

Mr. BOUTELLE. And I remind him that he held before that the Speaker could not submit—

The SPEAKER. Could not submit a motion.

Mr. BOUTELLE. A question of privilege.

The SPEAKER. But the gentleman had made a motion. The language may be very general, but what was the case? The gentleman had made a motion.

Mr. BOUTELLE. The language is specific.

The Chair thinks under the order adopted by the House the Chair must submit to the House only that business which is provided for in the order.

The SPEAKER. Precisely. The gentleman made a motion to call up a resolution, which the Chair declined to submit. The Clerk will read the message.

Mr. BOUTELLE. Does the Speaker overrule the point of order?

The SPEAKER. The Chair overrules the point of order.

Mr. BOUTELLE. The Chair overrules the point of order?

The SPEAKER. He does.

Mr. BOUTELLE. I appeal from the ruling of the Chair.

The SPEAKER. The Chair declines to entertain the appeal. [Laughter and applause on the Democratic side.] The Clerk will read the message.

Mr. BOUTELLE. I hope the gentleman from Illinois [Mr. SPRINGER] will come to my relief!

The Clerk proceeded to read the message.

Mr. OUTHWAITE. Mr. Speaker, I rise to a point of order. There is so much disorder in the House that we can not hear the reading of the message.

The SPEAKER. The House will be in order.

The Clerk proceeded further with the reading, when

Mr. REED said: I rise to a point of order. It is impossible to hear the message.

The SPEAKER. The House will be in order.

Mr. REED. It is impossible to hear it.

The SPEAKER. The occupants of the galleries will please cease conversation. Gentlemen on the floor will cease conversation or retire to the cloak room.

Mr. REED. I hope the message will be read distinctly, because it is of great importance.

The reading of the message was resumed and concluded.

#### VETO MESSAGE.

The message is as follows:

*To the House of Representatives:*

I return without my approval House bill numbered 4956, entitled "An act directing the coinage of the silver bullion held in the Treasury, and for other purposes."

My strong desire to avoid disagreement with those in both Houses of Congress who have supported this bill would lead me to approve it if I could believe that the public good would not be thereby endangered, and that such action on my part would be a proper discharge of official duty. Inasmuch, however, as I am unable to satisfy myself that the proposed legislation is either wise or opportune, my conception of the obligations and responsibilities attached to the great office I hold forbids the indulgence of my personal desire, and inexorably confines me to that course which is dictated by my reason and judgment, and pointed out by a sincere purpose to protect and promote the general interests of our people.

The financial disturbance which swept over the country during the last year was unparalleled in its severity and disastrous consequences. There seemed to be almost an entire displacement of faith in our financial ability and a loss of confidence in our fiscal policy. Among those who attempted to assign causes for our distress it was very generally conceded that the operation of a provision of law then in force which required the Government to purchase monthly a large amount of silver bullion and issue its notes in payment therefor, was either entirely, or to a large extent, responsible for our condition. This led to the repeal, on the 1st day of November, 1893, of this statutory provision.

We had, however, fallen so low in the depths of depression, and timidity and apprehension had so completely gained control in financial circles, that our rapid recuperation could not be reasonably expected. Our recovery has, nevertheless, steadily progressed, and though less than five months have elapsed since the repeal of the mischievous silver-purchase requirement, a wholesome improvement is unmistakably apparent. Confidence in our absolute solvency is to such an extent reinstated and faith in our disposition to adhere to sound financial methods is so far restored, as to produce the most encouraging results both at home and abroad. The wheels of domestic industry have been slowly set in motion and the tide of foreign investment has again started in our direction.

Our recovery being so well under way, nothing should be done to check our convalescence; nor should we forget that a relapse at this time would almost surely reduce us to a lower stage of financial distress than that from which we are just emerging.

