

SPEECH

OF

HON. JAMES B. MCGREARY,

OF KENTUCKY,

IN THE

HOUSE OF REPRESENTATIVES OF THE UNITED STATES

DELIVERED

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IN THE HOUSE OF REPRESENTATIVES, OF THE UNITED STATES.

Saturday, August 19, 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. MCCREARY of Kentucky said :

Mr. SPEAKER: An alarming and extraordinary business and financial situation induced the President to call Congress in extra session. No matter how we may differ as to the causes of the critical condition which confronts us, we all agree that the trouble is widespread, all-pervading, and fraught with peril to the whole country. We all agree, too, that some remedy should be speedily applied. There should be no unreasonable delay when factories, furnaces, workshops, and mines are closing and wails of distress come from the unemployed of every State; when the army of idle men and women is daily increasing, and labor and capital, agriculture and manufactures are suffering; when credit has been strained, and more failures have occurred with larger liabilities in three months of 1893 than in six months of any other year of our country's history.

DUTY AND PATRIOTISM.

This is a time for duty and not for dalliance, a time for patriotism and not for partisanship. It is not necessary now to speculate at length as to the cause of the trouble, distress, failures, and shrinkage of values which are so apparent and appalling in every section of our country. The act of July 14, 1890, called the Sherman act, while it is the main cause may not be the only cause of the present woe which afflicts the country. It may be ascribed, also, to the demonetization of silver by European nations, and to the great demand for money in Europe, beginning after the collapse of the Argentine Republic and the failure of the Baring Bros., assisted perhaps by Austria's policy of establishing a gold basis, and increased by the bursting of so many speculative enterprises in our country and in foreign countries, and by the reduction of our gold reserve and the depreciation of our silver currency which caused millions of dollars to hide.

It matters not what the cause is, it is upon our country like an incubus, like a scourge, and it is believed by millions of people that the repeal of the purchasing clause of the Sherman act will restore confidence. The President, in his message, used unmistakable language on this subject when he said :

Values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business.

I believe these things are principally chargeable to Congressional legislation touching the purchase and coinage of silver by the General Government.

I earnestly recommend the prompt repeal of the provisions of the act passed July 14, 1890, authorizing the purchase of silver bullion.

THE SHERMAN ACT AND THE PENDING BILL.

I voted against the Sherman act when it was passed in July, 1890. It has not only been a failure, but a colossal curse to the country.

The bill now pending should be passed. It provides that so much of the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and issue of Treasury notes thereon, and for other purposes," as directs the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding \$1 for 371.25 grains of pure silver, and to issue in payment for such purchases Treasury notes of the United States, be, and the same is hereby, repealed; but this repeal shall not impair nor in any manner affect the legal-tender quality of the standard silver dollars heretofore coined; and the faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States at the present legal ratio, or such other ratio as may be established by law.

The last report of the Secretary of the Treasury shows that there are 363,000,000 of standard silver dollars in the Treasury, and 57,000,000 of standard silver dollars in circulation, and \$76,000,000 of subsidiary silver coin in circulation and in the Treasury, and \$120,000,000 of silver bullion in the Treasury, making the enormous amount of \$496,000,000 of coined silver and \$120,000,000 of uncoined silver now in the Federal Treasury or in circulation, or \$616,000,000 in all. When it is remembered that the whole amount of standard silver dollars in our country in 1878 was \$8,000,000, the contrast is very plain. And when it is remembered, also, that the excess of gold exports over imports has been in the last year eighty-seven and a half millions of dollars, while in the last three years gold in the Treasury has decreased \$132,000,000 while silver has increased \$147,000,000, the necessity for action seems plain.

It is important to notice, in this connection, that the pending bill declares that the legal-tender quality of the standard silver dollars heretofore coined shall not be impaired nor in any manner affected, and pledges the faith and credit of the United States to maintain the parity of standard gold and silver coins at the present legal ratio, or such other ratio as may be established by law. I would have preferred that the bill should have provided for the coinage of \$2,000,000 worth of silver bullion per month, beginning with the silver bullion in the Treasury, but as there is now an enormous sum of standard silver dollars in the Treasury, amounting to fifty-two times as much as was in circulation or in the Treasury in 1878, when the Bland-Allison act was passed, there is not the same necessity now as there was then for such an enactment, and I will vote for the pending bill, even if the additional coinage is not provided for, as I have no doubt that Congress will hereafter enact a law looking to the further coinage of silver.

When a house is on fire it would not be wise to stop to discuss the question as to whether the fire should be extinguished with buckets of water from the cistern or with water from the lake thrown by the fire engine. Extinguish the fire with every means at hand, then discuss questions afterward. A large majority of the members of this House are in favor of the repeal of the purchasing clause of the Sherman act. Why not remove this vicious legislation without delay, and then proceed to other important business?

THE SITUATION AFTER REPEAL.

