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The Paper-Money Bill Demonetizing Silver.

SPEECH

OF

HON. JOHN W. DANIEL,
OF VIRGINIA,

IN THE SENATE OF THE UNITED STATES,

Wednesday, July 9, 1890.

The Senate having under consideration the conference report on the bill (H. R. 5381) directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes—

Mr. DANIEL said:

Mr. PRESIDENT: I shall endeavor to look at this compromise measure just as it is, without attempting to exaggerate the interpretation of it or to regard it in anything but the light of a common-sense interpretation.

I do not concur to the full extent with some of the criticisms which have been pronounced upon its language. When this bill says—

The Secretary of the Treasury is hereby directed to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered, in each month, at the market price thereof, not exceeding \$1 for 371.25 grains of pure silver—

I take that only to signify what it strikes the mind at first blush to signify, that the Secretary of the Treasury is to buy that much silver if that silver is offered upon the market at the market price. It does not say that it shall be offered to the Secretary of the Treasury. It means, as I understand it and as the plain significance of the words would seem to me to import, that he is to buy upon the market at the market offering, and as the Senator from Ohio [Mr. SHERMAN] is in his seat I beg leave to inquire of him if that is not the intent and purpose of this bill.

Mr. SHERMAN. I stated yesterday in my statement as to the conference report that that was my view of it, that the Secretary of the Treasury was bound to buy 4,500,000 ounces, whatever may be his opinion, and he is bound to pay the market price of silver each month, and that his failure to do so would not only be a breach of public duty but would be an impeachable offense.

Mr. DANIEL. That, then, is the plain English of this provision. While the language is a little different from what has been used in other bills, it is not different in its significance. There might be the criticism that it is capable of being perverted and tortured, as it has been by some newspaper reports, into a different significance, but I do not think that a sound lawyer or any one who will study and weigh the language that is here employed would fairly or justly construe these words as meaning any other or different thing than that.

While, therefore, I would say that it might have been better that this bill should have followed the language contained in others without any addition thereto, I do not think that this language should be sufficient to lead us in our judgment to vote against the measure were it otherwise responsive to the demands of the country and to the exigencies of the times.

I go further and say in speaking about this bill that I am ready to concede to those who advocate its provisions that it would be much better that this bill should pass than that Congress should fail in legislating upon this subject.

The one great point which can be truly urged in advocacy of this bill—we shall gain nothing in looking at it otherwise than as it is—is that this bill will greatly increase the volume of currency of the people of the United States. It is true that it does not so greatly increase that volume of currency as one might at first conceive. When the Secretary of the Treasury is directed to purchase 4,500,000 ounces of silver per month, and when the argument is made that that much more will be turned into money, it is not entirely correct, for this bill does not require the 4,500,000 ounces of silver either to be coined into money or to swell the volume of our currency by a corresponding volume of paper money.

In other words, a portion of this large volume of silver which is thus directed to be purchased is simply bought and hoarded in the Treasury and does not reappear from the Treasury either in the form of silver dollars or in the form of legal-tender paper representatives. And if the arguments which the gold-standard men and the Treasury of the

United States, through its official representatives, have urged upon the people were correct, this bill would be more objectionable to the Secretary of the Treasury and to the gold men in that respect than any bill which has ever been presented, because it is measurably and partially a bill simply for the purchase and hoarding away of silver bullion.

It has been argued in Congress through successive years and in every phrase that could attract the ear, that the Treasury of the United States should not be burdened as a storage place of useless silver bullion or money; and now, in order, as we may well presume, to place Congress in affiliation with the executive powers that be, it is proposed to buy and to hoard bullion without permitting its use to a degree as money in any form.

Why do I say this, Mr. President? It is because of the provision in the second section of this bill. After providing that Treasury notes shall be issued to pay for the bullion that is purchased, instead of providing that that bullion so purchased shall be turned into money or shall be emitted by the paper legal-tender representative, it says:

But no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom then held in the Treasury purchased by such notes.

So that while in the first section of the bill he who reads it would be led to presume that by this immense purchase of silver our volume of currency would be correspondingly enlarged, we find in the second section that it is immediately restrained and that it is to be measured, not by the amount of the bullion but by the commodity price of silver. In consenting to this provision, as I humbly conceive, those who believe that silver ought to be coined and used as money upon a parity with gold have conceded too much and have to an extent given away the force and strength of the position which they have heretofore assumed and which has already won the judgment of the country.

Mr. President, it is to be observed, and it can hardly be denied by any one, that in all the forums of free debate in this country where mind is licensed to combat with mind, and argument to oppose argument with unrestrained intercourse, silver money has won this battle. Never before in the history of this country, did silver occupy so high a vantage ground in public opinion as that which it holds here and now; and if it be shorn of its fair proportions, if the logic which has won to the silver standard the judgment of the men of intellect and the men of patriotism in this land be followed, there is no more doubt that this Congress would not adjourn without leaving a free-coinage bill upon the statute-books than there is that the hand would continue to turn upon the clock, and that one day should bring forth another. There is no better indication or demonstration of the truth of my assertion than the enunciation of the Republican party at Chicago in 1888 when it nominated Benjamin Harrison as President of the United States.

We all know, and it is a matter of public history and of universal understanding that the Republican party has reluctantly come into acquiescence with silver money. It has come to the silver standard like the "whining school-boy with his shining morning face unwillingly to school." But East and West, and North and South assembled in Chicago, and there are no bodies of more astuteness than the great political conventions which nominate our Presidents. They are not within the restraint of that close representative relation which they occupy when they become Senators and Representatives in Congress. They have a freer range for the expression of opinion, and when this great body of representative Republicans assembled at Chicago two years ago, they declared to this nation, and they invited support for their candidate by criticism upon the propositions which have been embodied in this bill, and by saying that they were in favor of the use of both silver and gold, not as currency, not as a circulating medium, not as a subsidiary coinage, not as an adjunct to the Treasury, but "AS MONEY."

Twice the Democratic Secretary of the Treasury had recommended some such provision as this. The Republican party in mass convention assembled criticised him for doing it and denounced him; and "silver as money" was the shibboleth which it inscribed upon its banner, and that shibboleth won the victory.

