Money of Nations, says:

> It met the emergency as coin could not.

Mr. Alison says:

> It passed as cash from Kamchatka to the Rhine, and brought the war to a successful issue. * * * Without this paper money the vast armaments of the allies would have been dissolved for want of funds for their support.

5. During the war of the rebellion, when gold left the field, there were three kinds of nonmetallic war money, which stood the shock of arms to the end. The revolutionary government of the South issued the best paper possible for such a government. It was precisely as good as the issuing power—no better, no worse. It was a brave money—far better than cowardly metal. It staid with the armies, and fought with them to the

bitter end, and went down with them on the field of battle. That paper money of the South was rudely executed and easily counterfeited. This, of course, made it practically impossible to limit the volume in circulation; and, as already stated, an unlimited money is a worthless money.

Money is valuable in proportion to limitation. If it is possible, the counterfeiters will inflate the money to the point of worthlessness, as in the case of our Continental currency and the French assignats. In the North there were two sorts of paper money. The first sixty millions were receivable in the revenues of the Government, the same as coin, and legal tender for all debts. That money was preferred to coin during the war, and as long as it circulated. Another class of paper money issued during the war, known as greenbacks, was not receivable for duties on imports nor for interest on the public debt. It was like any other useful machine with a number of important bolts left out. It went below par as compared with coin, or as compared with paper without these legal disabilities. It sometimes went below 50 cents on the dollar because of its legal disabilities, and from no other cause. Yet such as it was, all the Shylocks and the armies of the South were beaten by it at one and the same time. All agree that the greenback saved the life of the nation. With gold only, the armies would have been paralyzed and anarchy would have prevailed. It would have been a contest of swords after the manner of savages, with little union or adhesion on either side.

Money is the instrument of association. Without money there is no cohesion, and disintegration must ensue. A perfect money will remain at its post in times of danger. Gold money will not do this.

Mr. Speaker, I have shown that gold is not a "sound and stable currency." I have shown that silver is less fickle and far safer than gold. I have shown that bimetallism is a better basis for "a sound and stable currency" than either gold or silver alone, and, finally, I have shown you a still safer, sounder, and more stable money system, not based on gold alone, or silver alone, or even on gold and silver combined, but on all commodities of commerce. Money does not depend on the value of the monetary material, but on the value that is behind it—a value always plentiful and ready for redemption purposes, not in the hands of unwilling Secretaries, nor in the vaults of banks of doubtful solvency, but in the hands of the people themselves, anxious and desperately eager to redeem all lawful money with all the values of the salable commodities of this great nation. Such a money, founded on all commodities, is like a pyramid standing on its base, instead of on an apex composed of a single, scarce, and dear commodity, subject to theft, and to all the fickle and wily devices of the gold gamblers. Such a money is precisely as good as the issuing government, no better—no worse. Such a money will stand by the people in times of peace and prosperity, and will fight for the government in time of war. Gold will not do this. While the Roman people used a numerary money printed on copper, without intrinsic value, they maintained their liberties, and Rome was a republic. When they adopted intrinsic money, of shrinking volume, the republic gave place to the empire, and the nation entered the thickening shadows of its decadence.

A nonlegal paper based on coin is never reliable, but is always subject to discount or failure when the strain comes. Between the years 1812 and 1860 the United States Government authorized twenty issues of Treasury notes, receivable in the revenues of the Government, but not otherwise a legal tender. Those Treasury notes were uniformly preferred to coin. During those same years (from 1812 to 1860) numerous experiments were made with nonlegal coin-basis bank paper, with an average of failures about once in seven to ten years. In 1860 the failure of gold-basis paper was universal and complete. Gold itself left the field, and legal-tender Treasury notes were necessary to meet the crisis and save the country.

The Treasury notes, receivable in the revenues, was the favorite money of the early leaders of your party, Mr. Speaker, and all I have said or shall say on this branch of the subject was formerly good Democratic doctrine. I am not proposing a new and untried scheme.

In the years 1837-'38 John C. Calhoun, of South Carolina, discussed this matter of government paper very fully in the United States Senate. Mr. Calhoun said:

> I now undertake to affirm positively, and without the least fear that I can be answered, what heretofore I have but suggested—that a paper issued by government, with a simple promise to receive in all dues, leaving its creditors to take it or gold and silver, at their option, would, to the extent to which it would circulate, form a perfect paper circulation, which could not be abused by the government, that would be as steady and uniform in value as the metals themselves. I shall not go into the discussion now, but on a suitable occasion I shall be able to make good every word I have uttered.
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> We are told there is no instance of a government paper that did not depreciate. In reply I affirm that there is none, assuming the form that I propose, that ever did depreciate. Whenever a paper receivable in the dues of a government had anything like a fair trial it has succeeded.
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> It may throw some light on this subject to state that North Carolina, just after the Revolution, issued a large amount of paper, which was made receivable in dues to her; it was also made a legal tender, but which, of course was not made obligatory after the adoption of the Federal Constitution. A large amount—say, between four and five hundred thousand dollars—remained in circulation after that period, and continued to circulate for more than twenty years at par with gold and silver during the whole time, with no other advantage than being received in the revenues of the State, which was much less than $100,000 per annum.—*Money of Nations*, pages 64, 65

Mr. Speaker, I offer no new experiment. This subject is too important for the permission of expiricism. New experiments are hazardous. They may fail. Old experiments which have uniformly failed are criminal. Gold-basis paper is an old experiment which always fails when the strain comes. Government paper, legal tender and receivable in the revenues, is an old and well-tested system. It is preferred to coin, and never fails while the issuing government stands.

