VI

MONEY

Prepared and inserted in the *Congressional Record* on June 5, 1894, but for lack of time it was not delivered. The speech discusses paper money, the House having then under consideration a bill to suspend the 10 per cent. tax on state bank notes.

MR. SPEAKER: The members of the committee, following a time-honored custom, have opened this discussion and have consumed all the time allowed for general debate. The House has indulged me so generously on former occasions that I shall not now claim much of its time. The question under discussion, however, is so important that I shall avail myself of the general leave given, to extend my remarks in the *Record,* in order that my constituents may know the reasons which lead me to the conclusion to be exprest by my vote. I shall oppose the bill reported by the committee because I am not willing to extend to a few banks a relief which is denied to other members of the community. The amendment offered by the gentleman from Tennessee [MR. COX] to repeal the 10 per cent. tax on State bank notes opens up the whole subject of paper money, and I shall follow the examples set by others and discuss the matter somewhat elaborately.

No subject can more vitally concern the people than this, for money is the lifeblood of commerce, and the financial health of the whole Nation depends upon the kind and quantity in circulation.

"Money answereth all things," said Solomon nearly three thousand years ago, and the expression is as applicable to our time as it was to his. It is written that "the love of money is the root of all evil," and we know by observation that it is well nigh omnipotent for weal or woe. It can bless like the gentle dews of Heaven, and it can cover a greater multitude of sins even than charity.

Some have denied that the States have a constitutional right to charter banks of issue, but I shall assume the existence of such a right.

Some have denied the constitutionality of the law imposing a tax upon State bank notes, but I shall accept as conclusive the decision of the Supreme Court of the United States, and assume that Congress has the power to impose a tax upon the notes issued by such banks, even though the law in effect prohibits the issue and circulation of such notes, and even tho some other means of restriction might be preferred. It has been stated that every Democrat is in duty bound to vote for the repeal of the State bank tax, because of the plank relating to that subject adopted by the last Democratic National convention. A platform can only bind those who run upon it.

President Cleveland is, of course, pledged to the repeal of the tax, because he accepted a nomination and an election upon the National Democratic platform of 1892. Those also are pledged to repeal whose nominating conventions indorsed the National platform, and those are perhaps bound, also, who ran as Democrats without expressly repudiating that part of the National platform. In my own case, I was not only nominated before the adoption of the National platform by the Chicago convention, but I expressly repudiated in my canvass the plank which declared in favor of repealing the State bank tax.

In the Fifty-second Congress I voted against repealing this tax, and, as a candidate for reelection, promised my constituents that I would vote against it again if the question came before the Fifty-third Congress. If there is any person in my district who favors a revival of State bank currency, I am not aware of it. In recording my vote against a repeal of this tax I am expressing, therefore, the opinion of my constituents and carrying out my pledges, as well as recording my own best judgment. Some have urged the return to State bank currency on the ground that more money is needed, and that it can be supplied in no other way.

The argument comes with but little force from those who voted for, and now justify, the unconditional repeal of the Sherman act, because that law provided us with nearly fifty millions of legal tender money annually. Those who opposed unconditional repeal and who have consistently favored an increased supply of good money might justify their acceptance of a State bank currency as a last resort if they could show that the advantages brought by such a currency were greater than the dangers attendant upon it.

I shall attempt to show, first, that we should use as money all the gold and silver which will come to our mints; and, second, that whatever paper money we need should be issued by the General Government.

"Money," as defined by Cirnuschi, "is a value created by law to be a scale of valuation and a valid tender for payment." Perhaps in a technical sense the term "money" should be applied only to those instruments of exchange which are endowed with legal tender qualities, but the term is used generally to cover not only coin and legal tender paper, but also notes and certificates which are intended to circulate from hand to hand like money.

There is a clear and well-defined difference between the promissory note of the individual or of the corporation and what is known as a bank note. The former travels only where the maker or indorser is known, and each person who receives the note investigates for himself as to the responsibility of those who are obligated to pay it. In the case of the latter, however, the person who receives the bank note accepts it on the faith of the law which charters the bank and regulates the amount of the notes and the manner in which they are secured.

The first principle to be considered in the study of money is that there is a close and intimate relation between the value of each dollar and the total number of dollars in circulation. John Stuart Mill says: "The value, or purchasing power, of money depends, in the first instance, on demand and supply. But demand and supply present themselves in a somewhat different shape from the demand and supply of other things."

Laveleye says: "The value of money, like that of any other object, depends on the relation between supply and demand."

Cirnuschi appeared before the United States Monetary Commission in 1877, and his testimony contained the following question and answer:

"Question. Supposing the gold and silver metals to have no other use than as money, would they then maintain the same value that they now maintain as money?"

"Answer. There would be a diminution of their purchasing power, because the purchasing power of money is in direct proportion to the volume of money now existing. If all the gold and silver are used solely as money, all the ornaments and all the jewelry will be melted and coined, and the volume of money will be increased. It will be exactly as if a new mine of money had been opened. And the volume of circulating money being made larger than before, there will be a corresponding diminution in the purchasing power of the metalic dollar.

While it cannot be said with mathematical accuracy that the value of each unit of money will increase in exactly the same proportion that the total number of units decreases, and vice versa, it can be asserted without fear of contradiction that under similar conditions an increase in the volume of the currency will decrease the value of the dollar as measured by other kinds of property, and that a decrease in the volume of currency will cause an increase in the purchasing power of the dollar. To illustrate this point, let us suppose the sudden discovery of a quantity of gold and silver equal to the present volume of metalic money. We have now about eight billions of gold and silver coin in the world, a little more than half of it being silver.

Every one understands that if the newly discovered coin could be added to the circulation and the volume thereby doubled, the value of each dollar would fall as shown by its purchasing power. The reverse would be true if it were possible to wipe out of existence one-half of the present metalic money. We recognize that the value of a dollar depends upon the number of dollars when we take an extreme case like the one above supposed; if the actual change in the volume is less the value of the unit will fluctuate less, but the principle being once established the variation is a matter of degree only.

We often hear people say, "What if the amount of money is increased? I must have something to exchange for it before I can obtain it." That is true, but the amount of money which a person can obtain for what he has to sell depends upon the amount in circulation. It may make a great difference to the man who sells wheat whether he receives 50 cents for it or $1, if he has a debt to pay. If a general fall in prices is produced by an appreciation of the value of money, the debtor suffers an injustice and business is retarded because investments become unprofitable. Senator SHERMAN said in 1869, in speaking of the effect of a contracting currency: "To every person except a capitalist out of debt, or a salaried officer or annuitant, it is a period of loss, danger, lassitude of trade, fall of wages, suspension of enterprise, bankruptcy, and disaster."