Many reckless statements have been made during the debate as regards the effect of the passage of the pending bill. Some have said the bill demone-

tizes silver, others have said the double standard will be destroyed; both allegations are untrue. The passage of the pending bill, which repeals the purchasing clause of the Sherman act, will not change the volume or the character of the money of the United States Treasury or in circulation. The gold coins, the silver dollars, the greenbacks, and the Treasury notes will remain as they are now, full legal-tender money.

The subsidiary coin will remain the same as at present. The gold and silver certificates will continue as they are now; the national bank notes, whose redemption is secured by the Government's guaranty upon the pledge of bonds, will remain unchanged. To be brief, the repeal of the purchasing clause of the Sherman act will not abolish or retire or reduce the volume of any currency now in our country, or make any change in its character, value, or general acceptability. The only change it makes is to stop the purchase of four million and a half ounces of silver bullion monthly, for the payment of which currency notes had to be issued, which have been redeemed in gold. It also stops the degradation of silver bullion by preventing its purchase and storage in the vaults of the Treasury like coal, and it stops that brokerage business in silver bullion which the Secretary of the Treasury was compelled by law to engage in, and which, because of the reduction in the price of silver bullion, has made our Government lose about \$40,000,000 in a few years and \$17,000,000 since July 14, 1890.

BIMETALLISM.

I have always been in favor of bimetallism. I believe in the employment of the two metals (gold and silver) in the currency of the country at a fixed ratio to each other as standard coin and legal tender.

For centuries gold and silver have been recognized as money metals. They are so mentioned in the Bible; they are recognized by the Constitution of the United States, and they were put upon an equality and provided for in the first mint act passed by the American Congress in 1792. There is no inconsistency in supporting bimetallism and also voting for the pending bill, which prevents the repeal of the purchasing clause of the Sherman act from impairing or in any manner affecting the legal-tender quality of four hundred and twenty millions of standard silver dollars now in the Treasury or in circulation, and pledges the faith and credit of the United States to maintain the parity of standard gold and silver coins of the United States at the present legal ratio, or such other ratio as may be established by law.

In 1878 Congressmen did not cease to be bimetallists because they supported the Bland-Allison bill, which only required the coinage of \$2,000,000 of silver bullion per month and preserved the legal-tender quality of only \$8,000,000. France is still a double standard nation, with \$800,000,000 of gold and \$650,000,000 of silver, although the coinage of silver was suspended in 1878 and is still abridged.

Mr. BOATNER. Will the gentlemen yield for a question right there?

Mr. McCREARY of Kentucky. Yes, sir.

Mr. BOATNER. Did not both the bills to which the gentleman has referred sacrifice the principle of bimetallism, in his judgment?

Mr. McCREARY of Kentucky. Which bills do you mean?

Mr. BOATNER. The Bland-Allison bill and the Sherman law.

Mr. McCREARY of Kentucky. I think the Sherman act sacrificed bimetallism. I think that the Bland act was the best bimetallism that the friends of silver could get at that time. While it may have been limited bimetallism, it was the best they could get, and I indorsed it at that time. While I would prefer, as I have said before, that the Government should coin

silver each month, yet, relying on the wisdom of the people and their representatives to provide for the coinage when needed, as was done in 1878, even to the extent of passing the bill over the veto of President Hayes, I cannot join those who propose at the time of great financial troubles and supreme business trials to hold the Sherman act as a hostage for the free and unlimited coinage of silver. The sentence of death has been imposed on the Sherman act by its friends as well as its enemies, and it should not now be a hostage.

Bimetallism was indorsed by both the Democratic and Republican parties in their national conventions last year, and will necessarily be maintained in our country. The stock of gold now in the world, nor the anticipated supplies from the mines, is not sufficient to satisfy the demand. In the United States, the largest gold producing country in the world, the product of gold last year was \$33,000,000. We produced in 1876 \$35,000,000, in 1877, \$46,000,000, and in 1878, \$51,000,000. We produce now but little over half the amount produced in 1878. The world's production of gold last year was \$130,000,000. If from this amount we deduct \$65,000,000, which, according to Mr. Burchard and Dr. Soetbeer, represents the annual consumption of gold in the arts and manufactures, there remains but \$65,000,000 as the annual and available product of gold.

I presume no candid and well-informed person will claim that this amount is sufficient to meet the increased demands of the world. Mr. Goschen, an eminent authority on this subject, who was chancellor of the exchequer in the Salisbury ministry, said: "If all the nations should resolve on the adoption of the gold standard, would there be sufficient gold for the purpose without a tremendous crisis?" Four nations—France, United States, England, and Germany—have \$2,750,000,000 of gold, while all the rest of the world combined has but \$900,000,000. These four nations have but \$1,600,000,000 of silver, while the balance of the world has \$2,350,000,000 of silver. The necessity for the double standard in our country is easily seen.