I believe that if the bill under consideration should become a law, it would be regarded as a retrogression from the financial intentions indicated by our recent repeal of the provision forcing silver-bullion purchases; that it would weaken, if it did not destroy, returning faith and confidence in our sound financial tendencies, and that as a consequence our progress to renewed business health would be unfortunately checked and a return to our recent distressing plight seriously threatened.

This proposed legislation is so related to the currency conditions growing out of the law compelling the purchase of silver by the Government, that a glance at such conditions and a partial review of the law referred to, may not be unprofitable.

Between the 14th day of August, 1890, when the law became operative, and the 1st day of November, 1893, when the clause it contained directing the purchase of silver was repealed, there were purchased by the Secretary of the Treasury more than 168,000,000 ounces of silver bullion. In payment for this bullion the Government issued its Treasury notes of various denominations, amounting to nearly \$150,000,000, which notes were immedi-

ately added to the currency in circulation among our people. Such notes were by the law made legal tender in payment of all debts, public and private, except when otherwise expressly stipulated, and were made receivable for customs, taxes, and all public dues, and when so received might be reissued. They were also permitted to be held by banking associations as a part of their lawful reserves.

On the demand of the holders these Treasury notes were to be redeemed in gold or silver coin in the discretion of the Secretary of the Treasury; but it was declared as a part of this redemption provision that it was "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be provided by law." The money coined from such bullion was to be standard silver dollars, and after directing the immediate coinage of a little less than 28,000,000 ounces, the law provided that as much of the remaining bullion should be thereafter coined as might be necessary to provide for the redemption of the Treasury notes issued on its purchase, and that "any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury."

This gain or seigniorage evidently indicates so much of the bullion owned by the Government as should remain after using a sufficient amount to coin as many standard silver dollars as should equal in number the dollars represented by the Treasury notes issued in payment of the entire quantity of bullion. These Treasury notes now outstanding and in circulation amount to \$152,951,280, and although there has been thus far but a comparatively small amount of this bullion coined, yet the so-called gain or seigniorage, as above defined, which would arise from the coinage of the entire mass, has been easily ascertained to be a quantity of bullion sufficient to make when coined 55,156,681 standard silver dollars.

Considering the present intrinsic relation between gold and silver the maintenance of the parity between the two metals, as mentioned in this law, can mean nothing less than the maintenance of such a parity in the estimation and confidence of the people who use our money in their daily transactions. Manifestly the maintenance of this parity can only be accomplished, so far as it is affected by these Treasury notes, and in the estimation of the holders of the same, by giving to such holders, on their redemption, the coin, whether it is gold or silver, which they prefer. It follows that while in terms the law leaves the choice of coin to be paid on such redemption to the discretion of the Secretary of the Treasury, the exercise of this discretion, if opposed to the demands of the holder, is entirely inconsistent with the effective and beneficial maintenance of the parity between the two metals.

If both gold and silver are to serve us as money and if they together are to supply to our people a safe and stable currency the necessity of preserving this parity is obvious. Such necessity has been repeatedly conceded in the platforms of both political parties and in our Federal statutes. It is nowhere more emphatically recognized than in the recent law which repealed the provision under which the bullion now on hand was purchased. This law insists upon the "maintenance of the parity in value of the coins of the two metals and the equal power of every dollar at all times in the markets and in the payment of debts."

The Secretary of the Treasury has therefore, for the best of reasons, not only promptly complied with every demand for the redemption of these Treasury notes in gold, but the present situation, as well as the letter and spirit of the law, appear plainly to justify, if they do not enjoin upon him, a continuation of such redemption.

The conditions I have endeavored to present may be thus summarized:

First. The Government has purchased and now has on hand sufficient silver bullion to permit the coinage of all the silver dollars necessary to redeem, in such dollars, the Treasury notes issued for the purchase of said silver bullion and enough besides to coin, as gain or seigniorage, 55,156,681 additional standard silver dollars.