Senator SHERMAN thus described with great accuracy the condition of the commercial world today. The demonetization of silver and the increasing strain upon gold are making all business unprofitable, except the business of money-loaning.

The great thing to be desired is a stable currency, that is, a dollar whose purchasing power remains the same through long periods of time. The nations of the world will rise up and call him blessed who can devise an honest dollar—a dollar unchangeable in its purchasing power. To secure the desired stability in the value of the monetary unit the volume of money must increase or decrease exactly as the demand for money increases or decreases, and in the same proportion. Laveleye says: "It is desirable that the value of money should remain as stable as possible, and this will be the case so long as its quantity increases in the same proportion as the number of exchanges for which cash is required."

In a speech made in the House of Representatives August 16, 1893, I had the honor to submit some remarks on the relative merits of monometalism and bimetalism, and I shall at this time only compare the advantages of metalic and nonmetalic money. Many dwell upon the term "intrinsic value," as if that gave metalic money its great superiority over paper money, forgetting that a large part of the value of gold and silver is conferred upon those metals by the legislation which makes them money.

If the nations of the world, by agreement, should substitute some other kind of money for gold and silver, the value of both, as measured by other kinds of property, would fall. Gold has been increased in value by the increased demand caused by legislative action. The chief advantage of metalic money lies in the fact that its total amount is so large, compared with the annual supply available for coinage, that the fluctuation of the unit is reduced to a minimum. Prof. Perry very happily expresses this advantage when he says:

> "The amount of gold and silver in circulation in the commercial world, to say nothing of the quantity so easily brought into circulation from the reservoir of plate, is so vast that it receives the annual contributions from the mines much as the ocean receives the waters of the rivers, without sensible increase of its volume, and parts with the annual loss by detrition and shipwreck as the sea yields its waters to evaporation, without sensible diminution of its volume. The yearly supply and the yearly waste are small in comparison with the accumulations of ages; and, therefore, the relations of the whole mass to the uses of the world, and the purchasing power of any given portion remain comparatively steady."

The total amount of gold and silver coin which could be added annually to the world's metalic money cannot reach $200,000,000, and may not exceed a hundred and fifty millions. This is only from 2 to 2½ per cent. of the present volume of metalic money. As this represents the total annual increase, it is evident that the variation in the increase from year to year is exceedingly small.

Since this annual increase, being derived from an almost countless number of sources, is independent of human caprice, and cannot be profitably regulated by any combination, metalic money has been accepted by the commercial world as the best money, because least liable to fluctuation. But even metalic money is not absolutely stable and has at times undergone violent changes. Prof. Perry estimates that after the discovery of the silver mines of Potosi, about the middle of the sixteenth century, silver fell in purchasing power to 25 per cent. of its former value, and Prof. Jevons is quoted as saying that the purchasing power of gold fell 15 per cent. after the California discoveries.

There has been a large increase in the value of gold during the last twenty years, but it is due to the increased demand for it rather than to a decreased production. Some have estimated that the value of the uncoined gold and silver in the world exceeds the value of the coined. If that be true, legislation might cause great fluctuation in the value of metalic money. If, for instance, all the nations should agree to compel the coinage of all gold and silver now held as merchandise and to prevent the future use of gold and silver, except for coinage, the result would be an enormous increase in the volume of metalic money and a fall in the purchasing power of each dollar.

So legislation, encouraging the greater use of gold and silver in the arts, or legislation limiting the amount of either metal coined, would tend to lessen the volume and to increase the purchasing power of each dollar. It is worthy of note that those who have most vigorously defended the metalic theory of money on the ground that its volume is independent of human control have been the first to attempt control when the dollar began to fall in value. Three nations demonetized gold after the discoveries of 1849, in order to prevent the gold dollar from becoming "cheap," and several nations demonetized silver after 1872, for fear it would become "cheap."

Every law which affects the total amount of gold faces of the dead, disfigured by pain and anguish? Can we think, too, of those made husbandless and fatherless by their death? Can we measure the tears shed in the service of Mars? Can we add to those who fell in battle and who were wounded there, all those who have succumbed to pestilence? Aye, can we crowd into our thoughts, not only the pestilence which have from time to time scourged the fair earth, but also add to them the famines which have at times swept thousands and tens of thousands into the grave? Can we collect and comprehend all the misery, and all the suffering, and all the sorrow, that these three dread destroyers have wrought? And when we have put them all into one group, when we have prest them all together, can we imagine that the consummation of that "crime" means more of misery than all combined?

It is because we measure, to some extent, because we appreciate, at least in part, the misery that is to follow, that we have felt it our duty as well as our privilege—our duty to ourselves, our duty to our families, our duty to our country, our duty to our God—to cry out against the consummation of that conspiracy! And we do it, not to help the silver miners—we do it for Humanity!

So long as there is a sufficient supply of metalic money to meet the needs of commerce a reliance upon that supply gives to the people protection against those variations in the value of the monetary unit which might be caused by legislative action. The inconvenience of handling the coin itself can be avoided by the use of certificates which, since they merely replace an equal amount of coin, do not affect the volume of the currency. But the acceptability of metalic money as the only standard money depends upon its sufficiency to supply an adequate currency.

Some, who are ready to use the power of the Government to limit the supply of money, in order to prevent injustice to the creditor, are slow to admit the right of the Government to increase the currency when necessary to prevent injustice to the debtor. I denounce that cruel interpretation of governmental power which would grant the authority to starve, but would withhold the authority to feed our people—which would permit a contraction of our currency, even to the destruction of all prosperity, but would prohibit the expansion of our currency to keep pace with the growing needs of a growing nation!

Excluding the certificate, which is not really an addition to the currency, but rather a substitution of one form of money for another, there are two kinds of paper money, namely, redeemable and irredeemable paper. Redeemable paper has two advantages of special importance. It conforms to the prejudice of mankind in favor of metalic money, and retains their confidence in the money as a medium of exchange.

Custom is a very potent factor to be taken into consideration, for the average man is conservative and accepts innovations with great reluctance. The second advantage inherent in redeemable paper is that, being related in quantity to the volume of metalic money, its amount is not quite so dependent upon caprice, and therefore the value of the monetary unit is likely to remain more stable. Just to what extent general prices are influenced by an issue of redeemable money it is difficult to determine. That such a dollar is not equal in its effect upon prices to an irredeemable or metalic dollar is evident, for some coin must be held to insure prompt redemption, and the amount so held is an offset to an equal amount of redeemable paper outstanding.

The possible demand for additional coin at any time to pay such notes on demand, to an indefinite extent, reduces the value of such notes as an addition to the currency. There can be no question that the influence of a given amount of redeemable paper on the volume of the currency will increase as the probability of presentation for redemption decreases. And there can be no doubt that a paper money which is a full legal tender for all debts, public and private, being less liable to return for redemption, will, dollar for dollar, affect the volume of the currency more than non-legal tender paper.