Mr. BOATNER. Will the gentleman yield to me for one further question?

Mr. McCREARY of Kentucky. Yes, sir; with pleasure.

Mr. BOATNER. You express an opinion that is heard on this floor during this debate. Has the gentleman any hope that after the passage of what is known as the Wilson bill a measure could be carried through this House providing for the continued coinage of silver on any terms whatever?

Mr. McCREARY of Kentucky. I am unable to answer that question as regards the sentiments of other members. I can say, so far as I am concerned, that there would not be any trouble in getting my vote for a bill to recognize silver by the coinage of at least \$2,000,000 per month of the silver bullion, commencing with that now in the Treasury.

Mr. BOATNER. If, fortunately, the gentleman could carry a majority of his colleagues with him to pass such a bill, has he any hope that such a measure would receive Executive approval, in the light of the message of the Executive?

Mr. McCREARY of Kentucky. I do not know what the Executive would do, and I do not desire to interrupt my argument by now expressing an opinion; but I will after awhile speak as to what I believe are the wishes of the Executive, although I do not know his views and have no authority to speak for him, and I shall speak also on the requirements of the Democratic platform.

INTERNATIONAL BIMETALLISM PROMOTED.

There can be no doubt but that the passage of the pending bill will help to open the way for international bimetallism on a fixed ratio among the great nations of the world, which is the best remedy of which I have any knowledge for the monetary evils with which all civilized nations are now suffering. Great Britain, Germany, and all the gold-standard countries would be delighted to see our country go to a silver basis, so that they might add our gold to their stock. They are now watching with anxiety and interest the Congress of the United States, and on the 3d day of the present month Mr. Balfour, the leader of the Conservative party in England, delivered an address in London in which he forcibly presented the situation in that country. He said :

We are the great upholders of a single gold standard, and yet there is not a man, I venture to say, in the city of London at this moment who would not look with horror and with apprehension at every other nation following so good an example. Was inconsistency ever shown in more ludicrous colors? * * * It is orthodox to have a single gold standard, but let Germany have a gold standard, let India try a gold standard, let the United States go in for a gold standard, and the tremor seizes every one of our commercial magnates.

I earnestly appeal to the portion of my audience whose minds are not yet made up upon this question to reflect whether of all the subjects in the world which deserves international treatment that of currency does not stand in the very first rank.

When I had the honor to address the International Monetary Conference held at Brussels, Belgium, in December of last year, I made no statement which attracted more attention and was more widely commented upon than that both the great political parties of the United States had in national conventions declared opposition to the act of July 14, 1890, known as the Sherman act, and that I was satisfied that act would be repealed.

Mr. STOCKDALE. Will the gentleman from Kentucky allow me to ask him a question?

Mr. McCREARY of Kentucky. Yes, sir.

Mr. STOCKDALE. Was the gentleman a member of the International Monetary Conference?

Mr. McCREARY of Kentucky. Yes, sir; I was one of the commission who represented the United States at the International Monetary Conference held in 1892 at Brussels, in Belgium.

Mr. STOCKDALE. Will the gentleman give the House his opinion, before he sits down, as to when we shall arrive at the free coinage of silver through an international commission?

Mr. McCREARY of Kentucky. I will be very glad to attempt to give what information I have on the subject in answer to the question of my friend from Mississippi.

There have been three international monetary conferences held, two of them by request of the United States, one by the request of the United States and France. The first one was held in 1878, the second in 1881, and the last in 1892.

When the first conference assembled, in 1878, there were but twelve nations represented. When the second conference assembled, in 1881, there were but thirteen nations represented. When the conference was held last year twenty nations were represented and all the delegates were in their seats the very day that the conference was called together. What does that show? It shows the deep interest that all the nations were taking in monetary questions. It shows that that interest had increased as the years had advanced. When that conference assembled at Brussels it was welcomed by the minister of finance of Belgium, Mr. Beernaert, who, in his address inaugurating the conference, declared that—

those who will find a remedy for the difficulties and perils of the actual monetary situation will certainly merit well of humanity.

And the able and distinguished president of that conference, Mr. Montefiore Levy, in accepting his high office, said, with much force, "that the delegates had assembled to find, if it exists, a means of palliating by a more general use of silver in monetary circulation the serious inconvenience from which every civilized nation suffers to a more or less degree."

I refer to these statements because when that conference met the minister of finance of Belgium who greeted us, the president of the conference who addressed us, and every member who made a statement on that floor, speaking for either of the twenty nations there represented, admitted that there was a serious monetary condition in Europe.

Mr. STOCKDALE. Will the gentleman permit another question for information?

Mr. MCCREARY of Kentucky. Yes, sir.

Mr. STOCKDALE. Is it true that during this increasing interest in this subject of which the gentleman speaks those nations have been demonetizing silver?