Second. There are outstanding and now in circulation Treasury notes issued in payment of the bullion purchased amounting to \$152,951,280. These notes are legal tender in payment of all debts public and private except when otherwise expressly stipulated; they are receivable for customs, taxes, and all public dues; when held by banking associations they may be counted as part of their lawful reserves, and they are redeemed by the Government in gold at the option of the holders. These advantageous attributes were deliberately attached to these notes at the time of their issue; they are fully understood by our people to whom such notes have been distributed as currency and have inspired confidence in their safety and value, and have undoubtedly thus induced their continued and contented use as money, instead of anxiety for their redemption.

Having referred to some incidents which I deem relevant to the subject, it remains for me to submit a specific statement of my objections to the bill now under consideration.

This bill consists of two sections, excluding one which merely appropriates a sum sufficient to carry the act into effect. The first section provides for the immediate coinage of the silver bullion in the Treasury which represents the so-called gain or seigniorage, or which would arise from the coinage of all the bullion on hand, which gain or seigniorage this section declares to be \$55,156,681. It directs that the money so coined or the certificates issued thereon shall be used in the payment of public expenditures, and provides that if the needs of the Treasury demand it, the Secretary of the Treasury may in his discretion issue silver certificates in excess of such coinage, not exceeding the amount of seigniorage in said section authorized to be coined.

The second section directs that as soon as possible after the coinage of this seigniorage the remainder of the bullion held by the Government shall be coined into legal-tender standard silver dollars and that they shall be held in the Treasury for the redemption of the Treasury notes issued in the purchase of said bullion. It provides that as fast as the bullion shall be coined for the redemption of said notes, they shall not be reissued but shall be canceled and destroyed in amounts equal to the coin held at any time in the Treasury derived from the coinage provided for, and that silver certificates shall be issued on such coin in the manner now provided by law. It is, however, especially declared in said section that the act shall not be construed to change existing laws relating to the legal-tender character or mode of redemption of the Treasury notes issued for the purchase of the silver bullion to be coined.

The entire bill is most unfortunately constructed. Nearly every sentence presents uncertainty and invites controversy as to its meaning and intent. The first section is especially faulty in this respect, and it is extremely doubtful whether its language will permit the consummation of its supposed purposes. I am led to believe that the promoters of the bill intended in this section to provide for the coinage of the bullion constituting the gain or seigniorage, as it is called, into standard silver dollars; and yet there is positively nothing in the section to prevent its coinage into any description of silver coins now authorized under any existing law.

I suppose this section was also intended, in case the needs of the Treasury called for money faster than the seigniorage bullion could actually be coined, to permit the issue of silver certificates in advance of such coinage; but its language would seem to permit the issuance of such certificates to double the amount of seigniorage as stated, one-half of which would not represent an ounce of silver in the Treasury. The debate upon this section in the Congress developed an earnest and positive difference of opinion as

to its object and meaning. In any event, I am clear that the present perplexities and embarrassments of the Secretary of the Treasury ought not to be augmented by devolving upon him the execution of a law so uncertain and confused.

I am not willing, however, to rest my objection to this section solely on these grounds; in my judgment sound finance does not commend a further infusion of silver into our currency at this time unaccompanied by further adequate provision for the maintenance in our Treasury of a safe gold reserve.

Doubts also arise as to the meaning and construction of the second section of the bill. If the silver dollars therein directed to be coined are, as the section provides, to be held in the Treasury for the redemption of Treasury notes, it is suggested that, strictly speaking, certificates can not be issued on such coin "in the manner now provided by law," because these dollars are money held in the Treasury for the express purpose of redeeming Treasury notes, on demand, which would ordinarily mean that they were set apart for the purpose of substituting them for these Treasury notes. They are not, therefore, held in such a way as to furnish a basis for certificates according to any provision of existing law.

If, however, silver certificates can properly be issued upon these dollars, there is nothing in the section to indicate the characteristics and functions of these certificates. If they were to be of the same character as silver certificates in circulation under existing laws they would at best be receivable only for customs, taxes, and all public dues; and under the language of this section it is, to say the least, extremely doubtful whether the certificates it contemplates would be lawfully received even for such purposes.