Mr. President, furthermore I can not concur in all the criticisms which have been made here upon the language which has been put in the body of this bill. The principle enunciated in that language I concur with. In the second section it is provided:

That upon demand of the holder of any of the Treasury notes herein provided for, the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being 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.

I would much dislike, Mr. President, to see any advocate of the double standard or any one who seeks now to make silver equal before the law in all respects with gold oppose the principle which is enunciated there. The great object, as I understand, and so understanding it, I have followed it, of those who seek to reverse the policy which has been practiced about silver is that the two precious metals shall everywhere maintain their parity with each other, and that those usages of the Treasury Department, those acts of legislation, those practices in the banking world which have tended to separate the two metals should be reversed and that they should be recognized and used with impartial hand as the legal equals in the making of money.

But, Mr. President, the historical recital in that insertion in this bill I object to. The silver men have sought that it should become the established policy of the United States to maintain the two metals on a parity with each other. What I object to about the language is that it is a misrecital of past history, for that policy is not yet established; and second, it is a contradiction of the terms of the bill.

When did it become 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? It was not the established policy of the United States in 1867, when distinguished gentlemen were advocating the single gold standard. It was not the established policy of the United States in 1873, when silver was absolutely dismissed from circulation. It was not the established policy in 1878, when even the partial restoration of silver was denounced by the same gentlemen who, on both sides of this House, both Democrats and Republicans, reiterated their prophecies that anything for the benefit of silver was going to injure the country.

It is not the established policy now, and this bill will not establish it; and that is the reason why I can not vote for it. If it were the established policy of the United States to maintain the two metals at a parity, that policy would find its expression in acts tending to build up that portion of silver which had departed in value from gold. But the policy practiced by the United States Government during the last fifteen or twenty years in everything that has been done by its Executive has been to make the gap wider between the two metals. It was not the established policy of this Government in 1884-'85, when Mr. Cleveland undertook to extinguish the Democratic sentiment of the House of Representatives. It was not the established policy when that House failed to vote for the free coinage of silver, and it is not the established policy now amongst those who yet hold the dominant hand, although they have not the corresponding forces of popular sentiment at their back to sanction it, if silver would deploy its forces and maintain its front position with a firm and equal and unconceding hand.

Mr. President, it is a delicate thing in one department of this Government to refer to those who have the responsibility of administering another. I share with those who have so much respect for the office of the President of the United States and for its occupant that I am loath to make any criticism upon that department of our Government, but I do not transcend the limits of parliamentary courtesy or the comity which should exist between all departments of our Government, to whatever political organization he may belong, when I advert to the fact that the shadow of the White House has fallen across the Congress Hall and that the executive extinguisher is at work, just as it has been for the last fifteen or twenty years, to put out the flame of silver money as fast as it burns up, fed from the very hearts of the people by all that they can give to maintain and make it flame.

Mr. President, we have been told over and over again in recent years that the executive department of the Government was impeding acts of legislation and that the veto had appeared too often in our legislative history. It has come to this now that the very shadow of a veto can reverse a triumphant majority, and that the great body, the greatest parliamentary body, as I conceive, in the world—that this great body of free debate should surrender at the very vague intimation brought by the birds of the air that a veto is possible. Sir, I would not injure my associates in this body to any step which I would not myself take if I were in the situation which they occupy, nor can I with justice to political history very bitterly reproach them if they recede too quickly before the apprehension of executive interference.

My observation of public men and of public affairs in the last few years, while not as extensive as that of other gentlemen who are here, has induced me to feel and know what is the great power and influence of the executive administration of our Government. Men who have personal independence of character, men who have strength of intellectual conviction, men who stand up before the public and advocate their views careless of their political fortunes if they may only subserve the principles which they seek to establish, when they become allied in political organizations and under the influence which are brought about the great Capitol and under the persuasive voice of comradeship and under the apprehension of perhaps upsetting the political vantage ground of their chief in executive office they bow and bend and surrender and the people's cause is broken down by their concessions. We have seen it in the Democratic party, for in their organiza-

tion and political movements parties do not greatly differ with each other.

It is in the doctrines and principles which parties stand for that constitute their great difference. Their practices are likely sooner or later much to resemble each other. And if I ask the silver men here, without regard to whether they be Democrats or Republicans, to stand to their guns, I only ask them to do what I have myself done under the same circumstances, and what the silver men have got to resolve to do if they ever carry their standard to complete victory. I am willing to die with them in the last ditch if we have got to be driven into it. But I do not want to die, on a triumphant march, of executive sunstroke. Let us die, if need be, when our time comes, but do not let us run out and meet our time half way and invite it to come.

This silver question is a great deal bigger than the President of the United States, whether his name be Benjamin Harrison or Grover Cleveland, and it is never going to be won as it ought to be by the triumphant and complete vindication of those policies which the silver men stand for until the Senate of the United States is as great as the question. The question is greater than the Senate and greater than the President, and unless the Senate and the House of Representatives are smaller than either they will never give up the vantage ground that has been gained, but will reply to those who oppose that policy, which is the best for this whole nation, like a gallant officer, who, when challenged to surrender, answered, "Come and take me."

Mr. President, the language which is used in the discussion of this question is language which has the flavor of the Treasury Department in it. There is a great deal of difference in the way that a case is stated. I have heard good lawyers, criticising the members of their profession, say that they regarded as in the foremost ranks the men who could make the clearest and best statement of the case. A good case clearly stated is more than half won. The gentlemen who want to see the single gold standard in this country generally know how to state their case. I bow in admiration to them, although I must say that they do not always state it in strict conformity to the facts.

I hear, for instance, the Senator from New Jersey say, and I hear gentlemen upon the other side say now and then that we must preserve the gold standard. Well, that sounds very well, for we do not want to see the two metals parted; but we are not now upon any gold standard. I utterly deny and dispute the premises that the United States is to-day a gold-standard nation, and if the Senator from New Jersey can show me or if any gentleman can point me to a fact that makes this a gold-standard nation, that does not belong to the realm of that discretion which sometimes in the Secretary of the Treasury overrides and disappoints the law, he would be giving me information of which I am at present devoid.