Mr. MCCREARY of Kentucky. I will show the gentleman from Mississippi [Mr. STOCKDALE] that the demonetization of silver by European nations was mainly done twenty years ago. They are now beginning to feel the evil effects of their course and have therefore willingly attended monetary conferences. England legally adopted the gold standard in 1816. Germany, taking advantage of the immense sum of gold paid her as the French war indemnity, started to demonetize silver in 1871, and the law, I believe, was passed in 1873. The Scandinavian states of Sweden, Denmark, and Norway changed to the gold standard in 1874, and the countries forming the Latin Union, consisting of France, Belgium, Italy, Switzerland, and Greece, in 1876 were compelled to suspend the coinage of silver, though silver still circulates there in large quantities. Holland and Spain took similar action about the same time, and Austria-Hungary changed from silver to the gold standard in 1892, and India has lately closed her mints to the free coinage of silver, but the government still has the right to coin silver.

England has always like a lion blockaded the way to international bimetalism, but the feeling among her people in favor of international bimetalism has greatly increased in the last few years, and if England would lead the way I believe there is no doubt but that the Latin Union countries would unite with the United States in an international agreement.

I have great admiration for Mr. Gladstone as a statesman, as a scholar, and as a leader, but he became attached to the gold standard more than a half century ago, and he will not modify or change his views now.

The day will come when he will cease to be prime minister of England; then friends of bimetalism, with such leaders as Balfour, Goschen, Houldsworth, Thompson, Chaplin, Archbishop Walsh, and many others, will show to the world that they appreciate the value of international bimetalism, and a new monetary policy will be inaugurated in England which other countries in Europe will follow, and that is the time, I will say in answer to the question of my friend from Mississippi [Mr. STOCKDALE], when free coinage will come through international action.

There are many persons who believe that the repeal of the purchasing clause of the Sherman act will force England to look more favorably on another meeting of the monetary conference and strengthen her desire for an international agreement, and that hereafter it will not be the United States who, with beseeching hands, pleads with European nations, but that Great Britain, with all her prestige and power, will be compelled to be an humble supplicant for an international monetary agreement.

Mr. BLAND. I would like to inquire if the gentleman from Kentucky proposes that the American Government shall wait until England changes her ministry before we legislate on this subject? Are we to be governed by America or by the English Parliament?

Mr. McCREARY of Kentucky. My friend from Missouri was chairman of the Committee on Coinage in the Forty-ninth Congress. When I first had the honor to come to Congress I sat as a member of that committee over which he presided with so much ability; I regard him as one of the ablest exponents of the silver question, and I learned much from him eight years ago. But he was mistaken then in some things, as he is mistaken now.

I am not looking to England for anything at present. I am merely using England as an illustration, and I am referring to the position of her leading men to show what can and what will be accomplished after awhile. I do not believe free coinage of silver can be obtained now. I believe if a free-coinage bill is passed it will not be approved by the President. If it was approved it would bring us to a silver basis in less than ninety days. I am not in favor of a silver basis; I am in favor of bimetallism; I want both gold and silver. I am trying to travel the road which will through international agreement give us free coinage of silver and free coinage of gold at a fixed ratio, common among the great nations of the world.

I received this morning the London Times. It has an editorial which begins with these significant words:

The silver question may be said this morning to hold the field alike in the New World and in the Old World.

While we are discussing silver in America they are in the House of Commons discussing silver in India; and silver, the great giant of the world, is struggling for proper recognition.

The London Telegraph, also received this morning, contains these significant words:

The monometallic controversy has descended from heaven to earth, and, dry as it is in theory, it forces attention when it involves the difference between prosperity and ruin. The silver question, in President Cleveland's forcible language, "vitality concerns every business calling and enters into every household in the land." It is undeniable that European financiers have hoped that the action of the American Government might possibly prevent the silver question from becoming a burning one in older countries. When America has shown that it does not intend any longer to try to counteract the natural laws affecting the values of the metals, Europe may be more ready to resume the attempt to establish some joint understanding on the question.

Mr. BLAND. Will the gentleman inform this House why the meeting of that conference, which was to reassemble in May, has been postponed?

Mr. McCREARY of Kentucky. Yes, sir; I will. The conference adjourned over to meet the 30th day of May. Two or three weeks before that time arrived, many of the leading members of the conference, including the president of the conference and nearly every bimetallist in it, expressed a desire to have the conference adjourn over until November. June and July are not good months for the holding of a conference in Europe. The cause of bimetallism seemed to be improving in England and in other parts of Europe, and the postponement also gave our country and other countries time to establish through their respective Congresses or Parliaments a definite policy as to monetary questions to be discussed at the conference.

Mr. BOATNER. Is the gentleman from Kentucky of opinion that the repeal of the Sherman act, without any provision for the unconditional coinage of silver in this country, will facilitate the cause of international bimetallism?

Mr. McCREARY of Kentucky. I am of that opinion.