Whatever else may be said of the uncertainties of expression in this bill, they certainly ought not to be found in legislation affecting subjects so important and far-reaching as our finances and currency. In stating other and more important reasons for my disapproval of this section I shall, however, assume that under its provisions the Treasury notes issued in payment for silver bullion will continue to be redeemed as heretofore in silver or gold at the option of the holders; and that if when they are presented for redemption, or reach the Treasury in any other manner, there are in the Treasury coined silver dollars equal in nominal value to such Treasury notes, then and in that case the notes will be destroyed, and silver certificates to an equal amount be substituted.

[I am convinced that this scheme is ill advised and dangerous. As an ultimate result of its operation Treasury notes which are legal tender for all debts public and private, and which are redeemable in gold or silver, at the option of the holder, will be replaced by silver certificates which, whatever may be their character and description, will have none of these qualities. In anticipation of this result, and as an immediate effect, the Treasury notes will naturally appreciate in value and desirability. The fact that gold can be realized upon them, and the further fact that their destruction has been decreed when they reach the Treasury must tend to their withdrawal from general circulation to be immediately presented for gold redemption, or to be hoarded for presentation at a more convenient season. The sequel of both operations will be a large addition to the silver currency in our circulation and a corresponding reduction of gold in the Treasury. The argument has been made that these things will not occur at once, because a long time must elapse before the coinage of anything but the seigniorage can be entered upon.

If the physical effects of the execution of the second section of this bill are not to be realized until far in the future, this may furnish a strong reason why it should not be passed so much in advance; but the postponement of its actual operation can not be effected without the fear and loss of confidence and nervous precaution which would immediately follow its passage and bring about its worst consequences. I regard this section of the bill as embodying a plan by which the Government will be obliged to pay out its scanty store of gold for no other purpose than to force an unnatural addition of silver money into the hands of our people. This is an exact reversal of the policy which safe finance dictates if we are to preserve parity between gold and silver and maintain sound metallism.

We have now outstanding more than \$333,000,000 in silver certificates issued under existing laws. They are serving the purpose of money usefully and without question. Our gold reserve, amounting to only a little more than \$100,000,000, is directly charged with the redemption of \$348,000,000 of United States notes. When it is proposed to inflate our silver currency it is a time for strengthening our gold reserve instead of depleting it. I can not conceive of a longer step toward silver monometallism than we take when we spend our gold to buy silver certificates for circulation, especially in view of the practical difficulties surrounding the replenishment of our gold.

This leads me to earnestly present the desirability of granting to the Secretary of the Treasury a better power than now exists to issue bonds to protect our gold reserve when for any reason it should be necessary. Our currency is in such a confused condition and our financial affairs are apt to assume at any time so critical a position that it seems to me such a course is dictated by ordinary prudence.

I am not insensible to the arguments in favor of coining the bullion seigniorage now in the Treasury, and I believe it could be done safely and with advantage, if the Secretary of the Treasury had the power to issue bonds at a low rate of interest under authority in substitution of that now existing and better suited to the protection of the Treasury.

I hope a way will present itself in the near future for the adjustment of our monetary affairs in such a comprehensive and conservative manner as will accord to silver its proper place in our currency; but in the meantime I am extremely solicitous that whatever action we take on this subject may be such as to prevent loss and discouragement to our people at home, and the destruction of confidence in our financial management abroad.

GROVER CLEVELAND.

EXECUTIVE MANSION, March 29, 1894.

#### ORDER OF BUSINESS.

Mr. PATTERSON. Regular order.

Mr. BLAND. Mr. Speaker, I desire to give notice that on Tuesday next, immediately after the reading of the Journal, I will ask that that bill be passed, the objection of the President to the contrary notwithstanding.

Mr. BOUTELLE. Mr. Speaker, I rise to move that the House proceed, under the provisions of the Constitution recently cited by the Speaker, to reconsider to the bill referred in the veto message of the President.

