WHY THE PURCHASE CLAUSE
OF THE ACT OF JULY 14, 1890,

(CALLED SHERMAN LAW)

SHOULD BE REPEALED,

AND

WHY FREE COINAGE OF SILVER WOULD BE UNJUST.

Free Coinage a Rebellion against the Progress of Man.

REMARKS

OF

HON. J. H. WALKER,

OF MASSACHUSETTS,

IN THE

HOUSE OF REPRESENTATIVES,

WEDNESDAY, AUGUST 23, 1893.

WASHINGTON.
1893.

SPEECH

OF

HON. J. H. WALKER.

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. WALKER said:

Mr. SPEAKER: My friend from Illinois [Mr. CANNON] has just asked, to what feast are we as Republicans invited? Let me say to him that we have been complaining for many years, and are now complaining, that the feast the Democratic party provides is not a feast fit for our attendance; but if they have now provided a feast fit for our attendance, I am willing to go, and to go joyfully, and propose to go; and they certainly have done so in their proposition to repeal the purchasing clause of the silver act of July 14, 1890.

The great complaint which is made against our monetary system is the lack of currency. That is the burden of the song of my friend [Mr. CANNON] who has just taken his seat. Let me say to this House that it is impossible to have "enough" currency unless the currency is flexible. We have now $1,100,000,000 of currency of various denominations, ring-streaked and speckled.

We have a financial system that is a disgrace to the United States, as is our currency. Our bank exchanges are about $400,000,000 a day. Three and a half per cent of these exchanges are made in currency and we are short of currency. Yes! And we would be short of currency, and just as short, and suffer from it still more by the law that governs all finance, if every dollar of this $400,000,000 a day was transacted in currency.

Were a law passed to-morrow that forbade the use of any check, draft, or bill of exchange, or any personal paper money of any name or nature, except paper money issued either by the Government or by the banks, so that every merchant had to keep in the form of currency in his safe what now he keeps to his credit in a bank and draws upon with his check, and if we had one hundred billions of paper money instead of one billion, we still would be short of currency in times like these, and suffer more, for the lack of currency in such times than we do today. No currency is sufficient, or can be sufficient, that is not elastic.

Why are we short? Because all the currency in circulation, be it more or less, will be used in the normal trade of everyday life. No man now gives a check for $1,000 who has a thousand dollars in bills in his safe, that he wishes to dispose of, because he does not wish the trouble and risk of keeping it.

REORGPNIZE THE BANKING SYSTEM

Therefore our remedy is to reorganize our whole banking system of shreds and patches. Pass the banking bill that your Democratic committee reported to the House at the close of the Fifty-second Congress, reported by that staunch Democrat, the gentleman from New York [Mr. BACON], and your financial ills will be cured. Under that bill the currency of the country, as such, would not cost the people one farthing, and it would give you a leeway of from $100,000,000 to $200,000,000 that might be used in any crisis or when any exceptional demand was made upon it. What makes us short of currency? Is it that the banks lock it up?

We are told on this floor, out of the same mouths that tell us that the banks lock up currency to injure the people, that the banks are paying anywhere from 1 to 3 per cent premium for the use of currency. Who then is locking it up? It is the man who is thrown out of employment by this financial crisis, who, drawing his wages, locks the money up in his pocket. And when you count these cases by the hundreds of thousands, you account for the disappearance of the currency.

The pocket becomes his place of deposit instead of the bank. The moment these men have employment this currency will again flow into the channels of trade. I have no especial objection to the bill of my friend from Ohio [Mr. JOHNSON], allowing bonds to be deposited and money to be taken out when the interest on them stops for the time they are allowed to lie in the Treasury. That would be paying interest on the currency taken, but it is an expedient that never would be availed of to any great extent, and I do not think it would be particularly a valuable addition to our banking statutes. But one additional patch to our present patch banking system will do no particular hurt if not positively injurious.

THE DUTY OF THE HOUR.

Mr. Speaker, we are called together to legislate in the midst of what threatens to be one of the most serious seasons of liquidation the country has ever seen. I shall not, at this time, stop to consider what has caused it. At another time and on the appropriate theme, I shall have some observations to make upon it. The duty of the hour is so plain that no serious-minded man can fail to see it and bend his utmost effort to the task of relieving the country from its trouble.

That the purchase clause of the silver law of July 14, 1890, is a menace to the best economic conditions of our people and ought to be at once repealed is practically unanimously agreed to by all. None see its uneconomic provisions or are more earnest to wipe them from the statute books than those who framed it. They see them now no more clearly than they did on the day they framed it and secured its passage.

As I said in this House on July 6, 1890, of a similar bill, it was not in itself wise financial legislation. It was pure politics. Not party politics, but wise statesmanship. In the then condition of financial opinion in the country it was one of the wisest pieces of statesmanship ever accomplished to stay impending calamity.