An irredeemable paper currency, properly limited, will affect the volume of the currency, and therefore prices, to the same extent as a like addition of metalic money. That a government can issue and maintain an irredeemable paper currency, when strictly limited in volume, is not open to controversy. John Stuart Mill, in his "Principles of Political Economy," both admits the possibility of maintaining an irredeemable currency, and forcibly points out the dangers which beset such a monetary system. He says:

"In the case supposed, the functions of money are performed by a thing which derives its power of performing them solely from convention, but convention is quite sufficient to confer the power, since nothing more is needful to make a person accept anything as money and even at any arbitrary value, than the persuasion that it will be taken from him on the same terms by others.

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"After experience had shown that pieces of paper of no intrinsic value, by merely bearing upon them the written profession of being equivalent to a certain number of francs, dollars, or pounds, could be made to circulate as such, and to produce all the benefit to the issuers which could have been produced by the coin which they purported to represent, governments began to think that it would be a happy device if they could appropriate to themselves this benefit, free from the condition to which individuals issuing such paper money substitutes for money were subject, of giving, when required, for the sign, the thing signified.

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"Such a power, in whomsoever vested, is an intolerable evil. All variations in the value of the circulating medium are mischievous; they disturb existing contracts and expectations, and the liability to such changes renders every pecuniary engagement of long date entirely precarious. The person who buys for himself, or gives to another, an annuity of £100, does not know whether it will be equivalent to £200 or to £50 a few years hence.

"Great as this evil would be if it depended only on accident, it is still greater when placed at the arbitrary disposal of an individual, or a body of individuals, who may have any kind or degree of interest to be served by an artificial fluctuation in fortunes, and who have at any rate a strong interest in issuing as much as possible, each issue being in itself a source of profit. Not to add that the issuers may have, and in the case of a government paper always have, a direct interest in lowering the value of the currency because it is the medium in which their own debts are to be computed."

Irredeemable currency can only be issued by the Government. When the volume, and therefore the value, of money is determined entirely by the legislature, the value of all property becomes subject to an act of Congress, and debts increase or decrease in amount according to the latest legislative decree.

A legislative body has two difficulties to contend with in wisely fixing the volume of the currency—first, the lack of knowledge as to the amount of money needed, and, second, the conflicting interests of creditor and debtor forces. We must assume that Congress is composed of men of average intelligence and average honesty. It might be difficult to prove more, and to admit less would cast a reflection upon their constituents. But men of average intelligence will widely differ as to the amount of money needed now and as to the necessary annual increase or decrease. This difference of opinion will arise partly because the representatives look at the subject from different standpoints, and partly because of the great number of elements which must be considered. Population is a factor, for it will require more money for one hundred persons than for ten to transact the same business and make the same number of exchanges. The density of population is a factor, for it will require more money per capita, other things being equal, in a sparsely settled than in a thickly populated country.

The banking facilities and facilities for exchange must be considered, altho we must not conclude that every check or draft lessens *pro tanto* the amount of money needed. We must also calculate the difference between the need for money in a nation whose resources are exhausted and the need for money in a nation which is progressing and developing. These are suggested as some, not all, of the factors to be considered in determining the amount of money needed at a given time and the amount to ıpplied or withdrawn annually in order to make lollar stable in its purchasing power.

is no reflection on the intelligence of the legis- e body to say that it might find it very difficult ljust with equity the volume of the currency e varying needs of the people. The second dif- ty is, perhaps, still greater. In the long run 'epresentative will correctly reflect the opinions interests of his constituents, or, at least, of that ion of his constituency which controls public ment. As different portions of our country different interests we could expect a continual ggle with varying success between those who r more and those who favor less money. This ict forces itself upon us, to some extent, even r present conditions.

me assert now that our financial depression is to a flood of money, while others assert that it e to a drought of money. The creditor, through 'epresentative, will view with composure a de- se in the currency, because it will benefit him, he will contend with heroic fortitude against "wild and dangerous inflation of the cur- y." The debtor, on the other hand, through 'epresentative, will regard as providential any ase of the currency which will lighten his debt, will resist as a great injustice any attempt to e money dearer by law.

constitutional regulation would be more perma- , but it would make it difficult to correct a mis- . When I remember how the creditor has over- hed the debtor in the financial legislation of the thirty years; when I remember how great moneyed interests, acting as a unit, have secured legislation against the unorganized masses, I hesitate to see any legislative body exercise the power to issue irredeemable paper and fix the volume thereof. In my judgment, the Government will not be compelled to resort to this money system, unless the pretended friends of a "sound currency" make it necessary by the complete demonetization of silver as a standard money. We may rest assured, however, that the people in a free government always reserve the right of self-preservation, and will exercise the power to provide for their own welfare.

Whenever the time comes, therefore, if it ever does, that the people must choose between a constantly appreciating metalic money and an irredeemable paper money which gives a hope of relief, they will choose the latter system, with all its defects and dangers. The choice may be avoided for the present by the full and immediate restoration of silver to its place as a coordinate part of the metalic money of the world. Later, if that is not sufficient to secure stability in the monetary unit, it may be wise to prevent the use of gold and silver for any purpose excepting coinage.

Redeemable paper money may be issued by the General Government or by private persons or corporations. If States could emit bills of credit and make them good, either by coin redemption or by investing them with legal tender qualities, we might be called upon to choose between notes issued by the States and notes issued by the General Government; but the Constitution of the United States expressly prohibits States from issuing bills of credit and from making anything but gold and silver a legal tender, while it permits the General Government to issue its notes and make them a legal tender.

If we have redeemable paper, then, it must be issued by the General Government or by private authority under the direction of Congress or the State legislatures. It may be worth while to submit an authority on the power of the General Government to issue paper money and to make it a legal tender for debt. An opinion was rendered by the Supreme Court of the United States at the October term, 1883 (110 U. S. Rep., 421), in what is known as the Legal Tender Case, which settles this question in so far as it can be settled by the courts. The opinion delivered by Justice Gray was concurred in by eight of the nine judges, and covers every phase of the case. I quote the following extracts from the opinion:

"It appears to us to follow, as a logical and necessary consequence, that Congress has the power to issue the obligations of the United States in such form and to impress upon them such qualities as currency for the purchase of merchandise and payment of debts as accord with the usage of sovereign governments. The power, as incident to the power of borrowing money and issuing bills or notes of the Government for money borrowed, of impressing upon those bills or notes the quality of being a legal tender for the payment of private debts, was a power universally understood to belong to sovereignty, in Europe and America, at the time of the framing and adoption of the Constitution of the United States. . . . The power of issuing bills of credit and making them, at the discretion of the legislature, a tender in payment of private debts, had long been exercised in this country by the several colonies and States; and during the Revolutionary war the States, upon the recommendation of the Congress of the Confederation, had made the bills issued by Congress a legal tender. . . .

