SPEECH

OF

HON. O. M. HALL,

OF MINNESOTA,

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IN THE

HOUSE OF REPRESENTATIVES.

WASHINGTON.
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The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. HALL of Minnesota said:

Mr. SPEAKER: "The times are out of joint." A country richer than all others in the variety and extent of its resources, stronger than all others in the intelligence, enterprise, and ingenuity of its people, greater than all others in its opportunities for individual effort and success, finds its resources stagnant, its enterprise clogged, its progress stopped by an impending financial crisis, dangerous in its present severity and terrible in its possibilities.

We are summoned in extraordinary session not to prescribe a remedy for all the ills which afflict the people's business, but to check—to stamp out the financial epidemic which is carrying distress and ruin to every threshold in the nation. Gentlemen tell us that before we can do this we must diagnose the disease. Over the writhing, dying patient these learned doctors consult, quarrel, and disagree in approved professional manner. The venerable practitioner from Ohio [Mr. GROSVENOR] and his boisterous associates from Iowa [Mr. HENDERSON and Mr. HEPBURN] and from Illinois [Mr. CANNON] have diagnosed the case with great relish and self-satisfaction, and have reached the profound conclusion that the patient is suffering from too much fright and too little nourishment.

"Madam," said an eminent specialist, "your husband is afflicted with a complication of disorders which we are utterly unable to understand. But I assure you, my dear madam, everything will be made clear and satisfactory at the post-mortem." [Laughter.]

These wise men, if I understand them, find nothing in the present alarming condition of the country except an all-pervading fear of the early demise of McKinleyism. The financial distress, the suspension of banks, the hoarding and almost total disappearance of money, the failures of jobbing and commercial houses, the closing of factories, the bankruptcy of railroads, and the universal stagnation of all kinds of business are, in their judgment, mainly due to the fear that this Democratic Congress will in good faith carry out the tariff reform it promised the people.

"To this lame and impotent conclusion" does all their skill, wisdom, and experience lead them.

What quackery it is! If these doctors had but looked into the eyes of the suffering patient, seen his coated tongue, felt his throbbing, feverish pulse, they would not have had the hardihood to speak as they have.

The Almighty has so constructed humanity that in every age and in every country there are men whose patriotism is so diminutive and partisanship so intense that even in a nation's distress and a people's suffering they can see nothing but an opportunity for factional gain and personal profit. To them and of them I can only say in the language of the venerable Senator from Massachusetts [Mr. HOAR]:

> No man whom the American people have trusted with any share of political power is entitled to be respected who approaches the duty of this hour in any partisan or sectional spirit or inspired by the desire to reap partisan advantage from the public calamity.

But let us diagnose the diagnosis of these wise men.

Sherman's silver law was passed in July, 1890. For twelve years prior thereto, under the Bland-Allison act, this country had been annually coining $24,000,000 worth of silver into silver dollars of the average market value of 73 cents each. Over 400,000,000 of these coined dollars were then directly or indirectly in circulation as a part of the money of the country. The Sherman differed from the Bland-Allison law about as two drinks differ from one. It doubled the dose. It compelled the purchase and compelled, substantially, the coinage of twice as much silver as the Bland-Allison act. The shrewd financiers of the world at once comprehended the ultimate effect of the law. They knew that it inevitably accelerated our speed on the down grade to silver monometallism. The wiping out of the magnificent surplus which Mr. Cleveland left in the Treasury was additional cause of alarm.

I can not give you statistics, but every intelligent man knows that the great and rapid development of this country has not been solely due to our people. It is the British pound sterling and the Dutch florin in the hands of the enterprising Americans which has set this country spinning on the highway of development, to the astonishment and admiration of the world. Foreign capital borrowed at low rates of interest has created our railroads, opened our factories and mines, and developed our resources. No undertaking involving the use of large amounts of money could be successfully carried on without the aid of foreign money. Our own capital was too limited, our rates of interest too high to admit of this. But in the cheap markets of Europe we found cheap money. This we borrowed in untold millions and utilized it for our own profit and advancement.