Why will you speak of preserving a standard that does not exist? I know that I may be told that in 1873 when silver was demonetized, it was declared in a statute that the gold dollar should be the unit of value, and at that time we did move toward a single gold standard, but that legislation has been reversed. In 1878 when you remonetized silver you renewed the double standard, and whether the old lines graven upon the statute-book at a time when you were coming to a single gold standard, remain there or not, you have practically and legally under your Constitution and laws abandoned the gold standard.

The Senator from New Jersey this morning asked a good many questions, and answered a good many, but he did not anywhere tell us where in the laws of this nation he derived the opinion that we are now upon any gold standard.

Mr. President, these words "standards" and "units of value" are sometimes used without the mind going with them into any precise meaning. What do you mean by a unit or standard of value? You mean the medium of payment. There is not an appropriation bill that has passed this body this year that does not recognize the fact that gold is not our standard of value. The appropriations to your rivers and harbors, the appropriations to your armies and navies, the appropriations to your pensioners, and for your own salaries which you put into your pockets, remind you every time you receive them that this is not a gold-standard country.

The standard of valuation is that money in which credits may be discharged; your legal-tender money is your standard of value. The whole volume of your currency, not the paper that is in a greenback, not the silver that is in a silver dollar, not the gold that is in a gold dollar, but your whole volume of currency is your standard of valuation of your whole property and your whole obligation. The mass is a homogeneous mass of money, the property is a homogeneous mass of property, the obligations of the country are a homogeneous mass of debt, but your standard of valuation is your whole volume of currency and its units are ideal things for the purpose of subdivision, called dollars; your greenback dollar or your silver dollar and your gold dollar are in their combined value separated by units of dollars and not by units of paper or metal of either of your standards of value. It is what you can pay the debt in that measures the value of the credit.

I object to this bill because it has a tendency—not the effect, but a tendency—not to preserve a gold standard of value, but to create one. It places vast power in the hands of those who, being astute in the use of words, use them according to the Talleyrand idea of concealing

thought. Your silver here is purchased at commodity value, and your silver bullion by this act is never given a money value—that is, the value which attaches to metal which can become money.

When the Senator from New Jersey was speaking he said that the history of the world disclosed the fact and proved it. He announced it in quite an *ex cathedra* fashion as if he was disposing of history by the declaration that the history of the world disclosed the fact that the cheap money always drives out the dearer. Mr. President, not only does history fail to disclose any such fact, but the Senator from New Jersey has illustrated in his assumption the truth of the maxim of the French philosopher who tells us that we seldom notice what occurs under our own eyes daily; we see the mountains in the distance and we stand upon the shore and look upon the playing of the waves of history, and then we announce very dogmatically and conclusively and exactly what those distant things are; but we seldom notice what occurs under our own eyes and ears.

If the Senator who made that declaration would only observe his own daily transactions he would see his history refuted. You have \$346,000,000 of the cheapest money in this world in circulation in the United States, the greenbacks. They cost nothing but printer's ink and paper. Have they driven away your gold? Have they driven away your silver? Have they not now power to get hold of 4,500,000 ounces of silver per month and pull it to us?

Furthermore, there is an illustration under the Senator's eyes that occurred in this House a year or two ago, when, as if to refute the doctrines and declarations of those who were speaking, the dearer money came crawling up to the Halls of Congress *in forma pauperi*, hat in hand, upon its knee, craving and begging that 420 grains of silver—the dearer money—came and gathered around the lobby and begged and besought to be admitted to be redeemed in cheap silver of 412½ grains legal tender.

Mr. McPHERSON. If the Senator will allow me—

Mr. DANIEL. Certainly.

Mr. McPHERSON. Prior to the passage of the resumption act what was then the market value, so to speak, of the so-called greenback? It will be remembered that prior to the passage of the resumption act the greenbacks, or the national currency, were selling payable in gold something like, I think at one time, about 260 per cent. discount. After the passage of the resumption act, when the greenbacks were made payable in gold after a certain date, the greenbacks appreciated up to par with gold. As they are made redeemable in gold, and all that have been offered have been redeemed, the Senator can hardly say that the simple fact of making them redeemable and payable in gold had no effect as to their value.

Mr. DANIEL. I have not made any declaration of that sort. I have not alluded to that question. I have merely stated that the Senator has got history wrong and that the cheaper money does not always drive out the dearer.

Mr. McPHERSON. The Senator cited as an illustration the greenbacks. I should like to ask the Senator now to put the question in a different form. Where were the gold and silver of which the Senator speaks before the passage of the resumption act? Was any of it found in the country?

Mr. DANIEL. I will tell the Senator what was the matter with the greenbacks. I do not like to allude to the war or anything of that sort, having been a Confederate soldier, but the uncertainty of the issue had a good deal to do with weakening their value, for how the war was going to turn out people did not know.

Mr. McPHERSON. The war had closed, if the Senator will permit me, in 1865. There was not a single Confederate soldier, mounted or on foot, within the whole confines of the Confederacy from 1865 to 1873 or 1874; and the greenbacks then, as the Senator knows, were very much depreciated in value. When you undertook to purchase property with them you found the property was very much increased in value. But the very moment the Government proposed a mode in which it agreed to redeem those greenbacks in gold, in coin, that very moment they appreciated. Therefore the Senator can hardly say that this cheap money of which he has spoken to-day, the greenbacks, after they were made payable in gold, were any longer cheap money. If the Senator or myself had a quantity of greenbacks we could take them to the Treasury to-day and demand gold for them. I presume gold would be paid to us. Therefore the greenbacks are as good as gold, and they can not be said to be depreciated.

Mr. DANIEL. Now I will with pleasure endeavor to answer the Senator's question. Does he mean to say that the greenbacks are redeemable in gold or in coin? I ask him that question.

Mr. McPHERSON. In the first place I will answer the Senator's question and I will answer it very frankly.

Mr. DANIEL. I do not care to have another argument now. I want to know if the Senator means to say that greenbacks are redeemable in coin?