"The exercise of this power, not being prohibited to Congress by the Constitution, it is included in the power expressly granted to borrow money on a credit of the United States. . . . Under the power to borrow money on the credit of the United States, and to issue circulating notes for the money borrowed, its power to define the quality and force of those notes as currency, is as broad as the like power over a metalic currency under the power to coin money and to regulate the value thereof. Under the two powers, taken together, Congress is authorized to establish a national currency, either in coin or in paper, and to make that currency lawful money for all purposes as regards the National Government or private individuals. The power of making the notes of the United States a legal tender in payment of private debts, being included in the power to borrow money and to provide a national currency, is not defeated or restricted by the fact that its exercise may affect the value of private contracts. . . .

"Such being our conclusion in matter of law, the question whether at any particular time, in war or in peace, the exigency is such, by reason of unusual and pressing demands on the resources of the Government, or of the inadequacy of the supply of gold and silver coin to furnish the currency needed for the uses of the Government and the people, that it is, as a matter of fact, wise and expedient to resort to this means, is a political question, to be determined by Congress when the question of exigency arises, and not a judicial question to be afterwards passed on by the courts."

John C. Calhoun recognized the right of the Government to issue paper money when he said in 1816:

"The right of making money, an attribute of sovereign power, a sacred and important right, was exercised by 260 banks, scattered over every part of the United States, not responsible to any power whatever for their issues of paper."

Thomas Jefferson, the Modern Lawgiver, who, from his mountain home, as from a second Sinai, brought down the Truth to his followers, not graven upon stone but written in the hearts of men, recognized both the right and the advantage of Government paper. In a letter written from Monticello, June 24, 1813, to John W. Epps, he said:

"This is equivalent to borrowing that sum, and yet the vendor, receiving payment in a medium as effectual as coin for his purchases or payments, has no claim to interest. And so the nation may continue to issue its bills as far as its wants require and the limits of the circulation will admit. . . . But this, the only resource which the Government could command with certainty, the States have unfortunately fooled away, nay, corruptly alienated to swindlers and shavers, under the cover of private banks. . . . The States should be applied to, to transfer the right of issuing circulating paper to Congress exclusively, in perpetuum, if possible, but during the war at least, with a saving of charter rights."

Six years later, in a letter written to Mr. Rives, November 28, 1819, Jefferson went even farther, and said:

"Interdict forever, to both the State and National Governments the power of establishing any paper banks, for without this interdiction we shall have the same ebbs and flows of medium and the same revolutions of property to go through every twenty or thirty years."

Assuming, then, that the United States can issue paper money and make it a legal tender, and that no other power can issue legal tender money; assuming that Congress can establish national banks and authorize them to issue paper redeemable in lawful money; and assuming that the States, unless prevented by some direct prohibition, or by some indirect means like the 10 per cent. tax, can authorize banks to issue paper redeemable in lawful money, let us consider which kind of paper money should be issued when paper money is needed. Admitting, in other words, the right to use various kinds of paper money, which kind is best? My investigation has led me to the conclusion that the General Government not only has the right to issue all needed paper money, but, since it alone can issue legal tender money, is in duty bound to provide a currency sufficient for the needs of commerce.

Not only should the General Government supply all needed paper money, but it should make all money—that is, its gold, silver, and paper—a full legal tender for all debts, public and private, and should not permit the making of any contract hereafter for a particular kind of money. That the Government has a right to prohibit special contracts in money cannot be doubted. If it has a right to make any kind of money a legal tender, it has a right to prevent any citizen from demonetizing that money by contract. Our Supreme Court has held that the United States notes were a legal tender for debts contracted previously when only gold and silver were considered standard money.

The French courts have held that the notes of the Bank of France cannot be refused as payment, even when there is a prior special contract. The fact that the coinage laws of 1878 and 1890 contained an exception would indicate that, without such an exception, it would be unlawful to contract for a particular kind of money even without an exprest prohibition, for, why should the law contain the words "except where otherwise expressly stipulated in the contract," if a citizen could without that exprest permission discriminate by contract in favor of, or against, a particular kind of money?

There are some who deny that the Government should enact any legal tender law whatever. Those who hold to this opinion believe that everything should be left to contract. They scrupulously guard what they call "the right of private contract"; but there can be no freedom of contract unless the parties stand upon an equal footing. Where one party is under duress it is not freedom of contract, but freedom to extort. The debtor and the creditor do not necessarily stand on the same plane. It is as true now as it was when the wise man declared it, that "the borrower is a servant to the lender," and is not at all times able to contract on equal terms with the man from whom he obtains the money. Jefferson, in speaking of the tendency of men to follow their selfish instincts and to take advantage of their fellows, once said:

> "Such being our conclusion in matter of law, the question whether at any particular time, in war or in peace, the the governments of Europe, and to the general prey of the rich on the poor."

It was Jefferson also who declared that one of the important duties of government is "to restrain men from injuring one another." I was riding through Iowa a few weeks ago, when I noticed some hogs destroying the sod in a pasture. It took me back to the days when I lived upon a farm, and I recalled the means by which we prevented hogs from rooting.

Rings were put in their noses, not to prevent their eating, because we wanted them to get fat, but in order that they might not destroy more than they were worth while they were getting fat. And, as I was thinking of this restraint placed upon the hogs, it occurred to me that the Government is often compelled to imitate the farmer, and to put rings in the noses of hogs. When restrictions are placed upon the dealings of man with man, the Government is simply putting a ring in the nose of some human hog, not to prevent him from taking advantage of his energy, his industry, or his ability, but to prevent him from interfering with the equal rights of others.

I do not mean to use the word hog in an offensive sense, but simply to describe those selfish instincts which we all possess, and which, unless properly curbed, do harm to others. We have no more right to use a fortune as a means of oppression than we have to use a club, and when we speak of a man's right to enjoy that which his ability can procure we do not mean to justify the pickpocket, the burglar, or the highwayman in the exercise of his peculiar talents. It is only by the exercise of a most watchful restraint that government can secure to the citizen the right to life and liberty, and also to the pursuit of happiness, with some prospect of overtaking it.

All legal tender laws are intended to protect the debtor from unreasonable demands. Non-legal tender money multiplies the opportunities of the sharper, and places a weapon in the hands of avarice. The same public policy which justifies a legal tender law and a law limiting the rate of interest justifies a law preventing special contracts for a particular kind of money. In fact, it is much more important to prevent such contracts than it is to regulate the rate of interest, for only the debtor and creditor may be concerned in the rate of interest, while speculation in a particular kind of money may affect the whole community.

