

SILVER AND THE TARIFF.

REMARKS

BY

HON. JACOB H. GALLINGER,
OF NEW HAMPSHIRE,

IN THE

SENATE OF THE UNITED STATES,

WEDNESDAY, AUGUST 16, 1893.

WASHINGTON.

1893.

REMARKS
OF
HON. JACOB H. GALLINGER.

Mr. GALLINGER. I ask that the resolution of the Senator from Massachusetts [Mr. LODGE] and the amendment proposed by myself may be reported.

The PRESIDING OFFICER. The Senator from New Hampshire asks that the regular order be informally laid aside for the purpose of taking up a resolution, which will be read.

The Secretary read the resolution submitted by Mr. LODGE August 8, 1893, as follows:

Whereas Congress has been called in extraordinary session on account of the unfortunate condition of business; and

Whereas some measure of relief can be obtained by the immediate and unconditional repeal of the purchasing clauses of the silver act of 1890: Therefore.

Resolved. That the Committee on Finance be instructed to report at once to the Senate a bill to repeal the purchasing clauses of the silver act of 1890, and that a vote be taken in the Senate on said bill on Tuesday, August 22, at 2 o'clock p. m., unless it is sooner reached.

Mr. GALLINGER. Now, let my proposed amendment be read.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. It is proposed to add to the resolution the following:

And that said committee be also directed to report to the Senate that in its opinion it is inexpedient and unwise for Congress to attempt to radically change the existing tariff laws of the United States prior to March 4, 1897.

Mr. GALLINGER. Mr. President, in common with the junior Senator from Massachusetts, and New England Republicans generally, I favor the repeal of section 1 of the so-called Sherman silver law, and am ready to vote for it at the earliest possible moment. But I do not agree with the Senator that this much-abused law is largely responsible for existing financial evils. I admit that the repeal of the purchasing clause of this statute will undoubtedly do something toward restoring confidence abroad in our financial system, and that as a result we will be benefited by an increased demand for our securities in foreign countries, for which we shall receive gold in exchange.

I do not pretend to special knowledge of the financial question; but after reading innumerable so-called "solutions" of the problem, and listening to the able speeches already delivered on both sides of this Chamber, I am irresistibly led to the conclusion that one might as well attempt to cure bunions with sweetened water as to expect that the repeal of the purchasing clause of the Sherman silver law will entirely remove the existing financial stringency.

Recalling the strong words uttered against introducing political arguments into this discussion, I nevertheless propose to speak plainly what I believe, whether it be political or otherwise, and whether it pleases or displeases my associates on either side of this Chamber.

And in this connection it should not be forgotten that the political gauntlet was thrown down by the President himself, when he charged that the business and monetary disturbances of the country are due to unwise laws enacted by the Republican party.

I believe, Mr. President, that the Sherman silver law has infinitely less to do with business depression to-day than the anticipated onslaught of the party in power on the McKinley tariff law. A prominent newspaper in my State has well said:

Of all the senseless theories ever projected by a desperate party to account for hard times the one now advanced by the Democracy, that banks are suspending, factories closing, merchants falling, and business generally is being paralyzed simply because the Government is adding to the circulating medium of the country four or five million just such coins as have been in use for fifteen years, and are now eagerly taken by everybody at their face value, is the silliest. Hard times are upon us. Harder times than the American people have seen or dreaded since 1857, and they grow harder every day. They are hard and are growing harder because a party which has declared "war to the death upon the protected industries of the country" is in undisputed control of the legislative and executive branches of the Government. They will grow no better until it is certain that this party can be turned from its purpose or forced to stay its hand; until it is settled that the protective tariff is not to be smashed.

It is a singular circumstance that in the history of the country the cry of distress is always uttered by a Democratic President. No Republican President ever found it necessary to tell the people of this country that its monetary and business interests were in a deplorable condition. True, we had something of a panic in 1873, due to overspeculation and the investment of fabulous sums of money in railroad construction, but that was of small account to the industrial interests of the country as compared to the present alarming state of things. In 1857 a like disaster to the present one overtook the country, and the similarity of language then used by a Democratic President to that of the present Chief Executive is strikingly instructive, even to the extent of suggesting plagiarism. Look at the deadly parallel:

BUCHANAN, DECEMBER, 1857.