Mr. BOATNER. Will the gentleman in his remarks hereafter kindly inform us how, in his judgment, the repeal of this law will promote international bimetallism?

Mr. McCREARY of Kentucky. As long as England believes the United States will go to a silver basis and she and other gold-standard countries will get the gold of our country she will not agree to international bimetallism.

The very extract that I read from the speech of Mr. Balfour a few moments ago partially answers the question of the gentleman from Louisiana. Mr. Balfour in his speech at London, one of the greatest speeches that has been made on bimetallism in modern times, said :

It is orthodox to have a single gold standard in England; but let Germany have a gold standard, let the United States go in for a gold standard, and a tremor seizes every one of our commercial magnates.

As I said before, there is not gold enough in the world to maintain the gold standard in all countries.

Mr. BRYAN. Will the gentleman allow me a question?

Mr. McCREARY of Kentucky. I will yield once more, and then I must decline to yield further.

Mr. BRYAN. If the unconditional repeal of the Sherman law will promote the adoption of bimetallism, will the gentleman explain upon what theory every advocate of a gold standard demands such unconditional repeal?

Mr. McCREARY of Kentucky. I can not of course speak for those men, for I am not an advocate of a single gold standard. But I suppose that gentlemen who advocate a single gold standard, and who are to-day in favor of the repeal of the purchasing clause of the Sherman act, desire its repeal because they have found that it has been a curse to the country, that it has been a failure as a law, and that more than anything else it is bringing about a shrinkage of value, and hard times and depression throughout the country. I am giving that simply as my opinion. I am not one of the gentlemen to whom my friend from Nebraska refers.

Mr. Speaker, I shall not attempt to go into a history of the advance of bimetallism in England; but I want to say to my distinguished friend from Nebraska (and I have thought of it since he asked his question) that I listened with regret two days ago to his statement when he spoke lightly of international bimetallism. I regretted to hear him intimate that the friends of international bimetallism were friendly to the gold standard and were the enemies of silver.

Mr. BRYAN. May I correct the gentleman's statement?

Mr. McCREARY of Kentucky. Yes, sir.

Mr. BRYAN. I know the gentleman does not desire to do me injustice. My statement was that we are still waiting for international bimetallism, and that those are waiting most patiently who want a gold standard.

Mr. McCREARY of Kentucky. The gentleman said also that the opponents of the Bland law in 1878 were waiting for international bimetallism. I think the gentleman unintentionally did injustice to the grand army of bimetallists in this country and in Europe.

Mr. PATTERSON. Is it not true that there is a consensus of opinion among the leading bimetallists with whom you conferred in Europe that national bimetallism is impracticable?

Mr. McCREARY of Kentucky. That national bimetallism is impracticable, that bimetallism cannot be maintained by a single nation, but that international bimetallism is practicable.

Mr. BLAND. Did they not confine that view to their own little governments, not extending it to ours?

Mr. McCREARY of Kentucky. No, sir.

Mr. BRYAN. Will the gentleman yield for an interruption?

Mr. McCREARY of Kentucky. Yes, sir.

Mr. BRYAN I would like to ask the gentleman from Kentucky to insert also in his remarks that portion of the report, signed by all of the commissioners, which states that France did maintain bimetallicism at a ratio of $15\frac{1}{2}$ to 1 for a period of seventy years, and then explain why, if France did it, this country, with twice its resources, can not do it now at a ratio of 16 to 1.

Mr. McCREARY of Kentucky. In 1876 France suspended the coinage of silver, and that coinage has been suspended ever since.

Mr. BRYAN. But if France, of all nations of Europe, maintained alone for seventy years the parity of the two metals on a basis of $15\frac{1}{2}$ to 1, why can not the United States do the same thing?

Mr. McCREARY of Kentucky. The gentleman from Nebraska is mistaken in saying that France maintained the parity of gold and silver alone. At that time bimetallicism existed in Germany, in the Scandinavian states, and in Austria-Hungary, and in Italy and Switzerland and Spain, none of which had gone to a single gold standard at that time.

Mr. BRYAN. But does not the gentleman from Kentucky understand that this report to which he refers gives France credit for maintaining the parity at $15\frac{1}{2}$ to 1?

Mr. McCREARY of Kentucky. I understand exactly what I have stated. I know the fact that the gentleman is well posted on the silver question, and therefore he is too well informed on the subject to say that France was able to maintain bimetallicism alone until 1871.

Mr. BRYAN. I will find the passage to which I have referred and hand it to the gentleman, so that he can use it in his remarks.