Mr. E. G. Spaulding, a banker in Buffalo, N. Y., in time of the war, chairman of the Subcommittee on Ways and Means in 1861, 1862, and 1863, and known in financial history as "The Father of the Greenback," has discussed commodity redemption of money as follows:

> Every time a hundred-dollar bill passes from one person to another, it is a practical redemption of it by the person who takes it. Every time a merchant at Chicago pays to a farmer $500 in national currency for a carload of wheat, the farmer by the operation redeems such national currency, not in

greenbacks, nor in gold, but in a commodity better than either, namely, wheat, a staple article useful to all. So every merchant in New York that sells a bale of cotton goods and receives his pay for it in currency, redeems such currency, not in the way that banks redeem it, but in cotton goods, which is far better, because it performs the true functions of money by facilitating the legitimate sale of commodities. So every time that a merchant or manufacturer pays his internal-revenue tax to the United States collector in national currency, the Government redeems such currency by receiviug and discharging such tax. So every mechanic or laborer that receives national currency for his services, redeems such currency by the labor performed. So it will be seen that just so long as the national currency is practically redeemed every day in its passage from hand to hand in the payment of commodities and services, and in the ramified operations of trade and business both with the Government and the people whose operations it greatly facilitates, there is not the slightest necessity for resorting to the expensive and risky operation of assorting and sending it home for redemption.—*Spaulding's History*, Appendix, page 10.

Mr. Speaker, we all favor a "sound and stable currency," and believe that the life of the nation depends on the creation and maintenance of such a circulating medium, Now, sir, in the light of the facts of history and uniform human experience, I propose such a currency. I propose a currency of gold and silver coin, "of the standard weight of July 14, 1870," said coin to be supplemented by United States Treasury notes, all to be coined and issued by the General Government, and made legal tender for all debts and taxes. That, sir, is a simple, "sound and stable currency," old and well tried, and when submitted to the severest tests it has uniformly proven successful. We must retain the coins of gold and silver, because they are necessary to pay all monetary obligations which call for coin. These should be supplemented with Treasury notes, because of the convenience of paper, and because the coins can not be relied on to furnish the proper volume of currency needed by a prosperous and growing nation. "A sound and stable currency," like the one I propose, would not require the services of the "extra session" doctor to "restore confidence."

With such a system in operation, our finances would cease to be as now—a mere "confidence game," set up by the Wall street gamblers to entangle and rob the people. Men would do business with money instead of confidence—commerce would become more of a certainty and less a game of chance.

The supplemental paper herein advocated is necessary to insure the prosperous employment of the people. The full employment of labor, the encouragement of enterprise, and the prosperity of industry, trade, and commerce depend very largely on what are known as time contracts. These in their turn depend for their success on a steady money market; otherwise trade and industry become games of chance, in which timid capital will not venture—the result being that labor is not given profitable employment.

The merchant who buys goods on time makes a time contract. If the money volume declines and prices fall, his profits are reduced or cut off entirely. The farmer who plants a field of corn enters into a time contract, investing labor and capital. If prices are falling through currency contraction, his expenses may prove greater than the market value of the crop when grown. If the stock-raiser invests his money in a herd of young animals, which require one, two, or three years to fit them for market, he incurs extra hazard in his enterprise, unless he is sure that the country has "a sound and stable currency," which will endure until the day of sale. The manufacturer who invests his money in any industry does so with greater confidence and certainty if he can depend on a safe, full, and even flow of money, insuring reasonable and stable prices.

If the enterprises I have named are safely pursued and reasonably profitable, wage laborers are usually employed and well paid. But, if these enterprises are rendered unprofitable or extra hazardous, by reason of an unstable money volume and declining prices, they must cease, and labor must remain unemployed.

Now, all history proves, from the days of the Roman Augustus to the present time, that metallic money alone can not maintain full and equal prices in a great and growing nation. The experiment was tried by the Romans. It failed and the Empire fell. As the gold and silver mines of Greece and Spain failed in productiveness, prices in Rome fell, lower and lower. Every industrial enterprise was a failure, laborers were out of work and starving: turbulence and rapine, the strong preying upon the weak, became the only means of life. Society became disintegrated. The population of Europe fell off one-half, and the suffering of mankind was greater than the imagination of man can conceive. It is not possible for a great and growing nation to depend with certainty on the irregular and declining productions of the gold and silver mines of the world for "a sound and stable currency," which shall maintain a full and even flow of prices, subject only to the supply and demand of commodities. A metallic currency, for the sake of argument, may be reckoned sound, but if it can not prevent the perpetual decline of prices it can not be rightfully considered stable. However sound the timbers of a ship may be, if in a sinking condition, inevitably carrying down with it all on board, it can not be called a safe or "stable" vessel.