Mr. McPHERSON. It has been the practice of the Government.

Mr. DANIEL. I know what has been the practice.

Mr. McPHERSON. As the Senator knows, it has been the practice to redeem them in gold; and it is the practice of the Government now

to maintain silver on a standing as good as gold. Therefore it is that silver has been maintained to-day.

Mr. DANIEL. I want to answer the Senator *seriatim*. In the first place, he has repeated here upon the floor the very legislative practice which I consider as pernicious to truth as some of the practices of the Treasury. He has stated that the greenbacks are redeemable in gold. It is a happy faculty of the monometallists and gold men of this country to state things, as I said before, to suit themselves.

Mr. McPHERSON. The Senator will permit me—

Mr. DANIEL. Not just now.

The PRESIDING OFFICER (Mr. PADDOCK in the chair). Does the Senator from Virginia yield?

Mr. DANIEL. I will directly. I do not mean any discourtesy.

The greenbacks are payable in silver, and why do you not say they are payable in silver, and that is what has made them valuable? It is because it suits the lingo and the style of monometallists to put gold everywhere foremost; and you are in your very practice of stating the case making one of those discriminations of which the silver men complain. The Senator discloses where this whole trouble comes in. It is the effort to divide this country into two classes and to legislate for class benefit and not for popular benefit. "It is the practice to pay the creditor in gold." You are much mistaken, sir. It is not the practice of this Government to pay its creditors in gold. It is only the practice of this country to pay one class of its preferred creditors in gold—men who have no more right to gold than any other class; and it is the studied effort of this bill to so rank and range the classes and to so rank and range your silver and gold money as to force what is gold into the pockets of gold men and to let other than bondholders get the scraps from the table. That is the argument.

Mr. SHERMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Ohio?

Mr. SHERMAN. If the Senator will allow me a moment, I did not intend to disturb him, but when he says that one class of debt is payable in gold I will have state to him that no portion of the public debt except probably the infinitesimal fraction of 2 per cent. is payable in gold. No discrimination is made in the payment between gold and silver or other forms of money. The bonded debt and the interest on the bonded debt is paid almost exclusively in checks or drafts, and those are paid almost exclusively in some form of paper money, United States notes, silver certificates, and all other forms of paper money.

Therefore the common observation that has been made here within a day or two that the Government pays gold on certain contracts and not on others is an error, because of all the payments made by the Government of the United States 98 per cent. is in drafts and in currency. So of the customs dues that are now paid. The Senator has sent to him every month, I suppose, a statement showing that of all those customs dues that are paid, less than 2 per cent. are paid in either gold or silver. Silver is used as well as gold, but they are usually paid in ordinary currency, current money, such as you and I and all of us take in payment of our salaries. Gold and silver are not discriminated against therefore by the Government of the United States. They are regarded as the precise equivalent to each other, and their substitutes are used for the payment of almost all transactions of the Government with the people of the United States.

Mr. DANIEL. Mr. President, it is a little curious that our friend, the Senator from New Jersey, should say that it was the practice of the Government to pay the creditors in gold and that the Senator from Ohio should say that it was not. If I mistake not—I have not the document before me now, but I think the Secretary of the Treasury points out in his last report the practice of the Government to pay the creditors in gold, and apprehends as one of the results of too great coinage of silver that he would not be able to do it.

Mr. McPHERSON. If the Senator will yield to me a moment, I do not think there is very much difference between the statement made by the Senator from Ohio and the one that I have tried to make.

Mr. DANIEL. I have the floor, if you please.

The PRESIDING OFFICER. The Senator from Virginia declines to yield.

Mr. McPHERSON. I ask the Senator to yield.

The PRESIDING OFFICER. The Chair understands the Senator from Virginia to decline to yield.

Mr. DANIEL. I will take pleasure in yielding as soon as I get through a paragraph. I should like to answer one idea after another, and then I will cheerfully yield to the Senator from New Jersey.

Not only does the Secretary of the Treasury advert to this fact in his last report but I think it has been adverted to in nearly every report of the Secretary of the Treasury, the importance of providing gold to pay the creditor with, the bond creditor, and that the great apprehension of gold leaving the country was that there would not be any gold here to pay him.

Mr. SHERMAN. I shall be glad to show the Senator—

The PRESIDING OFFICER. Does the Senator from Virginia yield.

Mr. DANIEL. Of course.

Mr. SHERMAN. I have sent for a statement, I think the last one, made only a few days ago, showing the exact modes of payment of all

the customs duties, and the other statements I can furnish with a little more time.

Mr. DANIEL. I doubt not that a warrant or check, or something of that sort, always intervenes, but the gold is always saved and hoarded up for the bond creditor, and he is not required to accept in payment a silver dollar or a greenback or anything else but gold. The frequent statement of the Secretary of the Treasury has been entirely in consonance with what the Senator from New Jersey said this morning, that they always wish to have the gold there so the creditor should have the option of taking any sort of money he wanted.

Mr. SHERMAN. That is true, Mr. President, if the Senator will allow me. I think that the United States has always practiced upon that idea, and every bank that is properly conducted practices upon the same idea, that the person who presents a check if he wants gold is allowed to take it. Very few take it. But what I wish to show by the statement I will try to furnish (I think I have one in my committee-room) is that in fact in the payment of all these drafts and warrants upon the Treasury not more than from 2 to 3 per cent. is paid in either silver or gold, about one-fourth less in silver than gold; but nearly all of them are paid in paper money, United States notes, silver certificates, and every form of paper money.

Mr. TELLER. Mr. President—

Mr. DANIEL. Just there, if I may finish this idea in one minute, I will show exactly where the present bill so manipulates the silver and its representative as to relegate silver into retirement in the shape of bullion, and so to provide that it would be almost impossible to pay the creditor in anything but gold.

Mr. SHERMAN. Now—

Mr. DANIEL. One moment, if you please.

Mr. SHERMAN. If the Senator will allow me a moment, I will give him the statement to which I referred, the official statement, made by the United States Treasury Department, which I now have. I find in 1890 the percentage was 1 per cent. in gold coin, a fractional per cent. in silver coin, 94 per cent. in gold certificates, 2.7 per cent. in silver certificates and 2.7 per cent. in United States notes.