The situation that confronted us was that of one political party voting nearly unanimously for the free and unlimited coinage of silver, with a few of the other party. Not an additional one could then be saved to honest money in the Democratic party, and a majority of the constituents of scores of the Republican Congressman, who had been voting against free coinage, were determined to force their representatives to vote for free coinage against their personal convictions, as too many others had done. They must have some safe delivery from the free-silver majority in their districts, or free-coinage Republicans or free-coinage Democrats would take their places. Had two or three score more of such Congressmen gone home from the Fifty-first Congress to defend their votes for free coinage, instead of defending their votes for the silver act of July 14, 1890, and to condemn the free coinage of silver, the next Congress was about as sure to pass a free coinage of silver bill over a veto, by a two-thirds vote in both Houses, as it was to assemble.

The sensible financial men in the country did not then believe free coinage of silver was imminent. No begging or pleading could induce a single banker or economist to render the slightest assistance to the friends of sound money on the Coinage Committee in the first session of the Fifty-first Congress, while the free coinage of silver men confessed to spending thousands of dollars on a powerful lobby during the whole session. Time to arouse the country was absolutely necessary. That, and more, we safely got in the so-called Sherman bill. That bill gave the silver miner all the advantages he could possibly get from the free and unlimited coinage of silver, and all others all they could justly get from free coinage, while fully maintaining the existing measure of value. It was our deliverance through a truce, with its advantages almost wholly with the sound money side, and fatal to the free coinage of silver. Never was any legislative act more fully justified by the results.

It was framed and passed to repeal the far worse Bland-Allison act of 1878, and to break up and defeat the free-coinage forces of 1890; to be itself destroyed, after having done its work, which is already accomplished. It now stands as the last fortress of error, in which are massed all the forces of unsound financial theories. When its walls are leveled to the ground the enemies of sound money, who were skillfully allured within its walls in 1890, will be dispersed, never again to win another strategic position.

CLAIMS OF FREE COINAGE ADVOCATES NOT BASED ON FACTS.

Never did any party fight its battles on such an array of statements for truth that were utterly without foundation in fact. Never did any party so completely rely upon figments of the mind. Never did the devotees of any cause know so many things that are not so as the advocates of the free and unlimited coinage of silver. Nothing that they can conceive of as damaging to the cause of sound money do they fail to assert. They never stop to ask whether they are true or not, or seem to care to prove any of them by sober facts.

The demand for the free coinage of silver is a rebellion against human progress. Progress is possible from savage to barbarous conditions, or from barbarism to civilized man, excepting as man commands more in kind, quantity, and quality of commodities for each day's labor, and this is impossible unless nominal wages rise or prices of products fall, or both.

For centuries man remained stationary. No progress was made in material things, and therefore no progress was possible in intellectual or moral things. It is as impossible for nations to make intellectual and moral progress, excepting through material progress, as it is for a man to get broader views from a greater height while chained on the plains below.

Again, one of the prime conditions of progress is the certainty to man of his having personal possession of and a personal advantage for the things he produces. And the greater personal advantage a man can get from exchanging the things he produces, as well as the more things he can produce, acts and reacts to send him forward to happier conditions.

It is because of the greater volume and better quality of products that a day's work will buy, alike on the farm, in the shop, as well as in the silver mine, the gold mine, coal and iron mines, that this rebellion against the "world's measure of value" was begun and has gained such a momentum. Man has advanced in social well-being since 1860 as 168 of 1891 is to the 100 of 1860, as shown by his average wages. Mature manhood, and more especially the young, just entering on life's work, have in that proportion a brighter future before them than their fathers had. The struggle for free coinage of silver is a struggle to put man back from a condition represented by the 168 of 1891 to the conditions represented by the 100 of 1860.

We have the highest authority for believing that "he that oppresseth the poor to increase riches, and he that giveth to the rich shall surely come to want;" and the free coinage of silver will do both.

THE QUESTION NOT ONE OF COINING SILVER.

This question is not one of simply coining silver, or of coining gold. Never have so many silver dollars been actually coined in this country, relatively or in number, as in the last fifteen years. It is purely a question of continuing our present measure of value.

For forty years, from 1834 to 1873, there were only 6,591,713 silver dollars coined, an average of 164,793 each year, while we now have more than $400,000,000, not one of which will be made any the less "full legal-tender money" by repealing the purchase clause of the silver law of July 14, 1890.

It is purely and only a question as to what shall be the "money of account," and what shall be the metal in which banks shall pay to each other the balances due; and whether we will continue to exchange commodities, at the international world's measure of value, or whether we will descend to the monetary condition of Mexico, India, and China. Not a member of either House of Congress can be found who favors an "all gold coinage," but every one of them protests against an "all silver coinage," which is what free silver coinage means. Every member who favors the repeal of the silver-purchase clause of the law of July 14, 1890, favors the use of silver as "full legal-tender money" to the last dollar that can be economically used.