For twenty years the financiers of this country have been seeking a gold basis. During these same years we have had declining prices. In spite of the indomitable energy and industry of our people, business has not grown in proportion to the increase of population. The New York clearing house shows more business in 1869 than in 1892; more in 1881 than in any year since. Bankruptcies and debts have increased, and at this moment men in financial circles are in distress, crying out for help. The Secretary, in imitation of his Republican predecessor, in his monthly reports, tries to cover up the fact of shrinking money, and in so doing deceives the unsuspecting; but among intelligent men he is covering himself with infamy. A recent dispatch says:

A. R. Chisholm & Co., bankers, New York, state in their bank circular dated May 29, 1893:

We quote that Right Hon. Mr. Lidderdale, of the Bank of England, agrees with our views, so often expressed during the past ten years in our market letters, that this country needs more legal tenders. France, a stationary country, has $60 per capita. The Director of the Mint places the per capita in the States at $22, but two hundred millions of gold have disappeared and no estimate is made of the loss of paper and coin during the past twenty-five years. It is known that silver wears out and is renewed once in thirty years. We claim that, deducting amounts in the United States Treasury and banks held as reserve and losses in paper currency and coins, gold exports and hoardings, this country is down to the actual famine circulation of less than $6 per capita, counting our population at sixty-five millions.

This statement corroborates the estimates of the late Senator Plumb, who was president of a national bank; and Mr. N. A. Dunning, statistician, in Washington, D. C., and others. And on no other ground can the present financial distresses be accounted for. "It is a money famine and nothing else." Gold can not be relied on to furnish "a sound and stable currency." Both the metals together can not do it, the "eminent financiers" of New York to the contrary notwithstanding.

Mr. Speaker, the only hope for the indrustrial and commercial prosperity of this country is a full and even flow of legal-tender Treasury notes, to supplement and to take the place of the coins when the money metals are drawn off to other countries through adverse balances of trade.

No Democrat should object to the legal-tender Treasury note. That was the money of Jefferson, Jackson, and Calhoun, and of the long line of Democratic statesmen from 1812 to 1860. During those years of Democratic ascendency twenty issues of Treasury notes were authorized and sent out. They were receivable in the revenues of the Government, and were uniformly preferred to coin. In 1846, in the heart of Mexico, the United States Treasury note was valued at 6 per cent above coin. For fifty years this Democratic paper money was deemed good money (as good as coin, or next to coin) by all good Democrats. On various and sundry occasions it has saved the Government from difficulties and pending bankruptcy when coin failed. In the sixties, though badly treated by law, it saved this great nation from disintegration. And, at this moment the United States legal-tender Treasury note, if used to supplement the coins and maintain prices, will prove a sure means of financial, commercial, and industrial salvation. This is the doctrine of "the inexorable laws of finance and trade," which can not be defied with impunity. No political party can long stand in opposition to these laws. Even the gold gamblers of Wall street can not long resist them.

The American people are kindly, good-natured, and long suffering. In the language of the great Jefferson, they are not disposed to right their wrongs as long as their wrongs are sufferable. But, sir, with all due respect toward those who differ, candor compels the statement that with twenty to thirty billions of monetary obligations hanging over their heads in various forms, largely resting as mortgages on their homes, the people of these United States will never submit to perpetual decline in the prices of the products which they must sell for money to pay debts. Such decline now in progress must continue if the vain effort to reach and maintain a single gold standard is persisted in. In Europe, with half the able-bodied men under arms to coerce the others, the attempt may be feasible, but in a great and free Republic, unaccustomed to physical coercion, with the ballot box in reach, the single gold standard can hardly be reckoned as a permanent possibility.

This money question may be made very plain by a simple statement of an arithmetical example. Thus:

Divisor,	Dividend,	Quotient,
Commodities)	volume of money	(prices.

The people and their commodities are the divisor in the problem which we are solving in this country. The volume of money afloat is the dividend. The quotient is the general average of the prices of property. The divisor is continually increasing, through the increase of population and the energy and enterprise of our people. The dividend decreases through the various devices of the gamblers in cornering and suppressing money. Is it any wonder that the quotient is less and less from day to day, in the form of declining prices? There is but one practical remedy, namely, add money to the circulation as the people and their transactions increase. Increase the dividend as the divisor increases, that the quotient may remain the same. This can only be done by supplementing the coins with legal-tender Treasury notes.

THE BANK-NOTE SYSTEM.

Mr. Speaker, the gold men, as I understand them, do not claim that gold shall be the only circulating medium in the hands of the people, but that it should be the basis of a bank-paper system redeemable in gold. In other words, they desire to supplement the gold coin with bank paper, and for this purpose very generally favor the present national banking system in preference to the old Democratic Treasury-note system, which I have been discussing and advocating. Let me call the attention of the House to this gold-basis paper system known as the national banking system. And, first, I desire to say that President Cleveland has wisely and earnestly warned his party and the country against the evils of "paternalism." In his inaugural address last March Mr. Cleveland said:

> Closely related to the exaggeratd confidence in our country's greatness which tends to a disregard of the rules of national safety, another danger confronts us not less serious. I refer to the prevalence of a popular disposition to expect from the operation of the Government especial and direct individual advantages.
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> The verdict of our voters, which condemned the injustice of maintaining protection for protection's sake, enjoins upon the people's servants the duty of exposing and destroying the brood of kindred evils which are the unwholesome progeny of paternalism. This is the bane of republican institutions and the constant peril of our government by the people. It degrades to the purposes of wily craft the plan of rule our fathers established and bequeathed to us as an object of our love and veneration. It perverts the patriotic sentiments of our countrymen, and tempts them to pitiful calculation of the sordid gain to be derived from their Government's maintenance. It undermines the self-reliance of our people, and substitutes in its place dependence upon governmental favoritism. It stifles the spirit of true Americanism and stupifies every ennobling trait of American citizenship.
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> The lessons of paternalism ought to be unlearned and the better lesson taught, that while the people should patriotically and cheerfully support their Government, its functions do not include the support of the people.

The above sentiments, fully and fairly interpreted and energetically enforced, would place Mr. Cleveland's administration alongside of the administration of President Jackson, and inaugurate a policy which formerly embalmed in the hearts of the American people a love for Democratic principles, and which gave to that party five national victories in seven political campaigns prior to 1860.

That condemnation of "protection," which means the taxing of one man or class of men for the benefit of another, is just and timely. But, sir, I am of the opinion that, in full justice to our people, it should have a wider meaning than a mere reference to the tariff. The wildest tariff protectionist seldom asks for a protection of more than 100 per cent. To ask for 200, 300, or 600 per cent protection, and for freedom from local taxation besides, on the bulk of the investment would excite derision and special condemnation. That being so, I desire to call attention to one particularly favored calling in this country, which is the special pet of the Government—a business devoted almost entirely "to pitiful calculation of the sordid gain to be derived from their Government's maintenance."

I refer, Mr. Speaker, to the national banking system. The investment of capital in United States bonds is considered a good and safe one; so much so that competition for their ownership has carried them to a premium. When these bonds have been purchased by a banking corporation, they are used as security for currency to the amount of 90 per cent of their face value. In doing this the owner of the bonds does not sacrifice any part of his interest income from the bonds. His semiannual interest is regularly anticipated and paid to him in gold, usually one year in advance. The currency advanced to the corporation costs the corporation 1 per cent per annum as an offset for the cost of printing the notes, for renewing them as they become mutilated, and "in lieu of all other taxes." That is the entire cost of the notes to the corporation. The banks are authorized to loan the currency at the legal rates of the respective States in which the banks are located. These rates vary from, say, 6 to 12 per cent per annum, compounded every thirty to ninety days. The gain by compounding will partly or wholly balance the idleness of the lawful reserves required under the law. So, then, the net result of the operation is approximately this:

The currency which the Government furnishes to the banks costs them 1 per cent per annum. They loan it at six to twelve times that rate, through favor of the Government. This is a practical protection to the important monopoly of furnishing currency to the people at from 600 to 1,200 per cent.

No man in any legitimate business has such an enormous "robber tariff" protection as that! It can scarcely be doubted that such paternalism "degrades to the purposes of wily craft the plan of rule our fathers established and bequeathed to us as an object of our love and veneration."

This important matter can not be viewed too carefully from every standpoint. Suppose that, under the laws as they now exist, five men shall become organized into a corporation for business purposes. They unite their funds and purchase $50,000 of United States bonds with the intention of borrowing money from the United States Government at 1 per cent per annum. on twenty years' time. Their agent proceeds to Washington, and having found the office of the Secretary of the Treasury, the following dialogue might naturally occur:

Agent: "You have money to loan, I believe, Mr. Secretary, on United States bonds at 1 per cent per annum?"

Secretary: "Plenty of it. How much do you want?"

Agent: "I have $50,000 in Government bonds which I desire to deposit as security for a loan of $45,000 in currency to be used by our corporation in opening and operating its farming lands."

Secretary: "Stop! Stop! You need say no more. This Government has no money to loan for farming purposes. That would be 'paternalism,' such as President Cleveland condemns in his inaugural address."

Agent: "I am surprised, Mr. Secretary, that I can not borrow money for agricultural purposes; but, since the lands our corporation owns are underlaid with valuable mineral deposits, if I may be allowed to use the money for the purpose of opening and working our mines it will answer our purpose quite as well."

Secretary: "You can not, sir. The Government has no money to loan for mining purposes."

Agent: "Can we have this 1 per cent money, then, for the purpose of operating the plant in which our ores will be refined by the use of coal from our mines? If not, by your leave, we will take the loan for the purpose of building a steamer in which to transfer the products of our mines and farms to distant markets."

Secretary: "You can not have the money for any such purposes. A law authorizing such loans as you mention would be one of those class laws, 'the unwholesome progeny of "paternalism"' which is 'the bane of Republican institutions.' The doctrines of paternalism, which you seem to have imbibed, 'ought to be unlearned, and the better lesson taught, that while the people should patriotically and cheerfully support their government, its functions do not include the support of the people.'"