Mr. TELLER. Are those the import duties?

Mr. SHERMAN. This is a statement showing the monthly receipts from customs in New York, and you find it given there month by month. Sometimes the paper currency payments amount to 17 per cent.; but this extends during a period of two or three years. The Senator will see it the same way. There is a very small fraction of gold and silver paid, but it is paid in gold certificates and silver certificates and United States notes.

Mr. DANIEL. That is a statement of receipts from customs and not of payments to creditors.

Mr. SHERMAN. I can not give the prepared statements. I could furnish the other statements, but this I happened to remember I had on hand. Those are the payments of customs which in former times were paid exclusively in gold.

Mr. DANIEL. Ninety-four per cent. are paid in gold certificates, I understood the Senator to say.

Mr. SHERMAN. I think so, in one month. You will see the statements are made from month to month.

Mr. DANIEL. While this statement does not exactly corroborate the Senator's statement as to payments to creditors, being a statement of the receipt of customs, it yet, as far as it goes, substantially corroborates my own statement, for 94 per cent. in gold is pretty near all gold.

Mr. SHERMAN. They use gold certificates, as a matter of course.

Mr. DANIEL. When the Senator speaks of using paper he is merely, it seems to me, evading rather than stating the true issue, for it is the paper that represents gold. Ninety-four per cent. of gold certificates are paid. Of course, whether you pay a man in gold or silver or what not you pay him in the form of a check or use some sort of paper as the executive agent of payment, but the medium of payment is on the other side of the paper, and here 94 per cent. of it, if I understand the Senator from Ohio, is gold.

Mr. SHERMAN. Certainly, because the gold is not used at all. They use the silver certificate, and any form of paper money is now used as legal tender for the payment of all debts, public and private. The Government of the United States, in the payment of bonds, and in paying its interest, or in the receipt of its customs, receives and pays out all forms of paper money, and there is not more than from 1 to 2 per cent. of coin used in the great transactions of the United States. I have sent for another statement which will give the Senator the amount which is used by the national banks.

Mr. DANIEL. However these statements may be differentiated in their details, I state the broad fact, which I am sure the Senator from Ohio and none other can contradict, that the declared policy of this Government through all of its representatives, from the time when he had the honor to be Secretary of the Treasury to the present day, was that we were in some way bound to pay these bond creditors in gold and to provide the gold and not silver to do it. The Senator will remember that when the debate took place in this body years ago upon the resolution of his colleague from Ohio, Mr. Matthews, that the bonds were payable in coin, that although it passed this body it was

resisted to the uttermost upon the ground that the bonds were payable in gold. We all know, as a matter of general public history and universal knowledge, that the whole financial system of this country has been twisted, and shaped, and tortured, and so made as to always bring the gold dollar to pay the bondholder unless he preferred something else.

Mr. SHERMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Ohio?

Mr. DANIEL. Let me go on.

Mr. SHERMAN. I have now the other statement before me to which I referred, if the Senator will allow me.

The PRESIDING OFFICER. The Senator from Virginia declines to yield.

Mr. DANIEL. I verify now the statement which I made from recollection a few moments ago, by reading from the last report of the Secretary of the Treasury:

Our bank currency is based upon United States bonds, the principal and interest of which are payable in gold. Our gold certificates are expressly made redeemable in gold coin.

Mr. President, I set the Secretary of the Treasury and the Senator from Ohio to settle their difficulties between them.

Mr. SHERMAN. Now I think I can settle it in about a minute. I will say, to correct the statement made awhile ago by the Senator from Virginia, if he will show me that in any act of mine when Secretary of the Treasury I ever made a discrimination between gold and silver and paper money, I shall be very much obliged to him. But he can not do it. I never did. On the other hand, I have a statement before me "showing the total amount of the classified receipts and disbursements on account of the transfers, revenues, redemptions, and exchanges by Treasury offices, for the fiscal year ending June 30, 1886." This is the annual report of the Treasurer of the United States for that year, and it shows the amount of receipts of national-bank notes to have been \$37,000,000—I will only give round numbers—United States notes, \$366,000,000; gold coin, \$84,000,000; gold certificates, \$158,000,000; silver certificates, \$110,000,000; standard silver dollars, \$82,000,000; fractional silver and mixed, \$22,000,000; total receipts, \$898,000,000.

The disbursements were as follows: National-bank notes, \$71,000,000; United States notes, \$372,000,000; gold coin, \$78,000,000; gold certificates, \$118,000,000; silver certificates, \$121,000,000; standard silver dollars, \$54,000,000; fractional silver and mixed, \$25,000,000; total, \$842,000,000. Either of these kinds of money or any of them was received and paid out without discrimination, mainly at the convenience of the person who deposited the money or received the money, the silver certificates being several times the amount of the whole gold and silver paid out. So the Senator is mistaken.

When the Secretary of the Treasury speaks about the bonds being payable in gold it means that anybody might ask for gold and receive gold; but in actual fact and practice it is shown by these tabular statements, and all of them are furnished, and by the common knowledge and practice of every one who deals with the Government of the United States, that the great transactions of the Government are in paper money, and that no discrimination whatever is made in the receipts or disbursements of its money. If the Senator has a draft upon the Treasurer here he will usually take it in paper money, or it will be paid to him in either form of money he desires.

Mr. DANIEL. Now, will the Senator permit me a moment?

Mr. President, I know the Treasury language generally runs along the line of what the Senator says in a speech which he has just interpolated into mine, but I tested that very thing a few years ago. I was told that there was gold in the Treasury for everybody who wanted it, and so I requested the Sergeant-at-Arms to please bring me my pay in gold. I knew it was held there for the bondholders and that so small a person as a legislative representative of a people was not one of those creditors for whom was provided any special entertainment. So I said to the Sergeant-at-Arms, "I want my pay in gold." He came back and said that there was not any there for that purpose; that greenbacks were legal tender, which I received thankfully.

Mr. SHERMAN. I suppose the Senator applied to the proper place?