The silver coinage men wholly mistake the nature and work of money. None but misers ever borrow gold or silver money, excepting to immediately exchange it for other commodities they desire, and every other form of money is only an order for products as a deed is an order for the delivery of the farm.

Gold stands in precisely the same relation to trade and commerce that the regulator to an engine does to the steam that moves it. A desire for and the exchange of products, not money, is what moves the world. Importing or exporting gold is never done except as a corrective to bring trade back to its normal and safe condition.

It has no more relation to, and affects trade no more than, the increased radius of the balls of the regulator on the engine has to the work accomplished in the factory by the means of the steam. Coin, excepting that carried in the pockets of the people and doing only the work of currency, and doing it no better or safer than paper money, is purely a regulator. First, products are shipped: secondly, stocks; third, bonds; and lastly and infinitesimally, like medicine to man to correct disease, gold, and only in abnormal conditions. No nation can long ship or receive anything but consumable products.

SILVER WAS NOT SECRETLY DEMONITIZED IN 1873.

The most universal and blood-curdling statement made and reason given for the demand for the free coinage of silver is, that in 1873 silver was demonetized secretly and fraudulently. Not only is this without the shadow of foundation in fact, but the very opposite is true, as has been shown a thousand times. Never has there been more pains taken to make the country thoroughly familiar with an act than in the rearranging and codifying the coinage laws, which were completed in 1873 and passed unanimously. It was then thoroughly understood that gold and gold only was to continue to be our measure of value metal, as it surely has been since 1834. Silver dollars were then at 3.22 per cent premium and had been for forty years.

I ask to have read from the Clerk's desk an extract from the speech of the Hon. JOHN P. JONES of Nevada, made in the Senate April 1, 1874. Senator JONES was then, as now, as much interested in silver as any man in the United States.

The Clerk read as follows:

Does this Congress mean now to leave entirely out of view and discard forever a standard of value? Did any country ever accumulate wealth, achieve greatness, or attain a high civilization without such a standard? And what but gold can be that standard? What other thing on earth possesses the requisite qualities? Gold is the articulation of commerce. It is the most potent agent of civilization. It is gold that has lifted the nations from barbarism. So exact a measure is it of human effort that when it is exclusively used as a money it teaches the very habit of honesty. It neither deals in nor tolerates false pretenses. It can not lie. It keeps its promises to rich and poor alike.

Mr. WALKER. I will read an extract from a speech of Hon. WILLIAM M. STEWART, of Nevada, made in the Senate February 11, 1874. Senator STEWART was then, and is now, as much interested in silver as any man in this country.

I want the standard gold, and no paper money not redeemable in gold; no paper money the value of which is not ascertained; no paper money that will organize a gold board to speculate in it.

Also, on February 20, 1874, he said:

By this process we shall come to a specie basis, and when the laboring man receives a dollar, it will have the purchasing power of a dollar, and he will not be called upon to do what is impossible for him or the producing classes to do, figure upon the exchanges, figure upon the fluctuations, figure upon the gambling in New York: but he will know what his money is worth. Everybody knows what a dollar in gold is worth.

Mr. HOOKER of Mississippi. Will my friend allow me to make an inquiry of him?

Mr. WALKER. Certainly.

Mr. HOOKER of Mississippi. I understand you to say that the coinage act of 1873, in the revised code, they had passed the law. Is it not the fact that the act of 1873 never passed into the codified laws of the country at all until 1874; and that it then passed in the House and Senate without discussion?

Mr. WALKER. Mr. Speaker, that bill passed with the unanimous consent of the House and Senate, and was subsequently referred to repeatedly upon this floor and in the Senate as establishing a gold measure of value, without objection from any man in either body, having passed unanimously, and not only passed unanimously, but received unanimous assent. It was explained time and again, not on the day of its passage precisely, because it was as thoroughly understood at that time as nine-tenths of the legislation of Congress without discussion.

Mr. HOOKER of Mississippi. Without discussion?

Mr. WALKER. Without discussion on that day. I can not yield further.

Mr. HOOKER of Mississippi. That is the fact.

Mr. WALKER. In 1873 these men, and every other man in the country who discussed coinage or finance, excepting the advocates of fiat money, knew that only by reversing the natural laws of the universe could the commercial ratio of value between the two metals be changed or influenced to the smallest degree by law or by coinage.

ERNEST SEYD A BI-METALLIST.

Another reason given for free coinage is, that one Ernest Seyd was brought over from Europe by the "gold bugs of Wall street" with an immense corruption fund which he freely spent in lobbying through Congress the codified coinage laws of 1873. Like every other pretended fact against that law, the very opposite is true. Ernest Seyd was one of the most earnest, honest, self-sacrificing, determined believers in silver as money, and one of the most persistent workers against the action of Germany, France, and the United States on silver that ever appeared in Washington from this or any other country.

I ask to have read a paragraph from a writer on finance concerning Ernest Seyd.