Agent: "Thank you, Mr. Secretary, for your kind advice. I know that I and my people are not very wise, but by keeping ourselves in a receptive frame of mind, we may learn something. Perhaps I may venture to assert that just now I am learning very fast. The information you have just imparted gives me a wonderful insight into the philosophy of government. The members of our corporation knew of an instance wherein a certain banking corporation was granted a loan of $45,000 in currency for twenty years, at 1 per cent per annum, on deposit of $50,000 in United States bonds as security, and we innocently supposed that our corporation, for the same security, would be granted an equal sum to be used in industrial pursuits which will give employment to labor and develop the resources of the country."

Secretary: "That is entirely a different matter, sir. For banking purposes you can have all the money you desire (up to 90 per cent of the bonds you deposit) at 1 per cent per annum, on twenty years' time. I will pay you gold interest on the face value of your bonds, while they are on deposit, one year in advance, exempt your currency from all State or local taxation, and renew your currency when old bills become mutilated, without extra charge. Your bonds are already exempt from all taxation. Your currency, which costs you 1 per cent here, can be loaned in most of the Western States at 10 per cent, compounded from four to twelve times per annum. Your taxes will be light, and the profits on the cost of your currency will be approximately ten dollars to one: or, a protection of about 1,000 per cent. No business in this country is guaranteed by the Government such profits as banking."

Agent: "Again, Mr. Secretary, I thank you. But is there no paternalism about this?"

Secretary: "You will get all needed information regarding details of the loan from the Comptroller of the Currency, who will, in due time, forward you the money. I will be much pleased to see you at any time you are in Washington. Good day, sir."

Mr. Speaker, do you see any "paternalism" in the national banking system? Do you see in it any "bane of republican institutions, and constant peril of our Government?" Do you see anything in it which "undermines the self-reliance of our people, and substitutes in its place dependence upon governmental favoritism?"

I ask these questions with the greater freedom because prominent Democrats, in times past, have had decided opinions on this banking question and have freely recorded them, although these institutions in their day were less powerful and far less dangerous than the banking system and institutions of the present.

Thomas Jefferson, the first great Democrat in this country, expressed himself on various occasions substantially as follows:

Bank paper must be suppressed and the circulation restored to the nation to whom it belongs.

The power to issue money should be taken from the banks and restored to Congress and the people.

I sincerely believe that banking establishments are more dangerous than standing armies.

I am not among those who fear the people. They, and not the rich, are our dependence for continued freedom. And to preserve their independence we must not let our rulers load us with perpetual debt.

Put down the banks and if this country could not be carried through the longest war against her most powerful enemy without ever knowing the want of a dollar, without dependence on the traitorous class of her citizens, without bearing hard on the resources of the people or loading the public with an indefinite burden of debt, I know nothing of my countrymen.

The first real contest with the bank power occurred under the administration of President Jackson, who in one of his messages described the case as follows:

It being thus established by unquestionable proof that the Bank of the United States was converted into a permanent electioneering engine, it appeared to me that the path of duty which the executive department of the Government ought to pursue was not doubtful. As by the terms of the bank charter no officer but the Secretary of the Treasury could remove the deposits, it seemed to me that this authority ought to be at once exerted to deprive that great corporation of the support and countenance of the Government in such a use of its funds and such exertion of its power. In this point of the case the question is distinctly presented, whether the people of the United States are to govern through Representatives chosen by their unbiased suffrages, or whether the power and money of a great corporation are to be secretly exerted to influence their judgment and control their decisions. It must now be determined whether the bank is to have its candidates for all offices in the country, from the highest to the lowest, or whether candidates on both sides shall be brought forward, as heretofore, and supported by the usual means.

Thomas H. Benton, in the United States Senate, declared himself as follows:

The Government itself ceases to be independent, it ceases to be safe when the national currency is at the will of a company. The Government can undertake no great enterprise, neither war nor peace, without the consent and coöperation of that company: it can not count its revenues six months ahead without referring to the action of that company—its friendship or its enmity, its concurrence or opposition—to see how far that company will permit money to be scarce or to be plentiful; how far it will let the money system go on regularly or throw it into disorder; how far it will suit the interest or policy of that company to create a tempest or suffer a calm in the money ocean. The people are not safe when such a company has such a power. The temptation is too great, the opportunity too easy, to put up and put down prices to make and break fortunes; to bring the whole community upon its knees to the Neptunes who preside over the flux and reflux of paper. All property is at their mercy. The price of real estate, of every growing crop, of every staple article in the market, is at their command. Stocks are their playthings—their gambling theater, on which they gamble daily with as little secrecy and as little moralty and far more mischief to fortunes than common gamblers carry on their operations.

The sad experiences of the country in its struggle with the bank power in the earlier days of the Republic, and the bold and patriotic teachings of the great Democrats of those times, instilled into our people a just and prudent jealousy toward the banks, which usually insured the success of the Democratic party at the national elections. President Jackson began his memorable contest with the bank power during his first term. His second election was on the bank issue. His signal and glorious victory showed that the people were with him. He declared in his fight that a national bank is unconstitutional and dangerous to liberty. And at the polls the people declared that Jackson was right.