Mr. DANIEL. I only wish to show the fallacy of the statement which the Senator from Ohio is now reiterating, and which has been reiterated year after year, as I conceive, in opposition to the actual state of facts.

Mr. SHERMAN. Let me ask the Senator if this demand was made of the Secretary of the Senate?

Mr. DANIEL. I requested the Sergeant-at-Arms of the House of Representatives to pay me in gold, and he said it was not there.

Mr. SHERMAN. I presume that the Treasurer of the United States did not suppose there was either a Member or Senator who wanted gold, for he would just as lief send the gold to the Sergeant-at-Arms of the House as any other kind of money. He probably did not conceive that anybody there was eager for gold, and therefore did not prepare gold for that particular place.

Mr. DANIEL. I have no doubt he was very much surprised at any-

body but a bondholder being so impatient as to ask for gold. I have no doubt he would be surprised at it.

Mr. ALLISON. May I interrupt the Senator?

Mr. DANIEL. I did not want the gold and was very glad to get the greenbacks; but it shows that you can not always have the option of getting what you want unless the burden is put upon you of going to hunt for it, while it is always provided for the other class of creditors. That is the difference.

Mr. ALLISON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Iowa?

Mr. DANIEL. Yes, sir.

Mr. ALLISON. I had occasion not long since to inquire of the Secretary of the Senate what portion of the compensation to Senators and officers of the Senate was paid in gold or silver and what portion in paper money, and I was informed by him that since 1833, with an occasional exception when a Senator desired a small amount of gold for a particular purpose, no Senator had ever requested payment in anything else than paper. Then I supplemented it with the question which seems now uppermost in the mind of the Senator, whether there was any occasion, when gold was required, for a refusal, and he answered me, "No."

Now, I want to say one word to the Senator as my belief. I believe that no public creditor has ever applied to the Treasury of the United States demanding gold but what he has received it, no matter what the nature of the obligation of the Government may have been in that respect, whether for compensation or whether for any debt that the Government was owing to a private citizen or to a creditor.

Mr. SPOONER. The Senator does not mean that there was never a time. He does not mean during the war.

Mr. SHERMAN. Since 1879.

Mr. ALLISON. I do not mean, of course, during the war. We all recollect the situation then. I mean practically since the resumption of specie payments in 1879.

If the Senator from Virginia will just allow me one moment more, all our paper money, as I understand, and all the obligations of the Government are redeemed practically in paper money or coin that is equivalent to gold. In other words, everything we have to-day in the shape of paper money is equivalent to gold in every part of the United States, as I understand it; and if any Senator knows that that is not so, I should be glad to be informed where it is that that difference exists.

Mr. DANIEL. Mr. President, I return to the statement of the Secretary of the Treasury. The distinguished Senators who have just suggested that there is no discrimination between silver and gold ought to join me in paying especial attention to this peculiar misstatement of the Secretary of the Treasury if they are correct:

Our bank currency is based upon United States bonds, the principal and interest of which are payable in gold.

That is the enunciation fresh from the other end of the avenue. The Senator from Iowa denies it.

Mr. ALLISON. Oh, no. On the contrary, I say that not only that but every other obligation is practically paid in gold.

Mr. DANIEL. Oh, "practically."

Mr. ALLISON. On demand.

Mr. DANIEL. "Practically?"

Mr. ALLISON. Yes; practically.

Mr. DANIEL. Practically; and practically payable in silver also. Then why does not he say silver, and why does he always say gold. It is a part of the lingo of the monometallists. "Practically" you are going to your equations. Why does the Secretary of the Treasury use a plain English term to state a fact in such a way that an honest, truthful man would conceive a different thing from the actuality in existence? Why does he advertise to the civilized world that our bonds are payable, principal and interest, "in gold," when those who are his champions here say they are practically payable in silver? And how is it that this language which indoctrinates even so intelligent a gentleman as the Senator from New Jersey with the idea that this is a gold standard nation, and publishes to the whole world a different phase from the truth, shall go uncriticized and unchallenged by those who differ with him?

There is a great deal of difference, as I remarked awhile ago, in the way you state a thing. Those who are subtle and astute to deceive can so posture the truth as to make a false impression. Here is the chief financial officer of this nation publishing to Europe, publishing to creditors all over the world, that the principal and interest of our obligations are payable in gold, specifically and solely, without qualification, and without the modification and explanation which the Senator gives when probed for his own interpretation? What sort of way is that to manage the finances of a great nation for the purpose of deceiving the people? I will not say for the purpose, but with the effect to deceive the people, and to deceive all who deal with us, and then to base a claim upon our own self-deception, to go out and say that we told them so, and we allowed our agents to tell them so, and now good faith requires that we should do it.

Now, Mr. President, to come down to the question in this act, the

Senator from Ohio challenges any one to show where he ever discriminated between gold and silver and greenbacks.

Mr. SHERMAN. Since January 1, 1879, as a matter of course.

Mr. DANIEL. Since January 1, 1879. Well, I thought the Senator would put a statute of limitations on his declaration.

Mr. SHERMAN. I obeyed the law always; but after that time the law made no discrimination, and therefore I had no right to make any discrimination.

Mr. DANIEL. Did the Senator from Ohio ever state before the Coinage Committee of the House of Representatives that he would never pay out silver unless he could do it at its gold value?

Mr. SHERMAN. I do not think I ever did. I do not think I ever did pay out silver except at its gold value.

Mr. DANIEL. Did not the Senator state that he never would pay it out except at its gold value?

Mr. SHERMAN. I can not recall what I said. I generally answer for what I did; but I do not know what I said at all times. I may have said to the committee of the House that I would not like to do it, or perhaps that I would not do it if I could help it; but I never paid out silver of any kind except as the equivalent of gold, and I trust the law will never compel me to do so.

Mr. DANIEL. In other words, the Senator from Ohio challenges any one to show where he ever discriminated between the two metals. He now modifies it by a statute of limitations which brings us down to 1879. With my limited information as to the finances of the country I did not suppose that there had been a day between 1879 and 1890 when the Senator from Ohio had not discriminated against silver in favor of gold.

Mr. SHERMAN. I never did at any time since 1879.