The Clerk read as follows:

Who was Mr. Seyd? Mr. Seyd was an English banker, a man of means and widely known as an author on finance. He was a bimetallist, and the most zealous champion for and the best friend of silver that England has produced in this century. Long before 1873 and until his death, in 1881, he earnestly preached to the European nations the necessity and the advantage of opening their mints to the free coinage of silver. At the Paris International Conference of 1881 the United States was represented by Mr. Evarts, Mr. Thurman, Mr. Howe, and Mr. Dana Horton. At the fifth session of that conference Mr. Horton, after commenting on the death of the eminent Swiss financier, Mr. Feer-Herzog, said:

"I can not, however, now pass to our discussion without having mentioned another occurrence of a similar nature. I speak of the death of Mr. Ernest Seyd, the monetary writer, whose works are well known to you, and which took place at Paris since the convening of our conference. It was the profound interest which he took in the conference which brought him here, and which, I believe, hastened his death. How intense that interest was may be well understood when we remember that but a very few years have passed since the day when there was no serious opposition to the general adoption of the gold standard, except on the part of Prof. Wolowski, at Paris, and of Ernest Seyd, at London." [See letter of Ernest Seyd, Senate, *Congressional Record*, Aug. 22, 1893.

WALL STREET CAN NOT CORNER GOLD.

Mr. WALKER. Another reason given is that Wall street corners and controls gold. Here, again, a thing impossible to do is charged, and the exact opposite of the fact. How, I ask, is it possible to corner gold? It is as free to every man, rich or poor, wise or ignorant, if he has a dollar of paper money, as the air we breathe is to anyone who has lungs to breathe it. Corner and control a thing which every man, who owes a debt of any kind, must deliver for the asking, or deliver a greenback that will surely command it? Any man who talks such nonsense does not compliment his own intelligence or those he addresses. Periods of liquidation, attended with more or less of fear, and disorganized business are inevitable in highly civilized countries, and are dreaded by, and do more injury to, the men of Wall street than to any other class in the community. They do not have them in China, or in Korea, or among the Comanche Indians. They are an evil attending highly civilized conditions.

Another reason given on a par with the others is that Wall street makes money scarce and causes panics to enable it to rob the Western and Southern farmer. What a compliment to the great American nation that there are men in Congress to repeat such utter nonsense, and constituents to believe a thing that would seem incredible to the dullest mind! It is patent to every man who will give a moment's serious thought to it that the men of Wall street are more interested in having money plenty and payments sure and prompt than any other men on the face of the earth. Their destruction is in money stringencies and in panics. To illustrate their extent, and how Wall street suffers by panics, I present a table showing the prices of only thirty-three of the leading securities on the 7th of November last and on the 1st day of the current month, with a computation of the shrinkage of values in that period:

	Shares.	Prices.		Shrinkage.
		Nov. 7, 1892.	Aug. 1, 1893.	
Atchison	1,020,000	39⅜	13⅛	$26,775,000
Bos. and Alb	250,000	204¾	195	4,175,000
Bos. and Maine	187,384	175	133	7,870,068
Ches. and Ohio	601,842	23¼	13¾	5,717,499
C., B. and Q	764,070	103⅝	72	24,138,713
C., M. and St. P	460,272	81	50¾	14,383,512
Chi. and Northern	390,542	116	90½	9,958,846
C., R. I. and Pa	461,560	83⅞	55	12,868,985
C., C., C. and St. L	280,000	64¼	30¼	9,520,000
Den. and Rio. G	380,000	16⅞	9⅞	2,660,000
Illinois Central	500,000	103⅝	89½	7,062,500
Lake Shore	494,·65	134	108¾	12,490,291
Louis. and Nash	528,000	70	52⅜	9,353,142
Mich. Central	187,382	110	75	6,558,370
Missouri Pacific	474,365	61⅞	18⅞	20,397.695
N. Y. Central	1,000,000	111	97¾	13,250,000
Erie	774,275	27⅛	10¼	13,065,890
N. Y. and N. E	198,090	45	18	5,347,430
Northern Pacific	490,000	18¼	7	5,512,500
Old Colony	137,676	178½	172½	826,056
Oregon S. Line	262,448	23	7⅜	4,633,556
Reading	798,500	58⅛	12¾	36,231,937
Pullman	360,000	198½	135	22,500,000
Union Pacific	608,685	40⅝	18¼	13,619,226
Wisconsin Central	120,000	16¼	6⅛	12,000,000

Table showing prices of leading securities, etc.—Continued.