Martin Van Buren was elected in 1836, because it was understood that, on this bank question, he would "walk in the footsteps of his illustrious predecessor." Seven times the people voted on this bank question, with the expressed or implied understanding that the Democratic party was in deadly hostility to the existence of a national bank, and was opposed to the mixing of the Government money with the funds of banking institutions. Five times at those seven elections the people elected the Democratic ticket on the antibank platform. In 1860 and since that time, the Democratic platforms have expressed no hostility to national banks. Since 1860, the Democrats have been beaten seven times in nine. And a new antibank party is organizing and coming to the front to renew the fight of the old Democrats on the money question.

To show the form and nature of the contests in the national elections referred to, I quote from the Democratic platforms of 1852 and 1856, the following resolutions:

> *Resolved*, That Congress has no power to charter a national bank; that we believe such an institution one of deadly hostility to the best interests of the country, dangerous to our Republican institutions and the liberties of the people, and calculated to place the business of the country within the control of a concentrated money power, and that above the laws and will of the people; and that the result of Democratic legislation in this and all other financial measures upon which issues have been made between the two political parties of the country have demonstrated to candid and practical men of all parties their soundness, safety, and utility in all business pursuits.
>
> *Resolved*, That the separation of the moneys of the Government from banking institutions is indispensable for the safety of the funds of the Government and the rights of the people.

Mr. Speaker, that was the emblazonry on the proud and victorious banner of the ancient Democracy hoisted by the immortal Jackson at the close of the most memorable political contest in our history. Through seven Presidential campaigns it was carried aloft to almost certain victory, winning the day by the approval of the people five times in seven. All this, the ancient leaders of your party and their followers did, with that hydra, chattel slavery, gnawing at their vitals, and on their shoulders that pile of tigers—the moneyed institutions of the East.

Speaking of Jackson's victory over the national bank and its branches, Senator Benton said:

> She is not dead, but holding her capital and stockholders together under a State charter, she has taken a position to watch events and to profit by them. The royal tiger has gone into the jungle; and, crouched on his belly, he awaits the favorable moment of emerging from his covert and springing on the body of the unsuspicious traveler.

During the late war, when this country was in a death struggle to avert dismemberment, and while the minds of the people were intensely occupied with that contest, the "favorable moment" came; and for thirty years the progeny of that "royal tiger," in the form of 3,000 whelps, have had this great nation by the throat, fattening on its lifeblood. All the experiences and teachings of the ancient Democracy on this subject have been ignored and forgotten. Millions and millions of public moneys have been placed in the banks without interest, to be handled and loaned by them at a profit, from the people's earnings. Hundreds of millions of dollars of national currency have been furnished the banks at mere cost of printing, by means of which they have fattened from the labor and business of the country. Bankers and bank presidents, and bank stockholders have occupied the highest positions in the Government; and so haughty and powerful have they become, that they now make money plentiful or scarce at will, as described by Senator Benton. The Government itself ceases to be independent and every man's fortune and property is in their hands. They can make a special session of Congress necessary at any moment they please.

The President of the United States must not only obey their insulting commands, but he must do it in haste. If the banks say a special session in September is too late, it must be in August, then the Chief Magistrate of this Republic, cap in hand, calls the session in August.

But why should Congress meet at all? Have not these, our masters, long ago published that—

> The machinery is now furnished by which, in any emergency, the financial corporations of the East can act together on a single day's notice, with such power that no act of Congress can overcome their decisions.—*New York Tribune.*

Of course it is in the interest of temporary peace for Congress to enact the present will of the banks into law, but it is seldom long until new demands are made. In case Congress should prove refractory and should desire to enact laws in the interest of the people, the banks usually coerce compliance with their wishes.

Mr. Speaker, should it be claimed that our present highly protected banking system is unlike the old national bank of Nicholas Biddle fame, and hence is harmless, I ask attention to the testimony of some of our later statesmen on the subject. Hon. D. W. VOORHEES, United States Senator from Indiana, and a leading Democrat of the nation, on June 19, 1892, said:

> A brief glance at the conduct of the banks during the last year and a half is all that I can indulge in at this time, but it is sufficient to prove the truth of what I say.
>
> In the closing days of the last Congress and of the last Administration the banks precipitated an issue upon the people which ought not to be forgotten on an occasion like this: an issue so full of danger to constitutional liberty that it ought to be faithfully remembered now that they are asking a new and indefinite lease of power.
>
> It is now twenty years ago that this Government first engaged in building up, fostering, and encouraging the present vast and overshadowing system of national banking.
>
> No favor ever demanded by the banks has ever been withheld, no privilege denied, until now they constitute the most powerful moneyed corporations on the face of the globe. Congress has heretofore on nearly all occasions abdicated its powers under the Constitution over the finances of the banks, except when called upon to legislate in their favor. They have demanded the violation of legislative contracts with the people, and the demand has been granted, whereby their own gains and the people's burdens have been increased a thousand fold beyond right and justice. They have demanded the remission of all taxation on their bonds, and it has been conceded, thus leaving the poor to pay the taxes of the rich. They have been fortified in their strongholds of moneyed caste and privilege by double lines of unjust

laws, supplemented with here a redoubt and there a ditch, to guard them from the correcting hand of popular indignation, until now, deeming themselves impregnable, they bully and defy the Government.