Mr. McCREARY of Kentucky. The gentleman can put anything in his remarks that he thinks fit. I have already occupied more time than I expected to occupy on the International Monetary Conference. I will close on this subject by saying that the gold and silver commission appointed by the English Government to inquire into the recent changes in the relative value of the precious metals, composed of twelve able and distinguished gentlemen, most of whom were members of Parliament, after an exhaustive examination for nearly two years, declared through six members of the commission as follows:

Neither metal alone exists in sufficient quantities to serve as a sole standard without causing such a change in the level of prices as to amount to a financial and commercial revolution. No settlement of the difficulty is, however, possible without international action. The remedy we suggest is essentially international in its character, and its details must be settled in concert with the other powers concerned. The essential features of the agreement to be arrived at are:

Free coinage of both metals into legal-tender money.
The fixing of a ratio at which the coins of either metal shall be available for the payment of all debts at the option of the debtor.

ARGUMENTS OF THE OPPOSITION ANALYZED.

I desire now to refer to arguments presented by the other side, so far as I have been able to hear them. They say that the passage of a free-coinage bill will make money more abundant among the people and restore prosperity. We already have more money in circulation per capita in the United States than in any other country in the world except one, and we now have 363,000,000 standard silver dollars in the Treasury and 120,000,000 of silver bullion also in the Treasury.

Free coinage will add to the stock of silver lying there by bringing to our mints annually seventy-five millions of silver, the product of American mines, and many millions from foreign countries annually, and would, in my opinion, bring our country to a silver basis in ninety days. No man can get this money without he earns it or furnishes the Government something for it. Free coinage will not put money in the pockets of the poor and needy, and

the Secretary of the Treasury is not authorized to give freely to all who will take. The only people who may get a bounty that I know of are the silver mine owners. When a mine owner takes \$600 worth of silver to the mint, and the mint gives him 1,000 silver dollars for it, does it benefit the mine owner or the people? Does it increase the wages of the miner who delves in the mines? My opinion is that no man is benefited by this transaction except the man who sells the silver. Our country produced last year 58,000,000 ounces of silver, worth at present about \$42,000,000. One million ounces of this was produced in small lots by several States. All the rest was produced in seven States and Territories, as follows:

States.	Ounces of silver.	Popula- tion.
Arizona.....	1,062,220	59,620
Colorado.....	24,347,017	412,194
Idaho.....	3,164,269	84,386
Montana.....	17,408,093	132,150
Nevada.....	2,244,000	45,761
New Mexico.....	1,075,000	153,593
Utah.....	7,762,257	207,905
Totals.....	57,059,856	1,095,621

Here we have the remarkable and unprecedented situation of 1,000,000 of people, with a total annual production worth at market price \$42,000,000, demanding free-coinage privileges which will enable them at the present prices to get for their product 40 per cent more than its present market value, while 64,000,000 of their countrymen must drink the dregs of misfortune and bear the burdens of hard times in order that 1,000,000 may be prosperous and grow rich.

The foreign commerce of this country aggregates nearly \$2,000,000,000 per year. The silver product is only about one-fiftieth of this sum, and this commerce must be conducted with money that is sound, and stable, and international, and as good as gold. But how does it affect the farmer? The value of the silver products is only one-sixteenth of the value of the corn product, or one-tenth of the value of the wheat or hay raised every year. It is worth only one-half as much as the wool or the potatoes annually produced, and about one-sixth as much as the cotton produced annually. I do not believe one class should be enriched while other classes are impoverished. As I understand it, the object of government is "the greatest good to the greatest number," and the old Democratic rule is "equal rights to all and exclusive privileges to none."

The SPEAKER. The time of the gentleman has expired.

Mr. JOHNSON of Indiana. Mr. Speaker, inasmuch as the gentleman from Kentucky [Mr. MCCREARY] has been frequently interrupted by questions, I ask that he be permitted to conclude his remarks without limit of time.

There was no objection, and it was so ordered.

Mr. MCCREARY of Kentucky. Mr. Speaker, I am very thankful for the courtesy extended to me.

It is said by opponents of the pending bill if we pass a free-coinage bill *silver will soon be on a parity with gold*. For fifteen years we have tried to accomplish that result. In 1878 we provided for the coinage of not less than \$2,000,000, nor more than \$4,000,000 worth per month, and that law was in force until 1890, but silver declined.

In 1890 the Sherman act provided for the purchase of nearly the entire output of the silver mines of the United States and required Treasury notes to be issued therefor, yet silver declined to less than 60 cents on the dollar, being lower than it had ever been in the history of our country. I cannot see, therefore, how the free and unlimited coinage of silver, with our mints open to the whole world, can restore silver to a parity with gold under existing conditions. In 1878 the pure silver in an American dollar was worth \$1.03. The ratio was 16 to 1, and the production of silver in the United States was \$35,000,000 per annum, and in the whole world the production was \$80,000,000 per annum.