	Shares.	Prices.		Shrinkage.
		Nov. 7, 1892.	Aug. 1, 1893.	
General Electric	300,672	115½	40½	22,550,400
Ch. Junction	65,000	108	54	3,510,000
Bell	175,000	207½	173	6,037,500
Sugar	350,000	111½	65½	16,000,000
Sugar Preferred	350,000	103⅜	70	11,681,250
Calumet and Hecla	100,000	283	245	3,800,000
Western Union	948,198	98	73⅜	23,374,374
Southern Pacific	651,353	36¼	17	12,538,876
Total, 33 stocks				400,405,616

Here we have in only thirty-three Wall street properties, out of many hundreds, a shrinkage, on the basis of market quotations, of more than $400,000,000 to persons included in the term "Wall street," in these few months of liquidation.

How much have the farmers lost, or will lose, against these millions upon millions already lost in Wall street, and many more millions that it will surely lose before the present crisis ends?

Who does not remember the liquidation attending the long agony of redemption of 1873 to 1878. Scarcely a man in Wall street survived the shock. These disturbances in financial circles trouble the farmer less than any other citizen. He reposes under his own vine and figtree on the mountain side and in the valleys, watching the pomp of gaudy wealth and the show and vanity of the thousands passing by him to the mountain top. He also sees its return, dusty, worn, sick, poor, and in rags, cursing the day it was born, bequeathing nothing to the children in its train, while the farmers average to leave more property, a better training for life, and a promise of higher position for their children, than any other American citizens.

THE WORLD'S MEASURE OF VALUE.

Their next reason for the free coinage of silver is of like character with the others, and is that there is no "par of exchange" between countries; that there is no "world's price level" for the commodities of commerce; that there is no "world's, or international, measure of value," therefore this country can as well make silver bullion the measure of value as gold bullion; that the use of gold by other nations is a "notion," and our notions are as good for us to act on as their notions are for them. These wild assertions dispute every fact of the relation of money to the internal and external commerce of every country on the face of the earth. Again, the facts are the exact opposite of what the advocates of free coinage say is true.

A grain of gold is now the "par of exchange" of every country in its internal commerce and between all countries of the world, and has been, without a single exception, for a hundred years. Never in the history of the world has any coin of any nation been regarded. Everywhere it has been the single grain of gold. For eighty years the "money of account" in exchange has been the aggregate of 113 grains of pure gold, called a "pound," to insure the full weight of 113 grains, which is coined in England as the "sovereign."

Not the slightest attention was ever paid in a single instance in the world's history, or is now paid, to the coinage of England or any other country, excepting as it is a guaranty of the weight and fineness of the piece of gold offered. England is as helpless to influence values of metals by coinage laws as the weakest potentate in the South Sea Islands. Take the four richest, most prosperous, and powerful nations to illustrate this statement:

The five dollar gold coin of the United States contains 116.09985 grains of gold; the sovereign of England contains 113.0016 grains of gold; the 20-mark piece of Germany contains 110.6268 grains of gold; the 25-franc piece of France contains 112.006 grains of gold.

Not one of these pieces passes in its own country or anywhere else in buying commodities for the slightest percentage over its bullion value, and never has since the world began. Take a French 25-franc piece or an English sovereign or an American five-dollar gold piece into any shop in Brussels, or the smallest hamlet in Germany, and they will give you the difference in its bullion value over the German 20-mark piece in change.

Take the 25-franc piece, the 20-mark piece, or the sovereign into any store in this country to pay the price of $5, and the difference in gold bullion value between either and the $5 American gold coin will be demanded and paid as a matter of course. Every dollar of silver that is current here, or in any country not a "monometallic silver country," is current as paper money, is current because, like paper money, it can be exchanged for a gold dollar, and for that reason only.

INRERNATIONAL COMMERCE ON A GOLD BASIS FOR ONE HUNDRED YEARS.

Again it is said there is not gold enough to do the business, as "measure of value money," of the world. Here again they draw upon their imaginations for their facts. How do they know there is not enough? Every dollar's worth of the international commerce of the world is now done on a gold bullion measure of value, and has been so done for a hundred years.

What reason has any man to think that prescribing by law that existing customs and habits shall be legal will cause men to change their desire or doings – desires which are embedded in them by a hundred years of universal custom?

If there is any one thing, in finance, more certain than any other, it is that if every nation should make gold the "money of account," by making it the "measure of value," at 1 of gold to 28 of silver, the present price, and stop the free coinage of silver, stop issuing silver certificates, and then every government should thereafter buy and coin every silver piece, of any denomination it could induce its people to use, as all European governments and the United States are now doing, while it would require some slight adjustment in national holdings of gold, it would not increase the world's demand for gold coin or increase or diminish the prices of a single commodity in any country by the smallest fraction.

Neither would it diminish the legitimate demand for or use of silver coin. We know such action would at once add to the available gold coin an immense sum from the hoards now secretly held in every "silver measure of value" country probably hundreds of millions, and many times more, than the added demand for it. It would have the same effect of immensely increasing the quantity of money in those countries, and from gold hoards that resumption of specie payments had in this country, when hundreds of millions of gold coin that had been held as merchandise for years went immediately upon resumption into the channels of trade as money.