The SPEAKER. The question now before the House is—

Mr. SPRINGER. I make the point of order on that.

The SPEAKER. The gentleman from Illinois makes the point of order.

Mr. REED. The Constitution provides—

Mr. BOUTELLE. I desire to call the attention of the Speaker to the rulings on that subject—

Mr. SPRINGER. Regular order.

The SPEAKER. The House will please be in order.

Mr. BOUTELLE. I read from the House Journal of the first session of the Forty-ninth Congress, on page 2397, a ruling by Speaker Carlisle on a case of this kind where a message had been received and had already gone to a committee:

Mr. BURROWS, as a privileged question, moved to discharge the Committee on Invalid Pensions from the further consideration of the message of the President of the United States returning with his objections the bill of the House (H. R. 4058) for the relief of Joel D. Monroe, and that the House now consider the same.

Mr. SPRINGER made the point of order that the said motion was not in order, for the reason that the said message and bill had been referred under the rules to said committee for consideration.

The Speaker overruled the said point of order on the ground that the Constitution provided that when the President returned a bill to the House in which it originated with his objections, that House shall—

And the Speaker emphasized the word "shall"—

proceed to reconsider it and determine whether or not the bill shall pass, the objections of the President to the contrary notwithstanding, and that under the unbroken practice of the House it has been held that such a message, like a contested election case, presented a question of the highest privilege, and that the motion to discharge a committee from its further consideration was always in order.

Under that ruling I call up as a question of highest privilege the bill referred to in the message of the President, and move that the House proceed to reconsider the question involved in the message.

The SPEAKER. There is before the House a question of the highest privilege, a question relating to the right of a member of the House to his seat. The Constitution provides that each House shall determine the qualifications, returns, and election of its members. The House is now discharging that duty, considering that question. Pending that the House has received and there has been read a message from the President of the United States containing his objections to a bill which has been passed by the House. The situation is this: The House is considering a matter of the highest privilege, made so by the Constitution, and is considering that matter also under a rule of its own which provides that until it disposes of the matters mentioned in that rule it will consider no other business. Therefore the Chair overrules the motion to take up at this time the matter to which the President's message relates, and holds that it can be taken up after the disposition of the contested-election cases.

Mr. BOUTELLE. In view of the fact that the Speaker himself has referred to the constitutional provision which makes this mandatory, I respectfully appeal from the ruling of the Chair.

The SPEAKER. The Chair declines to entertain the appeal. The question now is upon laying on the table the motion to reconsider made by the gentleman from Michigan [Mr. BURROWS], and upon that question the yeas and nays have been ordered.

Mr. BURROWS. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BURROWS. I desire to know what disposition has been made of the message of the President.

The SPEAKER. It is on the table.

Mr. BURROWS. Under what rule is it placed on the table? There is no Speaker's table. Some action must be taken in some way, either by referring it to a committee or by postponing it to a day certain.

The SPEAKER. It has been laid before the House. The question is on the motion—

Mr. PAYNE. Mr. Speaker, I rise to a parliamentary inquiry—

The SPEAKER. The question is on the motion to lay on the table the motion to reconsider the vote by which the House rejected the resolution presented by the minority of the Committee on Elections. The gentleman from Michigan [Mr. BURROWS] moves to reconsider that vote, and the gentleman from Illinois [Mr. SPRINGER] moves to lay the motion to reconsider on the table. On that question the yeas and nays have been ordered. Those who are in favor of laying the motion to reconsider on the table will say aye and those opposed no, and the Clerk will call the roll.

Mr. PAYNE. Mr. Speaker, a parliamentary inquiry—

Mr. BOUTELLE. A message from the Chief Magistrate of the United States—

The SPEAKER. Gentlemen will be seated.

Mr. PAYNE. Mr. Speaker—

The SPEAKER. Gentlemen will be seated and the Clerk will call the roll.