At present the pure silver in an American dollar is worth about 60 cents. The ratio is about 27 to 1, and the production of silver in the United States is \$75,000,000 per annum, and in the world \$190,000,000 per annum. These are stubborn facts, and I submit as a business proposition, when every nation in Europe has suspended the coinage of silver or demonetized it, and India, who purchased from us last year nearly half we produced, having closed her mints to the free coinage of silver, where can we now find a market for our silver, and how can we expect it will go to a parity with gold by now making its coinage free and unlimited?

Mr. RAWLINS. May I interrupt the gentleman for a question?

Mr. McCREARY of Kentucky. I will permit one more interruption, but will then be compelled, Mr. Speaker, to refuse to yield further.

Mr. RAWLINS. Is it not true that the Secretary of the Treasury has sent to the Senate information that, notwithstanding this amount of silver to which the gentleman refers, more silver is demanded than can be supplied by the Treasury; that gold has been offered for silver which cannot be furnished? And will the gentleman in connection with that say if the bullion now in the Treasury ought not to be coined?

Mr. McCREARY of Kentucky. I do not know what information the Secretary of the Treasury has sent to the Senate, and I will have to see reports referred to by the gentleman before I will be satisfied.

Responding to his question in regard to coining the silver bullion in the Treasury, I remind him that I have already stated I am in favor of coining the bullion in the Treasury at the rate of \$2,000,000 per month.

It is said also that free coinage of silver would raise prices. The lessons of the past fifteen years answer this statement. During this period the amount of money in this country has more than doubled. The circulation per capita has increased nearly 30 per cent, but the general average of prices has fallen.

The demand for money grows with the world's growth of business and trade.

THE PROGRESS OF THE PRESENT AGE.

The immense developments being made, the numerous railways in both hemispheres, the great fleets of ships laden with the commerce of the world, the telegraph lines making all commercial centers convenient markets, and the rapidly growing tendency to international unity, imperatively require large amounts of money; but that money to be useful must be sound, stable, and international, so that when debts are contracted both debtors and creditors will know that payment will be made on the same principle as when the debt was contracted. This is the honest, the fair, the just way of conducting business.

If there is an abundance of money in a country to meet the demands of trade and business and labor, prices will assume a natural and proper position unless there is some other interference. When the monetary systems of the

world are examined it will be found, as I have said before, that our country has more gold and silver money than any other country except one, and that no country in the world except one has as large a circulation per capita as the United States. There must then be something else needed to increase prices other than free coinage.

THE DEMOCRATIC PLATFORM.

One of the greatest conventions which ever assembled in the world was held last year at Chicago, and Grover Cleveland and Adlai Stevenson were nominated for President and Vice-President. Those in favor of free coinage say that the Democratic platform should be adhered to, and that they are seeking to comply with the pledges made in that platform. I am as much in favor of keeping the pledges in the national Democratic platform according to the straight letter of the covenant as any man. I know it has been differently construed according to the interests of those who interpret it, but to me there is no ambiguity about it, and I am ready to stand by a fair and just construction of it. I now read from the Chicago Democratic platform :

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against metal or charge for mintage; but the dollar unit of coinage must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals; and the equal dollar of every dollar at all times in the markets and in the payments of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin.

We insist upon this policy as especially necessary for the protection of the farmer and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

It will be observed that the free coinage of silver and gold without discrimination "or charge for mintage" provided for in the platform is that of coins of equal *intrinsic* value. It is not the free coinage of a 60-cent, or 70-cent, or 80-cent silver dollar, but of a silver dollar of equal intrinsic value with the gold dollar. It is further to be observed that the alternative plan of an "international agreement" or "safeguard of legislation" mentioned in the platform must be such as shall insure "the parity of the two metals" and the equally purchasing power and debt-paying power of the two dollars in the markets of the world. The free coinage of silver upon these terms is just as different from the free coinage of light-weight dollars, discredited in every market but our own, as is the purchase of silver bullion not for coining but for useless hoarding in Government vaults. This scheme the platform justly denounces as one "*fraught with possibilities of danger in the future.*"

To those who have charged inconsistency and bad faith, I can only say that Mr. Cleveland was nominated by those who had a full knowledge of his Warner letter and of his views on financial questions; and in his letter of acceptance he said :

Though much is left unwritten, my record as a public servant leaves no excuse for misunderstanding my belief and position on the questions which are now presented to the voters of the land for their decision.

His record as a public servant made him a platform, and the people had no doubt as to his position. Every national platform of the Democratic party since 1880 has demanded honest money, consisting of gold and silver, and paper convertible into coin on demand without loss. I indorse this fully. I have no right or authority to speak for Mr. Cleveland, but I believe he heartily indorses this time-tried and time-honored doctrine.

THE RATIO OF GOLD TO SILVER.