To the people who lent us this money—to the Rothschilds, to the Jews, that marvelous race who are the bankers of the universe, Sherman's law came as a threat of repudiation, an act of partial bankruptcy, an attempt to pay back the money we had borrowed in a debased currency, in clipped shillings of inferior value. They began to draw in their loans, to unload our securities, and, worst of all, they refused to loan us more money.

At once upon the enactment of Sherman's law, gold began to go out of this country in large quantities. In the first fiscal year ending June 30, 1891, our net export of gold was over $68,000,000, and in addition we sent a net export of $44,000,000 of crops and merchandise, in all, over $112,000,000 to pay our called-in indebtedness.

In the next year ending June, 1892, we had a net export of only a half million of gold, but we added to it from our magnificent crops of that year an export surplus of nearly $216,000,000. Did McKinley's law or the fear of its repeal have anything to do with this? Why this enormous payment of our called-in indebtedness occurred while McKinleyism was triumphant; before the American people had rendered their verdict and passed sentence upon that felonious measure?

This distrust and lack of confidence on the part of European money-lenders speedily communicated itself to our American capitalists. They began to prepare for the coming storm by hoarding gold. The banks did likewise. All this time gold was flowing out of the Treasury, and only silver going in. It was apparent that the $100,000,000 of gold held for redemption purposes must soon be encroached upon. Early in the fall of 1891, scarcely a year after the passage of Sherman's law, Ohio's magnificent plunger, then Secretary of the Treasury, announced that he stood ready to use the reserve "upon a pinch." For the first time since 1879 that reserve, the sheet anchor of all our currency, of silver as well as paper, was in danger. All this occurred before the Presidential election. How, then, doctors, could the fear of the repeal of the McKinley law have produced it?

When the people discovered that the bankers and capitalists were scared, they became scared themselves, and began to draw out their money from the banks and hoard it. They got but little gold, for the capitalists had already taken that. But they got currency and hoarded that, until it is almost literally true that there is no money in circulation. Whatever business is carried on consists of small transactions requiring currency of small denominations, and we consequently have the seemingly mysterious phenomenon of small currency at a premium.

From the New York Press, a leading Republican newspaper, I have clipped a column of disasters reported in a single issue—twenty-six in all. They comprehend a variety of business establishments, protected and unprotected. This record of a single day tells of the failure of six banks, three railways, one packing-house, five mercantile houses, two board of trade brokers, one Chicago hotel, one large creamery, and only seven establishments which, by the wildest stretch of imagination, could be in anywise affected by a reduction of the tariff.

It is absurd to say that the banks are dependent upon tariff taxes; equally ridiculous to claim that a fear of the reduction

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of the cost of steel rails has bankrupted the railways; or of the tax on hog's bristles has closed the packing-house; or of that upon eggs has sent the hotel into the hands of a receiver. The mercantile houses, the brokers, and the creamery were not included in McKinley's distribution of illegitimate profits. And as this day's record is, so has the daily record been for two months past.

Probably the most reliable commercial journal in the United States is Bradstreet's. In a very recent number of that journal I find a list of 800 manufacturing establishments, employing one-half million of people, which have closed since June 1. A large part of these are protected industries. Many of them, such as wagon factories, brick yards, common potteries, sewer and drain pipe works, and others of similar character are in fact wholly unprotected by tariff duties. Of these 800 establishments, according to Bradstreet's, 79 per cent were closed by reason of financial stringency, only 1 per cent claimed that its suspension was due to "a fear of impending tariff changes," and the others were closed for repairs, taking of invoices, or by reason of fire, etc.

If these learned doctors had looked into the columns of a daily newspaper or glanced at the commercial reports of any trade journal, they would not have had the temerity to submit to us a diagnosis so frivolous and absurd.

Here and there doubtless are a few vicious protectionists, enriched by tariff favoritism and reluctant to surrender the special privileges of profit which McKinleyism has given them, who are reckless enough to attribute the embarrassment which comes from a financial panic to a fear of tariff reform. But such men are few in number and worthless in character.

Later on, when we approach the great work of tariff revision, we shall have a howling wail from every protected cradle in the country. All the infants will scream in unison, and tears will flow by prearranged schedule. [Laughter.] The calamity-shriekers from Pennsylvania will outdo their modest brethren from Colorado and Nevada. But it is too early for that now. They are not yet in politics. I do not regret that gentlemen upon the Republican side of this House have endeavored to make partisan capital out of the present distress. It is well that we have them, their diagnosis, fears, and predictions upon record.