The tendency of special contracts is to create a demand for a particular kind of money, and the demand, if great enough, will raise that kind of money to a premium. Thus such contracts may destroy the parity between various kinds of money, and the creditor then takes advantage of his own wrong by collecting a dollar appreciated in part by his own act. If these contracts are prohibited no hardship is brought to the creditor, for the money which he receives will be as useful to him as it was to the debtor. The great mass of the people are so situated that they can never profit by the right to contract for a particular kind of money, but are always in danger of loss from it. Is it not time to declare by law that that money which the Government makes good for the ninety-nine common people is good enough for the one uncommon person who wants to obtain an advantage by a special contract?

But I must return to the comparison between Government money and bank notes. I have already mentioned the advantage of Government paper over bank paper, arising from the fact that the former can be invested with legal tender qualities. One of the great objections to bank notes is that they can only be secured through legislation which violates the Democratic principle of "equality before the law." The language used by Andrew Jackson, in the veto message sent to Congress July 10, 1832, is as applicable to State banks as to national banks, and as applicable to the banks of our times as to the banks of his day. The truth, so forcibly expressed by the hero of New Orleans, like all great truths, lives through all generations, and I commend it to those who insist that banks of issue are Democratic institutions. Jackson said:

"It is to be regretted that the rich and powerful too often bend the acts of Government to their selfish purposes. Distinctions in society will always exist under every just government. Equality of talents, of education, or of wealth cannot be produced by human institutions. In the full enjoyment of the gifts of Heaven and the fruits of superior industry, economy, and virtue every man is equally entitled to protection by law. But when the laws undertake to add to those natural and just advantages artificial distinctions —to grant titles, gratuities, and exclusive privileges—to make the rich richer and the potent more powerful—the humble members of society, the farmers, mechanics, and the laborers, who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their government.

"There are no necessary evils in government. Its evils exist only in its abuses. If it would confine itself to equal protection, and, as Heaven does its rains, shower its favors alike on the high and the low, the rich and the poor, it would be an unqualified blessing.

* * * * * *

"Every monopoly and all exclusive privileges are granted at the expense of the public, which ought to receive a fair equivalent. The many millions which this act proposes to bestow on the stockholders of the existing banks must come directly or indirectly out of the earnings of the American people."

No person or corporation has a natural right to issue money. It is "an attribute of sovereignty," and the banks can no more demand as a right the power to supply a currency for the people than they can demand the right to enact laws for the general government of the people. I trust I shall not offend any one when I say that banks are not eleemosynary or philanthropic institutions. They have their place in society and, when they conduct themselves properly, contribute to the welfare of society just as every good citizen contributes to the welfare of society by his services. The business of loaning and discounting is not necessarily connected with issuing money, and if the banks join to their legitimate business the issue of paper which is to pass as money we may rest assured that they will do it for the profit there is in it.

National banks do not make as much now as they did during the war, but they are still able to realize on the money actually invested in circulating paper more than the average business man can expect to make on invested capital. The official reports usually spread the profits of a national bank over its entire business capital, and thus make it appear that the profit on circulation is less than it really is. Take, for instance, a national bank which desires to issue currency. It can now buy 2 per cent. bonds at about par. If the bank invests $100,000 in bonds it can deposit them with the Comptroller and receive $90,000 in bank notes. Four thousand and five hundred dollars will be held back as a reserve, but as this sum can be counted by the bank as a part of its necessary reserve, it is the same as if it was in its vaults.

The $90,000 received in bank notes replaces so much of the capital expended for the purchase of bonds, so that the amount actually invested in circulating notes is $10,000. On that sum the bank makes about 10 per cent., for it receives $2,000 interest and pays out $900 as a tax on circulation and about $100 (estimated) for the expense of taking out currency. We need not investigate the profit made on the bank's capital, because the $90,000 received in bank notes is as good as ninety thousand of the one hundred thousand paid for bonds.

To calculate the actual profit made by the issue of national bank notes we need to know only the difference between the notes received and the amount paid for the bonds. When that is known, we can find the rate of profit by subtracting the expenses of the circulation (including tax) from the interest on the bonds. Some have proposed, during this debate, to allow the banks to issue notes to the full face of the bonds instead of to 90 per cent. of the face, and have also proposed to take off the 1 per cent. tax on circulation. If these two changes are made, the rate of profit will be largely increased, because there will be no money actually invested in the 2 per cent. bonds, unless the bonds go to a premium, and, the 1 per cent. on circulation being removed, the interest on the bonds will be almost clear profit.

When the national banks were first organized there was still more profit in the circulation. When, for instance, gold was at 200 per cent., a bank could borrow $50,000 in gold and with it purchase $100,000 in greenbacks. With $100,000 in greenbacks it could buy $100,000 worth of 6 per cent. bonds, and on these bonds could secure $90,000 in bank notes. With the $90,000 in bank notes it could buy $45,000 worth of gold and repay all but $5,000 of the gold first borrowed. On its investment of $5,000 in gold —for that would be the amount really invested—it would draw interest in gold to the amount of $6,000 on the bonds.

After deducting the tax on circulation and the expense of procuring circulation the bank would make in the transaction described nearly 100 per cent. on the money actually invested. Thus did patriotism brings its just (?) recompense to those who, as the financiers say, "came to the nation's rescue in the hour of peril." Why should the law thus discriminate between citizens? If a farmer owns a Government bond, he can only draw interest on the bond. If a bank holds the bond, it can not only draw interest on it, but can use nearly all of the money called for by the bond besides. The farmer "can either eat his cake or keep it," but the banker is allowed to both "eat his cake *and* keep it."

Some one may say, in answer to this, that the farmer can go into the banking business if he likes, but that is no justification for class legislation. Shall we vote a bounty of $1,000 a year to every lawyer, and justify it by the assertion that the legal profession is open to every one? Shall we vote a bounty of $1,000 a year to every farmer, and justify it on the ground that every person can become a farmer? The national bank note is good only because the Government is behind it. The bank note is redeemable in a greenback, and during the war greenbacks and bank notes circulated together. If the Government wants to issue notes through the banks, why does it not withhold the interest on the bonds so long as the banks use the money.

A State bank circulation is open to the same objection, that is, that the Government singles out some person or class of persons and grants to them a special and valuable privilege denied to others.

If a State bank was required to deposit with the State authorities an amount of money equal to the currency issued, there would be no addition to the circulation and no profit to the bank. What the State bank wants is the power to issue money, either on its credit or on security deposited. If the bank issues money on its credit it is permitted to create value for its own advantage; if it issues money on deposited security it enjoys a privilege similar to that now given to the national bank, that is, it receives the interest on securities, and at the same time uses a part of the money invested in the securities, and at the same time uses a part of the money invested in the securities.