Mr. DANIEL. I think his record is completely unbroken from that time to this, and if I lacked that evidence of my assertion which all the financial libraries of this country would furnish until cumulative evidence was piled mountain high, I would want no better evidence than this bill which has just come from his hands, in which he discriminates between silver and gold in a most marked and decisive manner.

Why, Mr. President, these Halls are yet ringing with the tones of the voice of the Senator from Ohio when a week or two ago he discriminated between silver and gold in doing his utmost to prevent the free coinage of silver on a parity with the coinage of gold; and when the Senate with 17 majority treated them both alike, declaring that both should be the unit of value and both freely coined, silver fared well until it fell in with the Senator from Ohio again upon its pathway, and here is the result.

I say, Mr. President, and the Senator from Ohio can not say to the contrary, that from the very first line in your statutes which refers to silver and gold to the latest, the Senator from Ohio has discriminated against silver and for gold. I will ask him this question. Will you vote to declare that the unit of value shall be both silver and gold, the dollar?

Mr. SHERMAN. Whenever the market value of silver is equal to the market value of gold, then they are equal with each other. As to this pretense about saying silver is discriminated against, why does the Senator discriminate against silver by demanding 16 ounces of silver for 1 ounce of gold?

Mr. DANIEL. That is not a discrimination. That is its fixed status from our anterior coinage.

Mr. SHERMAN. But suppose its market value should fall above or below? Now, what I have always sought to maintain is that the purchasing power of both silver and gold should be always the same. I can see very well how the law can provide in view of the market value being up and down within a certain scale, yet I think the silver dollar ought always to be maintained and held and used and paid out and received as the equivalent of gold coin. If the Senator, notwithstanding the declaration or declamation he so eloquently makes, will just point out where I have discriminated against the law in respect to silver and gold, I should be very glad to hear him, but I think he will find it impossible to do so. As a matter of course, before resumption we discriminated against both silver and gold or in favor of both silver and gold.

Mr. DANIEL. Mr. President, the Senator can always make a good speech, and he never makes a better one than when he is asked a question and takes some collateral subject as his text for answer. There is one maxim of the law which the Senator has well illustrated, "Great is the mystery of judicial interpretation." He has never discriminated against silver, he says, under the law; but then the Senator has always sat with those who could interpret the law, and it has generally been interpreted and carried out in such a way as to result in a discrimination and depreciation of silver.

Now, upon the broad fact that he has not discriminated against silver is that statute which says that the gold dollar shall be the unit of value, and is a discrimination against silver. In this very bill, which does not allow a single silver dollar to be coined after a year hence, there is a discrimination against silver. In hoarding silver in the Treasury and not allowing it to circulate either as money or by its paper representative, there is another discrimination against silver.

While the Senator says that he wants to make the silver metal the equal in value of the gold metal, a doctrine which is entirely righteous and correct, does not the Senator know that you can not make two things the equal in value unless you impart to those things the same legal attributes, rights, and privileges?

If you hold a quantity of gold in the right hand you can go to the Treasury and you can turn it into gold dollars, no matter what the Secretary wants to do. You may hold any amount of silver in your left hand and there is no man in this country who can get a single dollar of that dollar's worth of it coined into a silver dollar. Is it not a discrimination against the one metal to say, "Gold, go freely and turn yourself into a dollar," and against the other when there is no particle of silver in the United States to-day or anywhere that has a self-assertive right to turn itself into a dollar? While it may do to say that you do not discriminate, how is it possible that the wit or imagination of man can conceive of a greater discrimination?

I shall have to ask the Senator from Ohio what he means by discrimination. I do not know. He has gone off into the region of Treasury interpretation. How the Treasury Department of this country will interpret anything is beyond the conception of any one who either writes or construes the laws which are laid down before it as its guide. What does the Senator from Ohio think of a Secretary of the Treasury who advertises to the world that our bonds, principal and interest, are payable in gold? Where does the Secretary of the Treasury get that idea from? What right has he as a representative of the American people to state that as a fact? Does the Senator from Ohio indorse that statement?

Mr. SHERMAN. I say the bonds are payable in gold or silver, and the silver dollar is just as good as gold, and the Senator is talking about equivalents.

Mr. DANIEL. As the foreman of the jury speaks now so say we all; but that is an absolute contradiction of what the Secretary of the Treasury has said. I am glad to hear the honorable Senator from Ohio say that.

Mr. SHERMAN. I do not think the Senator is exactly just to a gentleman who is not present, that is, the Secretary of the Treasury. The remark that our bonds are payable in gold is true. It is equally true to say that the bonds are payable in silver. Either silver dollars or gold dollars can be presented in payment of bonds. So literally it is true either way. Probably if the Secretary had known that his language was going to be commented upon by a very narrow construction, he would have said "silver or gold," because in fact both gold and silver are used exactly at a parity with each other in all the transactions of the Government of the United States. There is no case that I can conceive of now under the laws of the United States, except as to gold certificates, where the silver dollar can not be paid just as well as the gold dollar; and because the Secretary did not put in both gold and silver in that statement, I do not think is a very grave crime, and I think the Senator is magnifying a very small matter.

Mr. DANIEL. Mr. President, if that was the only matter, it might be by itself not a great crime, I confess, not a very great one, if it had been done casually; but that offense against the American people has been committed by successive Secretaries of the Treasury, and as the Senator well knows it has created a false public impression. The Senator says it is true that the bonds are payable in gold, and it is also true that they are payable in silver. The truth is that they are payable in coin, and so declared; but when the Secretary of the Treasury uses that language here he does not mean that they are payable in either gold or silver.

He is arguing this question for the purpose of showing what is our standard of value, what is our obligation to provide gold to meet the bonds. He goes on to say, quoting from the statute, that "the gold coins of the United States shall be a one-dollar piece, which at the standard weight of 25.8 grains shall be the unit of value." He is using this language in that connection for the purpose of deducing an argument that we are bound to pay gold to our bondholders.

Mr. President, I shall not go further in answering the questions which have been suggested, but confining myself to the text of this bill I proceed to point out now what I conceive to be an objectionable feature.