In my judgment the unconditional repeal of Sherman's silver law will afford relief to the business of the country so swift and decisive that when this Congress enters upon the great work of tariff reform these prophets of protection will be so discredited by the failure of their present diagnosis that all the fears, prophecies, predictions, and threats they may then utter will be received with universal derision as "full of sound and signifying nothing." [Laughter.]

The undeniable truth is that our present financial distress is universal; that it penetrates every corner of the land and lays its paralyzing hand upon every industry, protected and unprotected. Wherever there is a business which depends upon bank deposits or borrowed money it has gone to the wall.

Such, Mr. Speaker, is the epitomized history of our greatest financial crisis. It commenced—the hoarding of gold, the money famine began—immediately upon the passage of Sherman's law. It was, in a measure, tided over and relieved by our unusual and enormous crops of 1891; it has now reached its culmination.

Doubtless many minor causes have contributed to it; I believe that our protective policy has so debauched and enfeebled our business system as to render it particularly sensitive to such attacks. I believe that the financial disturbances existing in South America, Australia, and to some extent in Europe, have more or less contributed to our own distress. But none of these, singly or combined, are sufficient to account for our present condition. It is self-evident and universally acknowledged that the direct cause of our distress is distrust and want of confidence in our ability to maintain the money of this country at a par with the international money of the commercial world.

The vaults and coffers of Europe are bursting with unusable money. It is worth only 1½ per cent in London. Cheap as it is, it lies idle awaiting safe investment. Driven out of South America, frightened out of Australia, it has accumulated in mountainous hoards awaiting the call of him who will give good security for its repayment. Here in the United States, in spite of our past financial idiosyncracies, Europe has found the best and safest field for investments.

But she loans us no money now, and is withdrawing that which we already have as fast as possible. True, within the two weeks past we have imported much gold. We are not borrowing it; we are buying it—sacrificing our securities and surplus crops at forced sale for gold. As it comes here it disappears as effectually as though the ship which brought it had gone to the mid-ocean's bottom.

Never has there been such an opportunity for the immediate development of our railways, our manufacturing, mining, and industrial interests and the funding at low rates of our corporate and individual indebtedness. The cheap money of Europe—cheaper than ever before—is ours to hold and to use if we will but guarantee its repayment in the same kind of money in which it is loaned to us. But the financiers of the Old World will never send us gold and accept 53-cent silver tokens in payment. [Applause.]

I come from beyond the Mississippi, modestly representing one of the undeveloped States of the Northwest, a marvelous empire with almost boundless resources still slumbering in her virgin soil. Our lands are mortgaged; we need cheap money, not a depreciated currency, not clipped shillings, not a bankrupt's dollar, but low-priced, honest, cheap money to renew our mortgages and render agriculture profitable. We have growing manufactures; we need cheap money to operate and develop them. We have inexhaustible mines; we need cheap money to open and work them. We have large cities and prosperous villages; we need a network of railways over the State, connecting with great trunk lines, which will carry our surplus products at low rates to the seaboard. We stand at the fountain head of two great waterways connecting us with the Atlantic and the Gulf; we need steamboats and enlarged canals. Cheap money builds railways, canals, and steamships.

I have not the courage, Mr. Speaker, to look my intelligent constituency in the face and tell them by my vote that we have locked out the cheap, low-priced money of Europe. For years I have been preaching to them the gospel of free trade. They sent and resent me here, because they believed in that gospel. Having challenged the right of the Government by its tariff legislation to exclude foreign competition from our home markets, I can not now aid in shutting out the low-priced money of Europe in order that the capitalists of Boston and New York may have a monopoly of the home money market. My political economy knows no such paradox as this. If anywhere on this round globe there is money to be had at lower rates of interest, I want my farmer constituents to get at it and to get it.

Sherman's law shuts the door in the face of every foreign investor; it warns him that if he sends gold into this country he will only receive depreciated silver in return. It shuts him out and leaves the great borrowing West and the borrowing South to the tender mercies of the Shylocks of Wall street and the bloodsuckers of New England.