THE INCREASE IN THE COMMERCIAL EFFICIENCY OF GOLD.

What are the facts? First, we know the commercial efficiency of each dollar in gold increases a hundred-fold faster than commerce increases, by means of the railway, the steamship, the telegraph, the telephone, and still more, by the improved commercial methods of 1893. We know that $1,000 to-day is as efficient as $10,000,000 would be by the methods of sixty years ago, and the amount of gold coin alone, as coin is now used, is many times larger in amount proportioned to the commerce of to-day, measured by its efficiency, than four times the total silver and gold coinage of the world was to the methods of commerce of 1860.

We say we know this, because we believe that what has been, without a single exception for a hundred years, will continue to be. The fiat-money men, and those who advocate the free coinage of silver, assert that by the breath of their nostrils they can instantly change opinions and habits that have been ingrained by universal custom of a hundred years and reaching back to the beginning of time—customs that are imbedded in the natural laws of the universe.

1. Every international exchange of a hundred years has been made in gold.

2. In not a single case in that time has the coin of any country been regarded. The gold coinage of every country has been valued and figured by the 113 grains in the English pound, and accepted in payment in exact proportion to the grains of pure gold in each. Silver coins have been accepted in payment by the value of the grains of pure silver in each at its gold bullion price in London. Coin carried in the pockets is never counted; only visible coin is available for commerce.

As to quantity of gold: France maintains a gold standard of accounts and measure of value on visible gold, $264,000,000; Germany with only $206,000,000; England has of visible gold only $125,000,000; while the United States has of visible gold $337,000,000.

Only foreign commerce tests the "measure of value coin" strength of the financial system of any country. England's foreign trade is $25 to each $1 in visible gold. Our foreign trade is only $2.20 to each dollar of visible gold in this country. The utmost limit to which the whole power of the United States Government has been able to force the actual use of gold and silver coin, in our internal commerce, is six millions a day, with a daily exchange of $400,000,000, while we have a total of over eight hundred millions of visible coin. We now have more than double the coined dollars we can possibly economically use, and the free coinage of silver men are frantically calling for more. We are not a nation of barbarians, restricted to metal money, and the utmost power of the advocates of free silver coinage can not force us into barbaric monetary conditions.

116

The tide has turned, never again to overwhelm the sound sense of the country.

THE EXPERIMENT HAS TWICE BEEN TRIED IN THIS COUNTRY.

But, says the free silver coinage advocate, we have never tried it, and therefore we can not tell what the effect would be. This again is wholly untrue, and there is no other country that has not tried it in some form. France tried it from 1873 to 1876 as efficiently and as determinedly as any experiment was ever tried by any nation, and was compelled to abandon it when silver was at only 10 per cent discount, while now it is at 28 to 1 of gold, a discount of 43 per cent.

This country tried this identical experiment twice, once with silver and once with gold, once from 1793 to 1834, by overvaluing silver, not at 43 per cent difference, but at only 3.22 per cent, and every gold dollar disappeared for the whole forty years. Again we tried it by overvaluing gold, not 43 per cent, but only 3.125 per cent, and every silver dollar disappeared up to 1873, at which time silver dollars were 3.22 per cent premium in gold, and we have had only a gold measure of value for sixty years.

To-day every dollar's worth of goods imported into a silver-standard country from Europe costs the people of the silver country 75 per cent more than they cost citizens of this country. What will your people say to you, free-trader advocates of free coinage, when you tell them you have taken the duty off European goods to make them cheap, and have voted for free coinage of silver to make them dear by adding 75 per cent to their free-trade cost? They will surely find that the $10 they receive at the end of the week will buy less than $6 now buys. That is what they surely will find, unless every habit, every custom of merchants and traders, and every element of the known law of internal and international trade abrogates itself at your command.

PRODUCTS NOT A SAFE "MEASURE OF VALUE."

But the free-coinage advocate comes back again with the statement that while the prices of products, reckoned in grains of gold, have gone down, if reckoned in grains of silver, prices have not depreciated, adding, further, that products are the true measure of value, and because products will command nearly the same number of grains of silver they would thirty years ago, when the market price of silver was 15½ to 1 of gold, they are justified in demanding that every farmer, every wage-worker, every savings-bank depositor, every member of a benevolent order, every holder of a life-insurance policy, and every creditor of every name and nature, shall be compelled by law to take 16 grains of silver for every grain of gold they actually gave or its equivalent into the custody of some man or institution of their little capital or labor savings when silver has gone down from 15½ to 1 of gold to 28 to 1 of gold. This is exactly what free coinage of silver means if there is the slightest hint of the future in the past.