* * * * * * *

Sir, with full and unrestricted power over the volume of the currency and, consequently, over all values conceded to the banks, together with ample machinery by which in an emergency they can defy the passage of any act of Congress, what is left to the Government except an abject submission? This Government could not, to-morrow, go to war in defense of its flag, its honor, or its existence without first asking permission to do so of the great financial corporations of the country. If there was an invading force on our soil this hour, Congress could not with safety or show of success declare war to repel it without first supplicating cowardly and unpatriotic capital, engaged in banking, not to contract the currency, withhold financial aid, and leave the country to starve. In fact, there is no measure of this Government, either in peace or in war, which is not wholly depending on the pleasure of the banks.

This Government is at the mercy of its own creatures. It has begotten and pampered a system which is now its master. The people have been betrayed into the clutches of a financial despotism which scorns responsibility and defies lawful restraint. * * *

The methods adopted by our present national banking system are also similar to those pursued by the United States Bank in its rebellion against the Government. The contest between the United States Bank and the United States Government commenced in 1829 and terminated in 1836, covering a period of seven years, as long as the American revolution, and involving results as important to the rights and power of the people to govern themselves. The charter of the bank was to expire in 1836, and Andrew Jackson, who was a magnanimous foe, gave notice in 1829 that it should never be renewed with his consent. The war at once opened. A torrent of incessant abuse was at once poured on General Jackson and his supporters by the bank and its stipendiaries. The newspapers of that period show that he and his followers were all stigmatized as hopelessly ignorant on the subject of the finances and bent on destroying the public credit. These charges have a familiar sound and are in daily use now, as they were fifty years ago, against all who dare oppose the insolent pretensions of the banks.

Senator Benton has told us the manner of the fight of the bank on President Jackson and his supporters:

Both he and they during the seven years that the bank contest in different forms prevailed received from it, from the newspapers and periodical press in its interest, and from the public speakers in its favor, of every grade, an accumulation of obloquy only lavished upon the oppressors and plunderers of nations—a Verres or a Hastings. This was natural in such an institution.

CONCLUSION.

Mr. Speaker, I must now close with some thoughts arising from the foregoing discussions, and with a cursory touch on a few of the points not mentioned.

In all seriousness, my dear sir, can we not see that our hidebound, fluctuating, costly, and insufficient gold-basis system is "an insidious infirmity that threatens our national vigor?" Is it not the "unheeded disease" which may doom our country "to a sudden collapse?" The President wisely suggests that we have grown "heedless of those laws governing our national health, which we can no more evade than human life can escape the laws of God and nature."

That is a bold, strong, and true statement. We are defying those laws which Rome defied when she adopted a metallic system of shrinking money and falling prices and entered the dark shadow of national decay and ultimate disintegration. We are defying those laws which England defied when she adopted gold-basis money with declining prices, bringing distress and starvation on the common people, and compelling four-fifths of her happy freeholders to abandon their hearthstones. We are defying the same laws which Germany defied when, at the close of the Franco-Germar war, intoxicated with a thousand millions of indemnity money, she adopted the gold-basis system. Consequent falling prices doomed her people to serfdom intolerable, with irredeemable mortgages resting on 80 per cent of the German real estate. We indorsed the policy of defying "the laws of God and nature" twenty years ago, when we adopted the gold standard, producing shrinkage of money and falling prices. Our finances have been in the hands of the currency doctors ever since, constantly growing worse, until now the surgeons are crying out for help to save themselves, amid the death struggles of their prostrate victim. Our farm mortgages mount into the billions; business is everywhere bankrupt, and labor is starving, as in England when troops were required to compel men, women, and children to starve in peace.

We all agree that "a sound and stable currency" is "vital to our supremacy as a nation." That being true, Mr. Speaker, how can we favor the most fluctuating and insufficient currency known in all history? The President condemns class legislation and "paternalism," yet I nowhere find him condemning that national banking system, than which no more glaring example of paternalism can exist—that system which was condemned by all true Democrats and by the people of this great country five times in seven elections prior to 1860.

The President expresses himself as very solicitous in regard to the degradation of the money "paid to toil." He expressed very earnestly the same just solicitude in his letter of February 27, 1885. I am glad to know that this is an abiding sentiment with him. Every patriot should be solicitous to do justice to the laboring people, because they are the very foundation of the life and prosperity of the Republic. Let me mention to him a bit of news:

For twenty years it has been the custom to furnish for the particular use and payment of honorable labor a specially light and cheap coin.

While the President and his advisers deprecate and condemn the standard silver dollar of 412½ grains as inconvenient, "dishonest," and dangerous, labor is furnished a light subsidiary coin of 385 grains of standard silver. This is supplemented by a token coinage made of nickel, having a commercial value of about ten cents on the dollar. The great Government creditors spurn the standard silver dollar of the fathers, which, as bullion, when fairly treated by the laws, has been usually worth more than gold; but the humble and helpless boys of toil, who black the boots of the Government creditors must doff their ragged hats and bend the fawning knee in order to obtain 10 cents on the dollar for their labor. I do not thus speak in jest nor carelessly. There has been a special effort made by the moneyed classes that labor shall be thus paid in cheap money.