To me this is a sufficient reason why Sherman's law should be repealed. It should be immediately repealed. Whether it is a wise or unwise measure, whether it is or is not the real cause of the existing distress, the people believe it to be so. Unquestionably it is the cause of the panic which prevails; and to appease the panic instantaneous repeal is necessary. It should be unconditionally repealed. For if you attach to its repeal any new financial scheme, any untried monetary experiment, you still leave in the public mind the doubt, distrust, and alarm which already exists.

The house is on fire. The first thing to do is to put out the fire. When that is done we can determine the extent of the damage and the nature of the repairs necessary. It is the height of folly to attempt to rebuild the roof while the smoke is pouring and the flames coiling out of the second-story windows. The gentleman from Missouri [Mr. BLAND] tells us that he purposes to hold the Sherman law as a "hostage" for the enactment of a free-coinage law. What financial wisdom! He would take a chattel mortgage upon the conflagration as a security for the reshingling of the roof. [Laughter.]

The amendments offered to this bill are offered for the purpose of preventing the repeal of the Sherman law, and not with the expectation of securing free coinage at the hands of this Congress. It is a cunningly devised scheme to defeat by amendments a bill which can not be openly defeated.

Interesting as the subject is, I shall not enter into a prolonged discussion of the question of bimetallism, for in my judgment the only thing for us to consider is: Shall we stop buying 4,500,000 ounces of silver bullion per month with gold, or shall we exhaust our gold to accumulate silver?

I am a bimetallist. I believe in the use of both metals as money. I believe that with certain restrictions and upon certain conditions both can be wisely and safely utilized as a circulating medium. But bimetallism does not mean two standards of value. There can not be such a self-contradiction as a double or a triple standard. You can not say that 36 and 30 inches shall constitute a yard, but you can have yardsticks of steel, brass, wood, or tape. Each is a measure of length, but each must conform to the single standard of 36 inches. You can have a gold, silver, copper, or paper dollar, and if they are kept equal with each other they have equal purchasing power and each is a dollar.

Gold, and gold alone, is the commercial, the international money of the world. Whenever any other kind of money comes in contact with it, it is measured, valued by gold. The price of silver bullion, of copper, of iron, is measured by gold. A grain of gold is the yardstick of the nations. It derives no additional strength from coinage or legal-tender laws; whether stamped by a nation's mint or not, coined or uncoined, it is the grain of gold which for more than a century has been the single common standard of value throughout the world, in every mart where civilized man trades with his fellow. We could not discard it if we would, unless, following the logic of McKinleyism, we maintained absolute nonintercourse with all the world.

We can utilize silver as money, not as a substitute for gold, but as an auxiliary and equal to it. The gold and silver dollars can be made equal to each other in three ways. I call attention to the fact that each of these three methods of equalization is specifically set forth in the last Democratic national platform. First, they must be of "equal intrinsic or exchangeable value," so that, put into the melting-pot, either one as commercial bullion would purchase the other in any of the world's markets. This equalization of the two dollars has been feasible at any time within the past twenty years.

If the advocates of free coinage had demanded a silver dollar containing a dollar's worth of silver, instead of advocating a bonus or indirect bounty to silver mine owners, they would have succeeded. To-day, however, such coinage is utterly impracticable. India has closed her mints to the coinage of silver, and so unsettled the silver markets that no one can to-day predict the price of silver to-morrow. No ratio between the metals can be fixed at the present time which would last a week.

Second. Or, "be adjusted through international agreement." Undoubtedly by unanimous consent the nations of the earth can maintain whatever ratio they see fit to adopt.

Third. Or, "By such safeguards of legislation as shall insure the maintenance of the parity of the two metals and the equal power of every dollar at all times in the markets and in the payment of debts." Making both dollars a legal tender would give them equal power in the "payment of debts." The only way to make and keep them equal in the "markets" is to make them interchangeable—to redeem one with the other.

Since 1879, when specie payments were resumed, we have been able to do this by the accumulation of a large gold reserve in the Treasury. We have kept greenbacks, bank notes, silver certificates, Treasury notes, silver itself, at par with gold, because the Treasury has at all times been ready to exchange gold for them—to redeem them in gold.