The earth has yielded her fruits abundantly; our great staples command high prices, and up till within a brief period our mineral, manufacturing, and mechanical occupations have largely partaken of the general prosperity. We have possessed all the elements of material wealth in rich abundance, yet, notwithstanding these advantages, our country in its monetary interests is at present in a deplorable condition.

In the midst of unsurpassed plenty, we find our manufactures suspended, our public works retarded, our private enterprises abandoned, and thousands of useful laborers thrown out of employment and reduced to want. Under these circumstances a loan may be required before the close of your present session, but this, although deeply to be regretted, would prove to be only a slight misfortune when compared with the suffering and distress prevailing among our people.

CLEVELAND, AUGUST, 1857.

With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise, suddenly financial distrust and fear have sprung up on every side.

Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that securities they offer for loans, though heretofore satisfactory, are no longer accepted.

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

Mr. President, it is well understood that when the last Democratic national platform was constructed the party did not expect to come in possession of all departments of the Government. They hoped for the election of their candidate for President, and expected to carry the popular branch of Congress; but they had

no expectation that the Senate would be Democratic. Under that condition of things they made a declaration which they did not themselves believe, expecting to be able to hide behind a wicked Republican Senate, and lay upon that body the blame for failure to legislate on the tariff. Why, Mr. President, if the Democratic party really believe what their platform declared—if a Democratic President and Democratic Senators really believe it—what a spectacle it is for them to allow an unconstitutional law to remain on the statute books for over five months of Democratic ascendancy without an effort to repeal it!

The fact is they do not believe that high tariff laws are unconstitutional; for they know that the Supreme Court of the United States has repeatedly affirmed the constitutionality of such legislation.

My amendment gives the Democratic party an opportunity to escape from their own folly. It puts off tariff legislation until 1897, when the Republican party will again be in power, the only party that has shown a capacity to deal with great economic questions in this country.

Mr. President, we had prosperity for nearly three years under the Sherman silver law, during which time we had a Republican President and a Republican Senate.

But the Democratic party wanted a "change." They induced the laboring men of the country to vote with them, and the change came. It came on the distinct issue that the existing tariff law is a fraud and unconstitutional.

Then came unrest on the part of business men and manufacturers. They were confronted by this astounding Democratic platform upon which the country had been carried. Business operations were curtailed; capital, always timid, began to hide; manufacturers became alarmed, and the small investors clamored for their money. The result is known to all men.

This is a currency panic, not due to a scarcity of money in the country, but due to hoarding, principally as a result of apprehension that the business of the country will be harmed by a repeal of the tariff laws now on the statute books.

Mr. President, the manufacturers of New England are to-day in actual distress, as the junior Senator from Massachusetts has truthfully depicted.

In the last Congress, the Senator from Missouri [Mr. VEST] grew eloquent over a report that reached his ears that the Middlesex mills in Massachusetts had paid a 36 per cent dividend. Of course no such dividend had ever been paid, but it did service in the campaign which followed. To-day, instead of the mills of Massachusetts or of New Hampshire paying 36 per cent or 6 per cent dividends, their doors are closed, their spindles are idle, and there must be some reason for this outside of the silver legislation of the Republican party.

Let me call the attention of the Senate to three object lessons that came to my attention only a few days before I left my home. In the city of Nashua, N. H., is one of the largest boot and shoe manufacturing establishments in the country. It employs almost 1,000 men, and for the months of June and July the books of that establishment show that over \$450,000 worth of manufactured goods were sent away and less than \$40,000 in cash was returned to that establishment. Does any sane man believe that this condition of things is due to the silver legislation of any party in this country?

