

EDUCATIONAL SERIES

Crime in the Gambling in Food Products

No citizen has a natural right to injure any other citizen; and the government should neither enable nor permit him to do so.

Speech of William J. Bryan of Nebraska in the House of Representatives, Monday, June 18, 1894.

The house being in committee of the whole on the state of the union, having under consideration the bill (H. R. 7007) known as the Anti-Option Bill.

Mr. Bryan said:

Mr. Chairman: I shall not trespass long on the time of the committee; but it seems to me that if we can strip this question of some of the verbiage which has been thrown about it, and resolve it into a few simple propositions, we may be enabled to arrive at a more just conclusion.

The object of the bill—and I shall speak only of its general object, because if there are any amendments to be offered to it which will make it carry out its object better and at the same time make it less onerous upon those whom we do not desire to disturb, I am perfectly willing that such amendments should be adopted—the object of the bill I say, is to prevent gambling in certain products. We can assume, to begin with, that there is gambling in these products. Now, if there is gambling in these products, the gambling either affects the price of the products gambled in, or it does not. If it can be shown by the opponents of this bill that gambling in the products named has absolutely no effect whatever in raising or lowering prices, then the only reason for passing the bill would be to stop gambling because of its general demoralizing effect upon the community.

If, however, it is admitted that gambling in these products has some effect on prices, however small, then that effect must be either to increase or diminish the price of the product gambled in. If the price of the product is increased to the man who buys it, then the gambler has done a wrong to that man. If the price of the product is decreased to the man who sells it, then the gambler has done wrong to that man, and the only way that you can escape this conclusion is to assert, as was asserted by the gentleman from New York (Mr. Warner), that the gambler helps the man who sells by raising the price of his commodity a little, and helps the man who buys by lowering his price a little, and takes his profit out of those who speculate.

Mr. Warner. Will the gentleman allow me?

Mr. Bryan. Certainly.

Mr. Warner. I do not believe that any gambler ever helped anybody except by the merest chance. It is the investors of funds which might otherwise be idle, who put their investments temporarily in the purchase of wheat or cotton; that produce somewhat of the effect the gentleman has suggested.

Mr. Bryan. I care not whether the purpose of the gambler is to help or not. If the gentleman could prove that the effect of gambling was to take the cost of handling and transportation out of the pocket of somebody other than the producer and consumer, then he might justify gambling by showing that it is wise for us to promote laws which enable gamblers to take from the people who are willing to gamble and give the benefit of their losses to the producer and consumer alike.

But, Mr. Chairman, I am not going to assume that the gambler simply makes his money out of the people who buy for speculation. I am going to assume, upon evidence satisfactory to me, that these gamblers increase or decrease to some extent the price of the products speculated in, increasing it to the man who buys or decreasing it to the man who sells. No citizen has a natural right to injure any other citizen; and the government should neither enable nor permit him to do so. Therefore, no man has a right to lessen the value of another man's property, and the law should not give to a man, or protect him in, the exercise of such a right.

My district is perhaps an average district; about half of my constituents live in cities or towns, and about half are engaged in agriculture. I have in my district the second largest city in the state, Lincoln, the state's capital—a city of 60,000 inhabitants. My home is in that city, and I have no hesitation in declaring that it is one of the most beautiful and prosperous cities of its size in the United States.

The people who live in cities will, if gambling in farm products reduces the price of such produce, be the beneficiaries to that extent. But, sir, I do not come here to lower the price of what my city constituents have to buy, by enabling grain gamblers to take it from the pockets of those who raise farm products. My city constituents do not ask that of me, and I would not assist them in so unjust an act if they did ask it.

As I said, about half of my constituents live on farms, and they labor in a veritable Garden of Eden, for we have in the First Nebraska district as beautiful and fertile farm lands as the sun turns his face upon in all his course. I deny that it is just to the farmers of my district that gamblers should be permitted to bet on the price of their products to their injury after they have prepared their crops for the market. When the farmer has taken the chances of rain and drouth, when he has taken the chances which must come to the farmer as they scarcely come to anybody else; when he has escaped the grasshopper and the chinch bug and the rain and the hail and the dry winds, I insist that he shall not then be left to the mercy of a gang of speculators, who, for their own gain, will take out of him as much of the remainder as they can possibly get.

There is no difference in the moral character of the transaction between the action of the burglar who goes to a man's house at night and takes from him a part of that which he receives for his wheat, and the action of the gambler who goes on the board of trade, and, by betting on the price of the product, brings down that price and takes that much from the farmer's income.

Mr. Black, of Georgia. If the gentleman will permit me? I am seeking information on this subject, and desire to ask a question. Do you hold that it is proper legislation for congress to pass an act against the burglar of whom you speak?

Mr. Bryan. I am coming to that in a moment. The gentleman anticipates a part of the argument which I shall reach in time.

Mr. Black, of Georgia. I should be glad to hear from the gentleman on that point.

Mr. Bynum. Let me ask the gentleman what becomes of the other gambler who is buying the wheat? What is he doing all this time?