All this time we have been and still are upon a gold basis, with gold as the single standard of value. But we have had bimetallism; we have used both gold and silver and paper, too, as money; we have maintained their equality in our own markets, at least, by using them interchangeably and being at all times ready to redeem the silver and paper with gold; we have maintained their debt paying equality by our legal-tender acts. From 1879 to the last hour of the Harrison Administration a gold reserve of $100,000,000 has been set apart and sacredly held in the Treasury as a fund pledged for the maintenance at par with gold of all our silver and paper money.

When Mr. Cleveland surrendered the Presidency to Mr. Harrison in 1885 an additional $100,000,000 had accumulated in our vaults. This was our great surplus saved by an honest and economical Democratic Administration, and held as a further guarantee of the equality of all our money. When Mr. Harrison surrendered the Presidency to Mr. Cleveland in 1893 only a few pennies of the magnificent surplus could be found in the Treasury vaults.

Under the operation of Sherman's law since 1890 our silver and paper currency has increased and our stock of accumulated gold decreased to such an extent that the world has lost confidence in our ability to redeem the one with the other and thus maintain their parity.

We must either increase our stock of gold or stop increasing the currency redeemable in gold. If we fail to do one or the other of these things gold must necessarily become a mere commodity, purchasable with silver or paper, and the gold dollar will be worth in the market a premium equal to the difference in the commercial value between gold and silver bullion. We will no longer continue upon a gold basis, but we will sink to a silver basis upon a level with Mexico and China.

We are brought face to face with the problem whether we shall continue as we have been since 1879 upon a gold basis, or whether we shall Mexicanize our currency and sink to a silver basis. On a gold basis we can maintain bimetallism; we can utilize silver as a part of our money so long as we stand ready to redeem it with gold. On a silver basis we become monometallists; we drive all gold out of circulation, because we could not redeem a gold with a silver dollar. The cheaper coin can not purchase the dearer.

The pending bill stops the further increase of Treasury notes issued in purchasing silver. If it fails to pass, it still remains the duty of the Government to maintain the parity of gold and silver as required by Sherman's law. The only way to do this is to increase the gold reserve in the Treasury. To do that we must sell bonds and increase the national debt.

I shall not now pause to discuss the much-mooted problem as to whether or not under the resumption act of 1875 the Secretary of the Treasury has authority to issue bonds and purchase gold for redemption purposes. In the conflict of opinion which exists upon that question, I shall assume that in the stress of a great emergency he might be justified in giving that act such a construction as to authorize an issue of bonds, for in no other way would it be possible for him to carry out the declaratory clause of the Sherman law "that it is the established policy of this country" to forever maintain the parity of our gold and silver dollars.

The heart of the question before us is not the free coinage of silver, for the enactment of such a law by this Congress is a recognized impossibility, but whether we shall stop buying silver or issue bonds and accumulate gold to maintain the parity of the two metals, as the law requires.

The estimated stock of coined gold in this country is $604,000,000, or $9.01 per capita. Only $100,000,000 of this is in the Treasury; the balance is withdrawn from circulation and hoarded by the people. Our stock of coined silver (including the bullion purchased under the Sherman law) is $615,000,000, or $9.18 per capita. We have more silver than gold in circulation. No one proposes to touch the silver we now have. It is not to be demonetized or "struck down." It is to be left standing as a part, and a large part, of our circulating medium.

When we recall the fact that only about 8,000,000 silver dollars were coined by this Government in all the years prior to 1878, when the Bland-Allison silver law was enacted, and that 607,000,000 silver dollars have been coined since 1878, under the Bland-Allison and the Sherman laws, can it be fairly said that we of this generation have been unfair or unjust towards silver? When we keep in circulation a larger amount of silver than of gold are we not in the true sense of the word bimetallists; do we deserve to be stigmatized as "gold bugs" in the hire of Great Britain?

France has in circulation $800,000,000 of gold and $700,000,000 of silver. She maintains the parity of gold and silver by redeeming her silver in gold. Our purpose is to follow the example of France—to maintain bimetallism by keeping the relative amount of gold and silver in circulation equal to each other. France has $100,000,000 more gold than silver; we now have $11,000,000 more silver than gold.