We know that large as are the holdings of the Vanderbilts and the Jay Goulds in railway bonds, their holdings are mostly in stocks. We know, also, that nearly all bonds of all kinds are held in trust funds, savings banks, etc., largely for widows and orphans, or by old people to support their declining years. These silver-standard men propose to oppress millions of the poor, in their small savings, by changing their value, by changing the law under which every dollar of this money was loaned, and making the returning, to them, the value of more than $57 for every $100 of value they surrendered to their trustees impossible. The other $43 they propose to give to the Jay Goulds, the Vanderbilts, to rich corporations of all kinds, to the United States Government, State governments, county, city, and town governments, and to men rich enough to own farms, corner lots, stores—the richer men in the country. If such action is not both "oppressing the poor to increase riches and giving to the rich," then language has no meaning.

To substitute silver at 28 to 1 of gold in the United States, when every payment is now made and every existing obligation was contracted for a given number of grains of gold or its equivalent, seems to me as base as it would be for Mexico to substitute gold at 1 to 16 of silver in payment of every obligation in Mexico, or India and China, where every obligation was entered into with the full knowledge of the creditors that payment was to be made to them in a specified number of grains of silver, as payments are agreed to be made in this country in a specified number of grains of gold or its equivalent. This would no more surely disorganize the whole economic condition in Mexico or India than the free coinage of silver here at 16 to 1 would bring chaos into every business interest in this country.

But this claim for silver and products not only does violence to every equity of the situation, but, like all their other assertions, is contrary to the fact.

Products are not the true or safe measure of value. Products were only suggested by any economist as such because, for centuries, there was no improvement in methods of utilizing human labor, either in the shop or in agriculture, and products were the economic expression and equal of economic man, as expressed in a day's work. Now, it is clearly seen that a day's work of the average worker is the true measure of value. Man has assumed his true place in economics, as in nature, as the most valuable created thing, and if this is true of man in nature, it surely must be true in economics, for true economics are but the records of natural law.

GOLD AND SILVER AS MEASURE OF VALUE METALS.

All economists agree that 1860 is the dividing line of the century. In 1860 the same average day's work that commanded 100 in gold, now commands 168 in gold. The relative decrease in the use of gold in commerce before mentioned and the increased efficiency of more modern chemical and mechanical appliances, has so cheapened gold that where an average day's labor commanded 23.22 grains of gold in 1860 now, in the shop, in the factory, in the gold mine, the silver mine, coal, and every other mine, the same day's work will command 39.15 grains of gold. Not only is this true of the United States but the same percentage of increase in gold wages holds in every leading country in the world.

The wages men get to-day, being 68.6 per cent more in gold measure than they received in 1860 in every leading nation, clearly shows that gold has depreciated 40.69 per cent, measured by the labor of man. A day's work in 1860 commanding 359.91 grains of silver, the increase in wages, in grains of silver, at 25 to 1, would be 618.18 more than in 1860. This clearly shows that silver has depreciated 63.23 per cent, measured by the labor of man. If gold has not depreciated, then silver has not depreciated. Admitting the one, candor compels you to admit the other.

Gold has averaged to fall steadily and absolutely without fluctuation, 1.22 per cent each year on its price of thirty years ago, while silver has constantly fluctuated and averaged to fall in the same time 2 per cent, all of which, however, is since 1873. Since 1873 silver has averaged to fall 3.15 per cent each year, fluctuating in price like the waves of the sea. Within three years silver has been 82 per cent higher than it is to-day. Such a decline takes it out of the realm of a "measure of value metal," but its fluctuation is tenfold more damaging than its decline. This fall in silver could not possibly come from any affirmative action of this country, for we did not use a silver dollar in trade from 1834 to 1878. During that whole forty years we had simply continued on in the even tenor of our way.

The increased income, from the labor of the farmer, when figured in gold, as shown by the income he derives from a day's work on the farm, shows very nearly the same proportional increase, in income, to the farmer, as to the wage-worker. Prices in a year of panic, like the present, furnish no basis for comparison, and the whole period of inflation, and its influence after, must be passed over. Taking 1891 for comparison, precisely the same leading farm products taken together, wheat, corn, oats, cotton, barley, hemp, rye, tobacco, and meats, selling at the farm, that sold for 100, in 1860, sold for 98.4 in 1891.

THE EFFECT OF MODERN MACHINERY ON PRICES.

While some of the modern farm machinery was invented before 1860, none of it came into common use until after that date. It is conceded that, taking all these farm products together, a day's labor plus modern machinery will produce double what it would produce in 1860. Of course meats are represented in grain. If labor on the farm represented 100 in 1860, labor would represent in 1891 one-half, or 50; wear and tear of machinery, 5: total, 55. Price, 98.4. Gain over 1860 is 43.4. Cost, 55. Shows a gain in income to the farmer of 64 per cent for each day's labor done.

Why should not farm products, in the production of which machinery has made each day's labor twice as efficient as formerly, producing 2 bushels or pounds where it produced 1 before, go down in gold price as well as the products of the shop and the factory? The labor cost in farm products, because of machinery, is reduced one-half.