Mr. Bryan. I am not speaking of any particular gambler, but of the transaction in general. It may be that the man who sells wheat in the market for future delivery will be lowering the price more than the man who buys, or the reverse may be true. But I speak simply of the gambler who claims the right to speculate in another man's produce, and who, by his speculation, affects the prices of what the farmer has to sell.

Mr. Goldzier. Will the gentleman yield to me for a question?

Mr. Bryan. Certainly.

Mr. Goldzier. A question on general principles?

Mr. Bryan. Yes, sir.

Mr. Goldzier. Do you consider high wheat as a blessing to the world at large?

Mr. Bryan. Mr. Chairman, the question whether high wheat is a blessing to the world at large depends very much on circumstances. It depends upon what makes it high or what makes it low.

Mr. Goldzier. Are there any circumstances under which the high price of food is a blessing to the majority of the people of the world? Do you know of any instance in history?

Mr. Bryan. If the price of food is high, as compared with the price of other things, it is not a blessing, and if the price is raised by the action of anybody, beyond what natural laws would fix it, I do not believe that it can be justified.

Mr. Coombs. While it is true that the price of wheat has gone down, is it not equally true that the price of all other products that the farmer uses have gone down even in greater proportion?

Mr. Bryan. Nearly everything has fallen in price, except the debt which he owes; that has not gone down.

Mr. Lane. That has gone up.

Mr. Bryan. The gentleman has spoken of the fall in prices. There are a number of things

which enter into and affect prices. Supply and demand, other things being equal, will regulate prices generally; but the controlling influence of supply and demand may be changed from time to time by other causes. It may be that the price of wheat or grain will rise with all other things and be due to a fall in the price of money, and it may be that the price of grain will fall with all other things, because money rises; but what we are aiming at in this bill is, not to stop the appreciation of gold, and thus prevent a greater fall in prices, nor is it to supply more money in order to make prices higher, nor is it to increase the supply of grain, or to diminish or increase the demand for grain. We are now simply striking at one of the things which enters into the price of grain from day to day; and we believe that the farmer and the man who buys his product should both be left to buy and sell in accordance with natural laws, and that prices should not be affected by the action of other people speculating upon their products for the benefit of the speculators themselves.

Mr. Goldzier. Does not the gentleman consider that improved methods of production have had more of an influence on the price of grain than any other matter you can mention?

Mr. Bryan. It is not necessary for us to enter into a discussion as to how much, if any, of the fall in the price of farm products is due to improved machinery.

Mr. Goldzier. Do you not admit that it must be? If you speak of the law of supply and demand, do you not admit that it must be. You know that the supply has been vastly increased.

Mr. Bryan. The demand also has been largely increased, and I have heard it stated—I will not state it on my own authority—that there has been little or no improvement in the methods of producing cotton in the last twenty or thirty years.

Mr. Williams, of Mississippi. If the gentleman from Nebraska will permit me, I just want to say, in response to the inquiry of the gentleman from Illinois (Mr. Goldzier) that the price of cotton has gone down as much as the price of wheat, and there has not been one single, solitary improvement in the method of producing cotton; not one piece of labor-saving machinery.

Mr. Goldzier. The reason for that can probably be found in the fact that there are substitutes for it.

Mr. Williams, of Mississippi. Not at all.

Mr. Bryan. I can not yield to an argument by any gentleman on any point in this discussion. I am willing to yield for any question, and I shall answer it as best I can, but I do not want to yield for an argument by any gentleman who may think I am not correct.

Mr. Marsh. If the gentleman from Nebraska will permit me I wish in one sentence to answer my colleague from Illinois, Mr. Goldzier.

The Chairman. Does the gentleman yield?

Mr. Bryan. If the gentleman will state it in a word.

Mr. Marsh. The gentleman asks if the improved machinery used by the farmers at the present time does not largely account for the fall in the price of wheat. I want to say here, Mr. Chairman, as a practical farmer in the state of Illinois, that it costs as much in dollars to raise a bushel of wheat today in Illinois, with all your improved machinery, as it cost forty years ago. And I am prepared to establish the truthfulness absolutely of that statement.

Mr. Goldzier. I do not think the gentleman from Nebraska will accept that; because the statistics are directly contrary to that statement.

Mr. Bryan. Mr. Chairman, I must insist that if the gentlemen desire to interrupt my remarks they will confine their interruptions to questions. I will not deny or indorse what has been stated by the gentleman from Illinois (Mr. Marsh), who answers and gives his opinion as to the cost of producing wheat. I do not believe, however, that in the last few years there has been any such improvement in the cost of producing wheat as will account for the great fall in the price of wheat, nor do I believe that in the last year there has been any such reduction in the cost of production as would account for the tremendous fall in the price of wheat. That, in my judgment, it is due to legislation which has appreciated the value of gold and robbed the farmer of his just dues. (Applause.)

Mr. Goldzier. I would like to make one suggestion there.

Mr. Bryan. I can not yield for a suggestion. If the gentleman desires to ask a question, I will answer him.

Mr. Goldzier. I will put it in the shape of a question. Do you not ascribe the tremendous fall of which you spoke, in a comparatively