The Sherman law and the McKinley law were the twin monstrosities of the billion Congress. In each is to be found the same principle, but a different method, of protection—of special legislation for the benefit of interested parties. As McKinley gave to Carnegie and to such as Carnegie a home market for the product of their mills, so did Sherman give to the mine owners a home market for the product of their mines. Both laws were passed for the direct purpose of assisting influential capitalists in their private business—of giving them large and illegitimate profits. They are both based upon the same political theories, they emanated from the same source, they were enacted by the same Congress, they received the solid vote of the Republicans in both Houses, they were approved by a Republican President.

If, Mr. Speaker, I was disposed at such a time as this to indulge in remarks of a partisan character no subject could be more tempting than that now under consideration. But, in my judgment, the condition of affairs is altogether too serious and threatening to justify discussion of that character. It matters not where the responsibility for the law which has produced these conditions may lie, the duty of this hour and this Congress is to at once and unconditionally repeal the Sherman law, and give to ourselves and to the world restored confidence in the stability and integrity of the American dollar, be it of gold, silver, or paper.

I listened to the eloquent gentleman from Nebraska [Mr. BRYAN] as he told us the enchanting story of the drummer-boy of Marengo. Pardon me if I inclose his charming picture in the rude frame of my remarks.

Mr. BRYAN said:

Muehlbach relates an incident in the life of the great military hero of

France. At Marengo the Man of Destiny, sad and disheartened, thought the battle lost. He called to a drummer boy and ordered him to beat a retreat. The lad replied: "Sire, I do not know how. Desaix has never taught me retreat, but I can beat a charge. I beat that charge at the Bridge of Lodi; I beat it at Mount Tabor; I beat it at the Pyramids: Oh, may I beat it here!" The charge was ordered, the battle won, and Marengo was added to the victories of Napoleon. Oh, let our gallant leader draw inspiration from the street gamin of Paris.

I do not know, sir, that historical accuracy is at all essential to a free-coinage speech; but as a student of correct history I deeply regret that my friend should have torn from the gallant Desaix the laurels he won at Marengo, and plastered them over the cropped head of a Parisian gamin. [Laughter.]

I am sure my friend is mistaken both as to the time and place of the incident to which he refers. If memory fails me not, it was upon another field and on that dread, eventful day in June, 1815, that the historic drummer-boy was summoned into the war councils of the great emperor.

All day long Napoleon had hurled his veteran forces against the British guards upon Mount St. Jean; the grenadiers, hardened by Moscow's terrors, had been driven back in irreparable disorder; the steel-clad cuirassiers who decided the day at Austerlitz had been shattered and crushed in the storm of battle; even the invincible Old Guard, with Ney at its head, had reeled, hesitated, and fled under the fire of the unbroken squares; far to the east, through the shimmering dust-clouds, came the gray mustaches of old Blucher and his sturdy Prussians. The field of Waterloo was irretrievably lost. The time to retreat had come. The battle was lost; it was time to save the army.

Then it was that Napoleon drew inspiration from the street gamin of Paris. [Laughter.] Confident still in his destiny and bewitched by the rub-a-dub-dub of the little drummer-boy, he ordered the remnant of the guard to charge. Side by side with Cambronne and surrounded by the heroes of a hundred victories, he went in himself; and he came out, so Hugo says, "the mighty somnambulist of a shattered dream." [Laughter.]

Years afterwards, on St. Helena's stormy isle, chained like Prometheus to the ocean rock, unwritten history says the great Corsican fought his battles over again, and in tremulous accents left to his faithful Bertrand the dying injunction, "Put not your trust in drummer boys." [Laughter and applause.]

This country has gone far enough—it has gone too far—upon the road to Mexico. Threatened now with financial disaster, it is time to retreat. Let not our great commander heed the rub-a-dub-dub of the drummer boys of Missouri and Nebraska; let him rather listen to the throbbing heart-beat of a distressed and indignant people, and lead us back to the security of honest finance.

The battle for the free coinage of unlimited quantities of silver is irretrievably lost. There is yet time to save the armies of honest bimetallism. [Applause.]

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