Take set screws, one-half inch diameter, 2 inches long, for illustration. They cost $4.40 per hundred in 1870; they now cost $1.20. A few years ago these same set screws were made in a lathe, and cost $20 per hundred. Take nuts that were formerly made in blacksmith's shops, and are now made by ingeniously constructed machines. It would cost to make the 2-inch square nut $10 per 100 pounds; made by machinery they sell for $2.90. One-inch square nuts made by hand would cost $20 per 100 pounds; they now sell for $3.70 a hundred pounds. One-half-inch square nuts, hand made, would cost $50 per 100 pounds; machine made, they now sell for $8.50 per 100 pounds. It is as irrational to attempt to prove that silver has not gone down, but gold has risen by these things as by farm products.

It is plain there is no valid reason why farm products should be taken as the real measure of value, rather than the products of the factory, since machinery has increased and made cheaper and as variable the labor cost of farm products, as the average of most other products.

Do the advocates of free coinage claim that the act of 1873 caused the price of the farmer's plow to go down from $6.50 in 1873 to $2.75 in 1890, or gold to go up at that rate; the two-horse plow from $13 in 1873 to $8 in 1890; mowing-machines from $90 to $50; a reaper from $120 to $75; shovels from $20.50 per dozen in 1873 to $9.50 in 1890; and so on through the whole list of farmers' supplies? Will they tell us how it is that these prices went down fully 50 per cent on the average, every cent of which price represented labor; and the men who produced them from the ore out of the ground, and trees out of the forest, to the completed article, received the same or increased wages from those of 1873, if it was not by the use of improved machinery and improved methods, and not by the appreciation of gold? The depreciation of silver had no more to do with it than with the eclipse of the moon.

No man, living or dead, has ever shown that this country, or any class in this country, has ever suffered a farthing by our using a "gold measure of value" rather than a "silver measure of value." No; man is the primary measure of all economic values by the unit of the average day's work expressed in gold, and gold is the "money of all account" and exponent of all economic values.

There seems to be no fallacy in economics that free-silver coinage men do not seize upon. They insist that the more money a nation coins the richer it is, with Mexico before their eyes, that has coined more money, proportionately, than England, France, Germany, and the United States combined.

THE VALUATION OF THE NEWER STATES TO THE OLDER.

It is also boldly proclaimed on this floor, and especially from the newer States of the West, that this contest for the free coinage of silver is a contest between the debtor and the creditor classes; as though the accumulation of property was robbery and the permitting of a neighbor to use one's property was a crime, and every facility and encouragement was to be furnished the borrower to rob the lender. Such statements only serve to reveal the enormity of the injustice proposed in the free coinage of silver. Look at some of these States. Many of them had no existence, even, in 1860. They have been filled up with some of the best blood and brawn of the older States and of foreign countries. Most of their people went into them with only their bare hands. Had they not been assisted by the earnings of the wage-workers of the older States in loans their wealth, even after paying every debt, would not now be one-quarter what it is.

Capital was what they needed and what the people of the older States furnished them. Their citizens are too honorable to rob their benefactors of half that was loaned them, under the guise of honestly paying that debt in silver which has depreciated nearly one-half. Every one of these debts was contracted in values of gold standard measure. The United States census shows that the total wealth of New York State has increased less than two and three-fifths times since 1860. That of Kansas has increased more than fifteen-fold, and that of Nebraska twentyfivefold. The wealth of Massachusetts has increased threefold in thirty years; that of Washington forty-six fold, and that of the Dakotas has increased fifty-eight fold in only twenty years, and is now $170,000,000.

I believe every advantage should be conceded by the strong to the weak, by the wise to the ignorant, and by the creditor to the debtor, that can be justly given, and that fiscal law should be so framed as to favor the weaker party; but to go beyond this, as is now proposed in silver coinage, corrupts right and justice and poisons the springs of all right action at their very fountain-head. It is sure to bring him who suggests such things and him who acts upon them down in a common ruin.

Finally, the free-coinage men most untruthfully charge the defenders of the existing measure of value with being determined to force an "all-gold coinage," with being determined to prevent the use of silver as money. They ought to know that the adoption of the free coinage of silver law would surely and at once throw gold out of circulation and make this a silver monometallic country, and they ought to know that the repeal of the purchase clause of the act of July 14, 1890, would not make us a "monometallic gold country." We would still have a larger proportion of full legal-tender silver dollars in circulation than France or Germany think safe to bimetallism.

HONESTY TRUE ECONOMY.

The defenders of the existing standard of value and the integrity of all existing money and all existing contracts are determined to provide for the people, through the Government, every silver dollar they wish to use. They are equally determined, if possible, to prevent the confiscation of nearly half the savings of the plain people of the country, and nearly half the daily pay of the wage-earner and half the pay of every man in the country with a fixed salary. Exact justice is true economy for each one of us as it is for our country and for each section of our country. [Loud applause.]

116

O