One plan proposed for the regulation of State banks provides that the bank may issue 150 per cent. on its capital stock by holding one-half of its capital to redeem the notes and investing the other half in certain kinds of bonds. The bank, under such a law, if its capital stock amounted to $100,000, would be able to issue $150,000. Fifty thousand of the money issued would be needed to offset the fifty thousand held for redemption, and another fifty thousand would reimburse the bank for the amount invested in bonds. This would square the bank for its investment, and it would receive as a consideration for its services the use of the remaining fifty thousand to loan and the interest on the fifty thousand dollars worth of bonds deposited for security. Why should the bank be given this advantage over the ordinary citizen? There is no magical means by which the laborer can increase the capital which he has saved from his toil. If he invests his earnngs in State or municipal bonds, he must content ıimself with the interest only.

Why is he not as much entitled to favorable consideration as the citizen who goes into the banking ɪusiness? And, again, why should the Government liscriminate between different kinds of property? 'f a bondholder can, by going into a bank, use both he interest on the bond and the money for which it alls, why not let the landowner put up his land as ı security for money, and at the same time draw a ɪrofit from its cultivation?

The plan, proposed by some, of issuing money on and at a low rate of interest, is simply an application of the national bank and state bank principle o land instead of bonds.

The subtreasury plan is nothing but the application of the same principle to personal property. If t is just to extend this special privilege to the naional banker who holds Government bonds and to he State banker who holds State and municipal ɪonds, why is it not just to extend it to those who ıold real and personal property? The difference ɪetween bonds and other kinds of property is that he other kinds of property make the bonds valıable, while too many bonds will make all other inds of property worthless. Bonds, it is true, find readier sale and are quoted daily in the market, ɪut other forms of property have value just as real.

The difference between loaning on bonds and ɔaning on property is not a difference in principle, ɪut a difference in the character of the security. f it is safe to issue on bonds at par, or up to 90 ɪer cent. of their face, it would certainly be safe to issue on other kinds of property up to 50 per cent. or 25 per cent. or at least to 10 per cent. of their market value. I make this comparison between the national banking principle and the subtreasury idea, not to justify the policy of issuing money on land or personal property—for I think it is better to eradicate a vicious principle than to extend its application—but to show that the principle which our financiers denounce as wild and visionary when proposed by the farmers is the same principle which our bondholders have advocated with great profit to themselves.

If it is said that we must institute banks of issue in order to put money into circulation, I answer that there is a better way. The issue of money by the Government directly to the people gives us a safer money and saves to the people as a whole the profit arising from its issue. When a bank issues money you must pay the market rate of interest in order to get it, but when the Government issues money the people save the interest, if the money is afterward called in, and they save the principal also if the money is kept in circulation. Numerous plans have been suggested for putting this money into circulation. Some have an idea that a Government issue can only be put forth by loaning it to the people, either directly or through the agency of banks.

There are, in my judgment, other and better ways. If a limited amount is issued, and of course the amount must be strictly limited, and it is loaned to the people, partiality will be shown in its distribution, for only a few, relatively speaking, can be accommodated.

But aside from the danger of placing so great a power in the hands of a dominant party, there are plans more just and equitable than that of loaning. The money can be used to pay the expenses of the Government, as the greenbacks now in circulation were issued to pay the expenses of war. If Congress decides to increase the currency a certain amount annually, say for illustration fifty millions a year, it can reduce the tax levy to that extent and the people will receive the benefit of the issue just in proportion as they pay taxes, for they will save to that extent the taxes which they would otherwise pay.

Perhaps our well-to-do friends who object to the income tax, and also oppose an increase in the volume of currency, would be willing to compromise on an issue of money to take the place of a part of the income tax. The tariff on some of the necessaries of life might be reduced and the deficit made up by an issue of money. Perhaps the beneficiaries of the tariff, and probably the sugar trust, would object, because they want a tariff—not for the revenue which it brings to the Government, but for the revenue which it brings to them. I am indulging the hope, however, that we may in the course of time reach a point in legislative independence when the general public will be able to pass laws for the general good without making a treaty with the aggregations of capital which infest Washington during the sessions of Congress.

If the people do not desire to reduce taxation, Government paper can be issued to pay for special improvements which Congress may deem desirable. Harbors can be deepened and rivers can be improved in this way. I have introduced a bill, now before the Committee on Interstate and Foreign Commerce, which provides for the issue of United States notes, like those authorized in 1862 (now called greenbacks) to an amount not exceeding seventy millions, to pay for the construction of the Nicaragua Canal. This issue would probably increase the currency at a rate of about ten millions a year for seven years.

The canal is of very great military and commercial importance to the United States, and if the Government is going to assist in the building, is it not far better to issue money for the purpose than to borrow money on bonds? I would have preferred to have the money so issued a full legal tender for all debts, public and private, even when hereafter contracted against, but I provided in the bill for notes identical with the greenbacks in order to prevent the discussion of any collateral questions, and to bring a vote on the naked issue, "money or bonds." I have mentioned this one canal, but there are other works of national importance. If we find that the currency needs to be increased and do not desire to reduce taxation, we can, by the issue of a few millions a year, construct a ship canal from Buffalo to the Hudson River, and thus give to the grain of the Northwest ocean rates from Chicago and Duluth to Liverpool, not to speak of the military advantages of such a canal.

We might, by the issue of a few millions a year, connect the Mississippi River with Lake Michigan, and thereby increase the commerce between the Northwest and the South. Money could be issued in another way. We can use any available coin on hand to take up matured bonds and replace the coin so used with paper money. I have introduced a bill during this Congress to provide in this way for the payment of the 2 per cent. bonds now outstanding, payable at the option of the Government and amounting to about $25,000,000. These methods are suggested as legitimate means of distributing Government issues without resorting to money-loaning or to the use of banks. Government paper should be issued in the place of national bank notes as they are retired.

If it is said that more coin will have to be gathered into the Treasury to redeem these new notes, I reply that the Government will need a less reserve for a given amount of paper money than will be required by private banks. Our coin reserve is not now drawn upon except for gold to export and when our patriotic financiers desire a new issue of bonds. Whenever the Government exercises its option by paying coin obligations in silver, when that is more convenient, a much smaller reserve will be sufficient. So long as the option is given to the note holder, the Government is at the mercy of any band of conspirators who may seek to attack the gold reserve, for a small volume of redeemable currency, reissued continually, is sufficient to draw out in the course of time any gold reserve however great. We shall have no difficulty about our reserve when we return to the principle of bimetalism, and use the option of paying gold or silver in the interest of the people.

The second great objection to banks of issue—and it applies to both State and national banks—is that it places in the hands of interested parties the power to regulate the volume of the currency, and through it the market value of all other property. I have already spoken of the dangers inherent in a monetary system when the volume of money is regulated by a legislative body. I stated these dangers as strongly as possible, for I believe them to be real dangers which can scarcely be exaggerated, but dangerous as it is to place such tremendous power in the hands of a legislative body, it is infinitely more dangerous to place that power in the hands of banks.