Many of the opponents of the pending bill advocate a change of the law which has been in force in the United States since 1834 fixing the ratio between gold and silver at 1 to 16—that is, one ounce of gold equal to 16 ounces of silver. They propose that a vote be taken on the ratio of 1 to 17, 1 to 18, 1 to 19, and 1 to 20. The question of the ratio of gold to silver is very important and deserves the most careful and thorough investigation and consideration. Changes in ratio were made in ancient times easily, because there was then but little silver money. In Rome, about the beginning of the Christian era, the relative value of gold to silver was 1 to 9. At the time of the discovery of America the ratio was 1 to 11; in 1600 it was 1 to 13, and it continued to rise until the first mint act of the United States was passed, when the ratio in our country was established at 1 to 15. In 1834 the ratio was changed to 1 to 16, and for about sixty years this ratio has remained unchanged.

When it is remembered that if the ratio of gold to silver should be changed it will take, according to a statement made by the Director of the Mint, ten years to recoin the silver we now have on hand, and if the ratio is fixed at 20 to 1 it will immediately discredit every silver dollar in the United States and cost the Government \$89,000,000, as stated by Secretary of Treasury, being the cost of mintage and the additional amount of silver required to make the difference in the ratio, and increase the obligations of debtors millions of dollars and destroy all hope of international bimetallism, the unwisdom of a changed ratio becomes apparent.

MONETARY COMMISSION.

Macaulay said "truth is found between two extremes." I have listened attentively to speeches made by members in favor of gold monometallism and by members in favor of free coinage of silver, and I am satisfied that neither will prove to be a remedy for existing financial and business distress. On the contrary, either will aggravate the woes with which our country is at present afflicted.

To continue silver at its present standard as money will not harm the East, but to impair or destroy its value as money would greatly injure the West in its mines and manufactures, and the South in its agriculture and trade. Therefore, I am in favor of an intermediate position. Repeal the purchasing clause of the Sherman act and then arrange for the coinage at our present standard of \$2,000,000 of silver per month, beginning with the silver bullion in the Treasury. This will relieve present financial strain and help to restore confidence. Then a monetary commission could be put to work, and after it reports we could take such further action as is needed.

There are certain great questions in our monetary system, including the ratio of gold to silver, which I think should be referred to a monetary commission, to consist of three Senators, to be appointed by the President of the Senate, three Representatives, to be appointed by the Speaker of the House of Representatives, and three experts, to be selected by the President of the United States, who should have authority to take evidence of business men in the South, North, East, and West, before the whole committee or before subcommittees, and to inquire into and report—

First. On the change which has taken place in the relative value of gold and silver, and whether the change is due to the depreciation of silver or the appreciation of gold, and the cause of the change—whether permanent or

temporary, the effect thereof upon finance, trade, commerce, agriculture, labor, and other interests of the country, and upon the standard of value in this and other countries.

Second. On the policy of maintaining the double standard in the United States, and what should be the legal ratio between silver and gold when coined, and how many kinds of currency are needed.

Third. On the best means of restoring confidence in commercial and financial circles, and promoting international bimetallism.

Such monetary commissions have been appointed in the past, and have always rendered valuable service. The Monetary Commission appointed under an act of the Congress of the United States in 1876 made an able and elaborate report, arousing an interest among the people, and accomplished much of permanent value in the direction of solving the financial difficulties of those times. It opened the way for the remonetization of silver and the passage of the Bland-Allison act in 1878, which took the silver question out of politics until the passage of the Sherman act in 1890.

The gold and silver commission in England, of which Herschel was chairman and Balfour, Houldsworth, and Chaplin were conspicuous members, made favorable and exhaustive reports and furnished much important information to the whole of Europe on financial questions and awakened a feeling in favor of bimetallism which is growing every day.

After the repeal of the Sherman act, conservative and well-advised action is needed, and a few months allowed for the people to recover from the effects of bad financial legislation and for the committee to make a careful examination of questions involving the relative value of gold to silver, the proper ratio to be fixed between the two metals, and the policy of maintaining the double standard and of reducing the number of kinds of currency which we now have, and the best means of promoting international bimetallism will be of immense benefit in aiding Congress to arrive at a proper conclusion on these great questions.

DUTIES WHICH SHOULD BE HEEDED.

Mr. Speaker, some duties stand out so clearly that not to see them is to be blind and not to heed them is folly.

The first I present is that the purchasing clause of the Sherman act should be immediately repealed and the legal-tender quality of the standard silver dollars preserved, and the parity of gold and silver coins of the United States maintained.

The second is that a free coinage bill should not be passed at this time. It would only result in a divided Democracy and the bill will not become a law.

The third is that every patriot should aid so far as he can conscientiously the honest efforts of a patriotic President to relieve the people and restore prosperity to the country.

A heavy responsibility is resting on the representatives of the people at present. We are not here, as some have intimated, to watch the way the wind blows and study only problems that will return us to Congress, but we are here to rise above prejudice and passion, selfish interests and personal ambition, and to legislate in such a way as to benefit the people and promote the welfare of the whole country. We should do what honor and conscience dictate and then submit to the verdict of the people. [Applause.]