Another object lesson is to be found in the great Amoskeag corporation, in the city of Manchester, N. H., employing thousands of men, the largest cotton-manufacturing establishment, I believe, in the entire country. To day, for the first time in its history, the doors of that great manufacturing establishment are closed and every spindle in it is silent.

Mr. PEFFER. Will the Senator permit me to ask him a question for information?

Mr. GALLINGER. With pleasure.

Mr. PEFFER. I ask as to when the particular establishment to which the Senator has just referred was organized and began business? Along in the fifties, was it not?

Mr. GALLINGER. About that time, as I remember.

Mr. PEFFER. How did that establishment manage to get along under the tariff of 1857?

Mr. GALLINGER. I have only this to say, that they did manage to get along under the tariff of 1857, but they were not so prosperous at that time as they have been of late years, and besides, they did not pay one-half the wages under the low tariff of 1857 that they have paid under the Morrill and the McKinley tariff laws. They managed to get along during the troublous times of 1873 without closing their doors, but to-day, for the first time in their history, their doors are closed and their spindles are silent. How long that condition of things will continue I do not know, but I do know that absolute alarm pervades the manufacturing circles of New England to-day, and that they are very fearful that disasters, such as language would be inadequate to portray, are going to overtake the manufacturing industries of that portion of our country.

Now, Mr. President, does anybody suppose that the wholesale dry goods houses are refusing to buy Amoskeag gingham because they are afraid that when the bills come due they will be allowed to pay them in dollars worth only 60 cents? Is it strange that people do not buy Amoskeag gingham for future use when the great Democratic party is pledged to practically abolish the duty on them, and open the home market to the stocks that have been accumulating in England since the passage of the McKinley bill?

Is it any wonder that manufacturers hesitate about piling up goods which they may be obliged to sell in free competition with those produced abroad by labor costing only two-thirds what they pay for it here? What is there strange about that, and how will the repeal of the Sherman law help out that condition of things?

Is there anything mysterious in the fact that with an avowed bitter and all-powerful enemy of every protected industry in the White House, and with both Houses of Congress pledged to carry out his destructive purposes, capital goes into hiding, industry ceases, and bankruptcy runs riot through the country? I discover nothing mysterious in this matter. It is the logical outcome of the triumph of a party pledged to the destruction of high protection in this country.

The third object lesson that came to my attention was the fact that the Antrim cutlery establishment in my State, a large manufacturing industry employing several hundred hands, that has built up one of the most beautiful villages in New England and has given steady employment and high wages to an intelligent community, has recently closed its doors for three or four days each week for the first time in its history. Almost at the very moment

when that establishment was closing its doors the consul of the United States, Benjamin Folsom, a cousin of the President of the United States, was making a speech to the operatives in cutlery in the city of Sheffield, in England. What did that officer of the United States, a cousin of the President of the United States, say to the men who are making cutlery in competition with the cutlery manufacturers in this country? Among other things he said to them:

There are many things I should like to say. There are two or three practical things I can say to you which are of more importance than any resumé of our history. England's greatest customer has been the United States; and, in spite of tariffs that have been raised against foreign countries, there is, and must continue to be, a great and gigantic trade flowing from England to America.

And as Mr. Folsom uttered those sentiments to that great meeting, being about to take his leave as consul to Sheffield, his English hearers admiringly cried out, "Hear! Hear!"

You have passed—

Mr. Folsom said—

the worst period; you have crossed the highest barrier that can be raised between the United States and England in the way of trade obstruction. [Applause.] I will tell you why this is. For the first time since the year 1860 the Democratic party, which has been the party of free trade, is for the first time in power, not only in the executive, but in both its legislative branches. [Applause.] During the former term of Mr. Cleveland he was blocked by the Senate standing between him and the House of Representatives, which was Democratic, and therefore no bill could be passed which was not in the shape of a compromise. When the struggle came on for the Presidential election last year the Democratic party, for the first time in its history, took fair and square ground, and made a straight out-and-out issue between protection and tariff for revenue only. [Hear, hear.]