If we depart from metalic money, whose volume is largely dependent on natural laws—if the Government will keep its hands off—we must lodge *somewhere* the power to control the currency. It must be controlled by the Government or by individuals, and we are to choose in which way the stability of the dollar can best be secured. If value becomes a matter of chance when the volume of money is regulated by law, it is no advantage to go from pure chance to loaded dice. I would far rather trust the exercise of this power to representatives who act before the public and are responsible to their constituents, than to bank officers, who act in private and are responsible to no one.

If banks control the volume of money they will control it in their own interest, and will be absolutely indifferent to the general welfare except as it conduces to their own welfare. This is not a harsh criticism of bankers; it is only a declaration that they are human, like other people, and do business on business principles.

Jefferson once said, in speaking of the power of public opinion:

"Cherish, therefore, the spirit of our people, and keep alive their attention. Do not be too severe upon their errors, but reclaim them by enlightening them. If once they become inattentive to public affairs you and I, and Congress and assemblies, judges and governors, shall all become wolves."

If representatives are likely to become wolves, unless restrained by the watchful eyes and the ready reproof of those who elect them, is the temptation not greater when the individual is a financial master instead of a public servant? Let me call attention to Jefferson's opinion of the manner in which banks regulate the volume of the currency. In a letter written from Monticello, November 7, 1819, to John Adams, Jefferson said:

"We were laboring under a dropsical fulness of circulating medium. Nearly all of it is now called in by the banks, who have the regulation of the safety valves of our fortunes, and who condense and explode them at their will."

In a letter written January 24, 1814, to Ex-President Adams, he said:

"I have ever been the enemy of banks, not of those discounting for cash, but of those foisting their own paper into circulation and thus banishing our cash. My zeal against those institutions was so warm and open at the establishment of the Bank of the United States that I was derided as a maniac by the tribe of bank mongers who were seeking to filch from the public their swindling and barren gains."

Some one has already referred to the remarks of President Buchanan on this subject, but they will bear repetition. In his first message to Congress in 1857, when he had before him in plain view the distress caused by the suspension of State banks, he said:

"In all former revulsions the blame might have been fairly attributed to a variety of co-operating causes; but not so upon the present occasion. It is apparent that our existing misfortunes have proceeded from our extravagant and vicious system of paper currency and bank credits, exciting the people to wild speculations and gambling in stocks. These revulsions must continue to recur at successive intervals, so long as the amount of the paper currency and bank loans and discounts of the country shall be left to the discretion of fourteen hundred irresponsible banking institutions, which, from the very law of their nature, will consult the interest of their stockholders rather than the public welfare."

Testimony like this might be submitted to an indefinite amount to show that State banks acted for their own private gain in the issue of money and not for the public good. The fact that national banks have been less reckless than State banks must be credited to circumstances rather than to any special wisdom or virtue in the banks. Being confined to Government bonds as a basis for their money, their notes have been kept at par with greenbacks and the volume of bank notes has not been subject to such violent fluctuations as marked State bank issues. But in so far as they could, national banks have consulted their own pecuniary interest in regulating the volume of outstanding notes. I give below a statement of the volume of national bank notes in circulation on the first day of each month since July 1, 1893:

July 1, 1893...	$178,713,872	Jan. 1, 1894...	$208,538,844
Aug. 1, 1893...	183,755,147	Feb. 1, 1894...	207,862,107
Sept. 1, 1893...	198,980,368	Mar. 1, 1894...	207,479,520
Oct. 1, 1893...	208,690,579	Apr. 1, 1894...	207,875,695
Nov. 1, 1893...	209,311,993	May 1, 1894...	207,833,032
Dec. 1, 1893...	208,948,105	June 1, 1894...	207,245,049

It will be noticed that the volume of notes increased last summer when bonds went down and the issue, therefore, became more profitable, and it will be noticed, also, that the volume decreased afterward, when bonds rose, there being $2,000,000 less in circulation on June 1, 1894, than on November 1, 1893.

The volume is now decreasing, altho the issue of silver certificates has ceased and more money is needed rather than less. The demand made by the banks for the privilege of issuing notes up to the face of their bonds, accompanied by the promise that they will issue more notes if the privilege is granted, is an admission that the issue depends entirely on the profit there is in it, and not upon the demand for more money. When we are trying to destroy other kinds of trusts shall we put ourselves in the power of the worst of all trusts—a money trust?

Another important objection to banks of issue, whether State or national, is that, as soon as they begin the issue of money themselves, they become interested in preventing the circulation of any money which will operate to the injury of their currency. They acquire what they call a "vested interest" in the country's money, insist that it is a breach of faith to disturb the business into which they have been "invited," and resent any interference whatever with what they regard as their exclusive right to control our finances.

So strongly was Jefferson imprest with this danger that he wrote to John Taylor:

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

We have found the national banks opposing as far as possible a reduction of the bonded debt, because that would diminish the volume of their securities. We have seen them opposing legislation favorable to silver, and prophesying all manner of evil. But they are unlike Cassandra in this, that, while her true prophesy was unheeded, their false prophecy finds ready believers. Just now most of them are fighting the State bank currency because it may destroy their monopoly of bank notes. This is not strange, it is to be expected. Two thousand years ago the silversmiths at Ephesus banded themselves together to drive Paul away because his preaching interfered with their business—the making of images. The cry that went up then was so similar to that which we hear now that it may be worth while to quote the account given in the nineteenth chapter of Acts:

23. And the same time there arose no small stir about that way.

24. For a certain man named Demetrius, a silversmith, which made silver shrines for Diana, brought no small gain unto the craftsmen:

25. Whom he called together with the workmen of like occupation, and said, Sirs, ye know that by this craft we have our wealth.

26. Moreover, ye see and hear, that not alone at Ephesus, but almost throughout all Asia, this Paul hath persuaded and turned away much people, saying that they be no gods, which are made with hands.

27. So that not only this our craft is in danger to be set at naught; but also that the temple of the great goddess Diana should be despised, and her magnificence should be destroyed, whom all Asia and the world worshipeth.

28. And when they heard these sayings they were full of wrath, and cried out, saying, "Great is Diana of the Ephesians."

I am not willing to increase the number of those who have a pecuniary interest in a vicious system of currency; I am not willing to establish throughout the States powerful and influential enemies of financial reform; I am not willing to build up more worshipers of false gods and more makers of images. If we ever expect to bring the Government back to correct principles and eliminate favoritism from legislation, we must *diminish* rather than *multiply* the number of those who, mindful only of their own craft, are willing to drown the voice of Truth with their praise of Diana.