On July 20, 1885, the associated banks of New York issued a circular in which they expressed themselves very fully as to the circulation of cheap money, which usually pays the wages of toil. This circular of the associated banks of New York in part says:

It is an undeniable fact that a silver coin of the size and denomination of the dollar is not in popular demand, and is not a convenient form of money for ordinary use, but that the fractional coins may more largely circulate. For this reason the committee cordially invite all banks and bankers throughout the country to unite with them by lending their aid in disbursing as far as they are able the fractional silver coins, of which there are now lying idle in the Treasury some $30,000,000. Whatever portion of this amount can be put in circulation will so far relieve the present exigency.

To the common reader that looks very much like a "conspiracy" of the associated banks to disburse for the use of men unable to own and carry a whole dollar, a light-weight silver money, legal tender for $5 only in any one payment. And if some richer man should become the fortunate owner of four quarters or two halves he would have the consolation of knowing that his load was 27½ grains lighter than if he were compelled to lug around the common standard dollar, which the banks say is not in popular demand. I wonder the Executive or his Secretary, in July, 1885, did not detect this combined effort of the New York banks to circulate a "degraded currency" into "the hand of toil."

When we hear from the platform, and read in the great state papers, what solicitude legislators and other officers of the Government have for the rights and equties of "toil," the wonder is that laboring people are not all rich! One would hardly suspect that these speakers and writers, after the sermon is over, would spend their time devising, enacting, and enforcing systems of taxation and finance specially designed to filch from toil every dollar it earns beyond the cheapest possible living. It is words for the humble to tickle the ear. It is acts for the rich and powerful to add to their wealth and power.

Mr. Speaker, the committee of the associated banks strongly intimate that President Cleveland agreed with them in their efforts to force a degraded currency into the hands of labor. Their circular says:

This committee can not better serve the purpose of their appointment than by reproducing the letter of the President of the United States, written just before his inauguration, wherein he expresses his own views upon the silver question with great clearness and force, and in doing so he also reiterates the opinions of his predecessors in office.

Can it be possible that the then President of the United States was friendly to the policy of the bankers in forcing a degraded currency into "the hand of toil;" and that, in so doing, he agreed with "his predecessors in office?"

It has often been charged that, on the finances, there is no difference between the Democratic and Republican leaders. Here is a clear statement by a high and friendly authority that the charge is true. I have watched in vain for years to see or hear an authorative act or word in favor of paying "into the hand of toil" gold only, as is paid to wealth, sometimes in violation of contracts and against the interests of the laboring people.

Mr. Speaker, the rulers and high officers of leading nations can not escape history. It is something to transmit to our children great wealth, but it is far better to bequeath to them free institutions and the bright and glorious examples of patriotic statesmanship in the service of our common country. The hero who defends his people with the sword does much. He who defends them against the wily and merciless oppressions of the purse does more. Gen. Jackson was a hero on the battlefield whom we all admire. His heroism in the Cabinet was incomparably greater, and his victory over the money power embalmed him in the hearts of the people, and impressed itself on the policy of the country beyond comparison in modern history. That other great and glorious Democrat, Thomas Jefferson, stands preëminent among the earlier statesmen of this country, because he planned the field and began the battle which Jackson victoriously won. The salvation of this Republic and the perpetuity of human liberty in America is now in the scale waiting for other patriots to gloriously continue the fight. The battle is between God's people and the worshipers of the golden calf.

The people of this country have had a struggle with the black demon of chattel slavery. There is another slavery. Slavery is a means by which the master enjoys the earnings of the man. If its requirements are enforced by the lash and the bloodhound, it is called chattel slavery. If the robberies are enforced by means of bonds and mortgages created through the manipulations of taxation and finance, it is slavery all the same. Chattel slavery is a system of physical force, after the manner of the lion and the tiger. The slavery of the purse is after the manner of the serpent. It is mildness itself in the beginning. It charms, entices, and slimes. Then it crushes and devours by slow processes, through the mortgage, the bond, and other devices, but the day of judgment finally comes with merciless certainty and relentless savagery. We have beaten the lion's process on the fields of Lexington, Yorktown, and New Orleans, and at Appomatox. The God of battles inspired the people with patriotism, and sent us leaders worthy of the great occasions. Our history has been a proud one, surpassing that of the greatest nations. The lion is beaten on American soil.

Next, we encounter the serpent. He has his bonds and mortgages about our institutions and our people. It is said that men can not see, but they can feel. First, they feel in their pockets; they are empty. Then they feel in their stomachs; they are hungry. Next they feel the grip of the sheriff on their shoulder: it is an eviction. Then they see and hear as they never saw and heard before. The world looks dismal. Women and children weep and cry. Brave hearts melt. There is another convert to the people's cause. The enemy makes all our converts. There are millions of them now, and the number is increasing. They have no hope for relief except through the ballot box. This is a contest, not of swords and guns, but of brains and ballots. God and his people against Shylock and his gold! Every man must take sides. We can not escape the responsibility of action, nor the verdict of posterity upon our acts. Either we will stand with Jefferson and Benton and Jackson and a long line of noble patriots, or we must be classed with Nicholas Biddle, the defaulter and corrupter of men. Mr. Speaker, let each for himself make such a record that the muse of history will speak kindly of us, and that our children may read the story of our deeds with enthusiastic pleasure and not with shame!

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