If you will pardon me. I will read to you the two slight planks in the Democratic platform upon which the President of the United States was elected, and upon which the Congress which is now in power, and which is to be convened upon the 7th of next month, was elected, and you will see that so soon as the financial question is disposed of, which is merely a preliminary, and must be disposed of before the regular meeting of Congress, the next great question is the tariff, in which you are interested, and which the President and both Houses of Congress are pledged to reduce. [Applause.] The Democratic platform upon which Mr. Cleveland was elected says: "We denounce Republican protection as a fraud; a robber of the great majority of the American people for a few. We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties except for the purposes of revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered.

We denounce the McKinley tariff law, enacted by the Fifty-first Congress, as the culminating atrocity of class legislation; and we indorse the efforts made by the Democrats of the present Congress to modify its most oppressive features in the direction of free raw materials and the cheaper manufactured goods that enter into general consumption; and we promise its repeal as one of the beneficent results that will follow the action of the people in intrusting power to the Democratic party. Since the McKinley tariff went into operation there have been ten reductions of the wages of laboring men to one increase. We deny that there has been any increase of prosperity to the country since the tariff went into operation, and we point to the dullness and distress, the wage reductions and strikes in the iron trade, as the best possible evidence that no such prosperity has resulted from the McKinley tariff.

After reading that platform of the Democratic party, and emphasizing the fact that the Democratic party was the party of free trade, Mr. Folsom, an officeholder of the United States, and, be it remembered, a cousin of the President of the United States, further said to the cutlery manufacturers of Sheffield:

I am not saying one word as to whether protection or free trade, or a tariff for revenue only, is the best thing for the United States or not. I am simply giving you the facts, and you can judge for yourselves. [Applause.]

In closing my career in Sheffield as consul of the United States, it affords me satisfaction to think that before another twelve months has rolled by Sheffield will not be subjected to the onerous and oppressive tariff duties that have restricted her trade. [Applause.]

Think of it, Mr. President; think of it, Democratic Senators; what a spectacle it was for an officeholder of the United States, and a cousin of the President of the United States, saying to an English audience that he was not discussing the question as to whether the legislation of the Democratic party would aid the United States or not—that seemed to be of no consequence—but he was congratulating them that it would roll from Sheffield the onerous burdens that are upon them at the present time! Is it any wonder, Mr. President, when that utterance was being made in the great city of Sheffield, that the cutlery manufacturers of New England were alarmed? Is it any wonder that under those circumstances the only cutlery manufactory in my State concluded to close its doors for a portion of the time?

The cutlery manufactured in New Hampshire is protected under the McKinley tariff law sufficiently to enable it to be manufactured in competition with the cutlery made in Sheffield, England. But a consul of the United States, and a cousin of the President, assures our English competitors that that tariff duty is to be removed, and that they will have increased prosperity at the expense of American manufacturers.

Will it be any wonder, under such circumstances, if American cutlery establishments all over the country close their doors? Is it any wonder that American manufacturers refuse to accumulate manufactured goods which they may have to sell in competition with the product of the underpaid labor of English manufacturing towns?

Mr. President, I do not desire to further detain the Senate; Let the bill reported by the Senate Finance Committee, permitting banks to increase their circulation to the par value of the bonds deposited, be enacted into law. Then let this resolution, amended as I propose, be promptly passed. Confidence in our finances will at once be strengthened, both at home and abroad; trade will brighten, and another era of prosperity, possibly equal to the marvelous prosperity of the administration of President Harrison, will speedily come to the people of the United States.

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Mr. HOAR. I now suggest that we have a vote on the resolution of my colleague [Mr. LODGE].

Mr. PASCO. The Senator from South Carolina [Mr. BUTLER] is not in his seat. He yesterday gave notice of an amendment to that resolution, and I therefore suggest that the resolution go over now.

Mr. HOAR. We might have a vote on the amendment of the Senator from New Hampshire [Mr. GALLINGER] in that case.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. COCKRELL. I think we had better proceed to the consideration of executive business, and therefore I move accordingly.

The PRESIDING OFFICER. The question is on the motion of the Senator from Missouri.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.