Still another objection to banks of issue is the danger that their notes will become worthless. This danger is now reduced to a minimum in the present national banking system, but as we pay off the public debt and retire the bonds the system must be given up or other securities substituted for Government bonds. Already the matter is being discussed and bills have been introduced providing for various kinds of security. No bank notes can rise in value above the national currency and none can equal it unless guaranteed by the Government. If provision is made for a Government guarantee the banks will make the money and the Government will stand the loss. If the Government does not guarantee the notes, then the note-holder is in constant danger of loss, so that it is simply a question whether some of the people will suffer or all. It is needless to recount the experiences through which we have passed with State bank paper.

The gentleman from Illinois [MR. SPRINGER], whose ability, learning, and industry illumine every subject which he discusses, has left little to be said on this branch of the question. Having just passed through a panic we can imagine how much worse it would have been if a large volume of bank paper, fluctuating in value, had contributed another element of uncertainty.

Gentlemen say that we have learned by experience and will avoid the evils which overtook us before. The best evidence that we have not learned by experience is found in the willingness of so many gentlemen to risk the State bank circulation again. Jefferson gave the best definition of government which has ever been suggested when he said: "The whole art of government consists in the art of being honest." And added: "The great principles of right and wrong are legible to every reader; to pursue them requires not the aid of many counselors."

Our forefathers were as honest as we, and understood as well the principles of right and wrong, nor were they more beset than we by the corrupting influences which surround official life, and yet, in spite of their intelligence and their probity, banks were organized without capital and sent forth their worthless paper to cheat and defraud the innocent citizen. We may not only expect a recurrence of these evils under similar circumstances, but, if local bonds are used for security, we may expect to see bonds voted and public debts incurred in order to secure a foundation for currency. The difficulty lies not in the ignorance of legislators nor in the dishonesty of those who grant bank charters, but in the fact that no legislative body can be trusted to grant special privileges to favored individuals. Whenever it is attempted government becomes an instrument of injustice and law the means of plunder, because the few who receive will always be present and clamorous, while the many who pay remain at home unheeded and unheard. The only sure protection from vicious legislation is to be found in the rigid observance of the old Democratic motto:

"Equal rights to all and special privileges to none."

It has been said that we need a flexible currency, and the bank of issue has been advocated as the only means of securing such a currency. Since the value of a dollar depends upon the number of dollars, it becomes a serious question whether we want a currency whose volume is subject to frequent change.

History has shown that while banks of issue make a currency flexible it is bent to their own interests, and we must remember that the power to expand the currency for the public good carries with it the power to contract the currency for the public harm. It may be, therefore, that even if flexibility is desirable it may be necessarily associated with dangers which would more than offset its advantages. Perhaps what is meant by a flexible currency is a currency which will be in the right place at the right time. One of the oft-repeated arguments in favor of State bank notes is that they will provide a local currency, and much just complaint has been made against the congestion of money at the great centers of trade. But is this not due to defects in our banking system rather than to defects in our monetary system?

It is now necessary that every bank in the country shall keep a deposit in New York, and, perhaps, in one or two other cities, for purposes of exchange. This tends to make money plentiful in the great cities and scarce in the country.

I desire to suggest a plan which, I think, will remedy this evil, and which will not only establish a banking center in each State, but will save the expense of transporting money. The Government always has on hand a large amount of money stored at its principal treasuries. This money can be kept just as safely if the number of branch offices is increased and the amount divided up. If, for instance, the Government establishes a branch of the Treasury at every State capital and at other large commercial centers, it can receive money at one branch and give a draft on any other branch, and thus relieve the country banks from keeping large deposits far from home. The amount of money at each branch will be so considerable that it will not be necessary to transport money to any great extent, and thus the Government will be able to sell exchange at a low rate, just sufficient to cover expenses. This will aid in the decentralization of money, and will enable us to keep our money at home to a much greater extent than we can now.

It has grieved me much to be compelled to differ from associates with whom I have agreed on almost every other question; but when the Representative has given to a subject his best thought and investigation, it is his duty to be true to the interests of his constituents and true to his own judgment. Some gentlemen have urged that the Democratic party should yield to the demand for State banks in order to insure victory this fall.

Mr. Jefferson said, in speaking of one of his contemporaries:

> "He has not discovered that sublime truth, that a bold unequivocal virtue is the best handmaid even to ambition."

That *is* a sublime truth, and a truth as applicable to a party as to an individual. If the issue of money by private corporations is wrong, the Democratic party cannot afford to favor it for the sake of temporary success.

Great and important as is the State, we cannot afford to allow even a State to substitute a poor local currency for a good national currency. If the General Government ought to issue and control all paper money, let us take up the principle and bear it to victory. Gentlemen have quoted platforms; let me call your attention to the Democratic national platform adopted in 1884:

> "We believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss."

Because some of our Democratic brethren have abandoned "the gold and silver coinage of the Constitution," shall we who still hold to that part of the plank surrender the last part and restore a currency which *may be* convertible only at a *loss.* I know not by what course of reasoning those who depart from the faith may justify their apostacy, but I shall still "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 discrimination against either metal or charge for mintage," and shall oppose the issue of any paper money, except by the General Government, to the end that all such paper money may be "convertible without loss." This position is in line with the teachings of the fathers. Andrew Jackson expressed a great truth when he said:

"There are no necessary evils in government; evils exist only in its abuses."

Is it not better to remove the existing abuses of government than to encourage the establishment of new ones? Can we not better afford to suffer hasty criticisms than to earn permanent censure? Is it not better to climb on through the clouds up to the sunlit summit than to begin a descent even amid applause?

Let us, then, with the courage of Andrew Jackson, apply to present conditions the principles taught by Thomas Jefferson—Thomas Jefferson, the greatest constructive statesman whom the world has ever known; the grandest warrior who ever battled for human liberty! He quarried from the mountain of eternal truth the four pillars upon whose strength all popular government must rest. In the Declaration of American Independence he proclaimed the principles with which there is, without which there cannot be, "a government of the people, by the people, and for the people." When he declared that "all men are created equal; that they are endowed by their Creator with certain unalienable Rights; that among these are Life, Liberty, and the pursuit of Happiness, and that to secure these rights Governments are instituted among Men, deriving their just powers from the consent of the governed," he declared all that lies between the Alpha and Omega of Democracy.

Alexander "wept for other worlds to conquer" after he had carried his victorious banner throughout the then known world. Napoleon "rearranged the map of Europe with his sword" amid the lamentations of those by whose blood he was exalted; but when these and other military heroes are forgotten and their achievements disappear in the cycle's sweep of years, children will still lisp the name of Jefferson, and freemen will ascribe due praise to him who filled the kneeling subject's heart with hope and bade him stand erect—a sovereign among his peers.