The 4,500,000 ounces of silver which are to be purchased per month are to be stored away in the Treasury of the United States. Treasury notes of the United States are to be issued in payment for them; "and such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract."

Now, in respect to the bonded debt of the United States, it is not "otherwise expressly stipulated in the contract," and by the concession made here to-day by the Senator from Ohio, which I was glad to hear, these bonds are not only payable in gold, as stated by the Secretary of the Treasury, but are payable also in silver equally. It is so provided in this bill that neither the 4,500,000 ounces of silver which you put in the Treasury nor that portion of these ounces which are permitted to become money—that not one single dollar can be manufactured out of that enormous bulk of bullion which is to consume the American product can be so handled under the mechanism of this bill

as to be tendered in payment of a public obligation of the United States.

In other words, there is a capacity in this bill of producing \$69,660,000 of silver per year. Our American product of silver is something over \$50,000,000; but though under this bill you can take and store in the Treasury nearly seventy millions of silver, and not only absorb your own product but take up the surplus existing product or a portion of the product of other nations, yet out of all that enormous bulk of silver bullion which is to be bought up and put into the Treasury of the United States not so much as one dollar thereof can ever be tendered to a public creditor of the United States in payment of the debt we owe him. Such an enormous discrimination against silver as that has never before existed in our legislation, except when it was completely demonetized, and was almost inconceivable to the wit of men until this bill emanated from the deft hands which prepared it.

Now, sir, I make that assertion in regard to this bill, that not one single dollar of the seventy millions of silver that may be carried to the Treasury under it per year in all these successive years through which that silver stream can flow there—that not one single dollar can ever be taken out of the Treasury under this law to discharge a dollar's worth of the public obligations of the United States. Why do I say this? Because the bonds of the United States are payable in coin, and if this enormous bulk of silver which is to be introduced into our financial system could become coined, then high and low, rich and poor, wage-earner and bondholder, soldier and civilian, would all stand upon the same plane as to silver, and would receive a silver dollar as he would receive a gold dollar in discharge of his debt.

But it is also to be remembered that we have declared these bonds of ours to be payable in coin; it has ceased to be regarded as in good faith on the part of this nation to tender a greenback or a Treasury note in payment of them. So when the greenback or Treasury note is emitted, and your silver is buried in the vaults of the Treasury, you have by that statute which declares that your bonds shall be payable in coin, and by this statute which declares that not a dollar of your silver product shall be coined, so parted the great bondholding, wealth-possessing people of this country from silver that you imprison the one where it can never escape into the light of a bondholding day, and elevate the other upon a plane of gold where it looks down derisively and turns up its nose at the poor incarcerated silver.

Here, then, while you are making a market for your silver to a certain degree and at a belittled price by giving authority to purchase 4,500,000 ounces a month, you are still depreciating the value of that silver bullion, you are still denying to it the royal right to become money, you are still treating it as a commodity in every way, shape, and form, both in its own material metallic substance, and also in the amount of paper which you permit to represent it.

If finance were the mere matter of a day I would give my adhesion to this bill. It is better, in my judgment, that this bill should become a law, than that no bill should become a law, and will be better for two, three, or four years to come in this respect, that it will increase the volume of your circulating medium and will to that degree, for a while, relieve to a certain extent the people of the country and do that much good. But this bill is a mere makeshift, it is a mere expedient for the nonce. It is a lawyer's plea put in to get the continuance of a case, and when the witnesses are ready and the jury are about to give a verdict against his client, it is fancied that if you make this experiment with silver and put it there as bullion, and then put out some paper money, you will throw a sop to Cerberus; that you will quiet to some degree the anxieties and respond to the demands of the people for more money. But, Mr. President, there is a day of judgment not far off that will sit upon this bill.

On the one hand it will soon be contended that this had been a mighty effort to restore silver and that it had failed; that paper money was being emitted instead of hard money, and the first administration that could get the power to do it would go to work and contract that currency and draw in the greenbacks, copying the unhappy experience which this nation went through just after our civil war.

Mr. President, I would invoke on behalf of those true friends of silver coinage who believe in the doctrines which they have preached here, a firm and a steady hand. If they can conceive that the President would veto this bill, I would give that President the opportunity to do it. We do not know that he would or that he would not. We do not know, indeed, but that he may veto this bill. It is not our business to attend to his business. Let him do as he sees fit, according to the manner in which he may read his duty. But if the friends of free coinage here should abandon the field now to accept the substitute, then they are victors who give away more of their spoils than any victors who ever won a field of military or civic strife.

A large majority, as I believe, of the people of this country are behind their backs. You hear it from the wheat and corn fields of the West in tones that can not be mistaken. You hear it from the new Territories of the Union where enterprise and energy are busy developing new farms and new mines and building up new cities. You hear it in the cotton and tobacco fields of the new South, and you see that even in the commercial centers of this country there are accessions day

by day and week by week to those who advocate the doctrine of free silver money.

Many of the most eminent men of this country who live in the great commercial centers, and amongst them the distinguished Edwards Pierrepont, of New York, who was once the minister of our country to the court of St. James, the quiet thinkers who are not immediately engaged in shaving paper and buying bonds, all over this country are swelling and recruiting the silver ranks every day. The distinguished Senator from New York [Mr. EVARTS], if he represented any other State in this Union but New York, would have wound up the great silver speech which he made upon this floor by a peroration befitting its body in favor of free silver. Well did he say upon one occasion, and the figure of rhetoric was worthy of the fact, that the commerce and credit of the world was a great globe, and that gold and silver metals were the Atlas which had to bear that burden.

All of his speeches and essays and doctrines have been in favor of silver. Almost he has been persuaded to give his voice and vote in favor of free silver. And with the voice of the people of this country at the back of the silver men North, South, East, and West, we stand up in this Congress noting every year of our experience such great accessions to our ranks that he must read the future with short-sighted eyes who can not see that victory is in the air and soon will be registered if those who carry its banners cling to them firmly at the pitch of the game.

Who would have thought ten or twelve or fifteen years ago that the Senate of the United States by seventeen majority could declare for free silver? It has been done, and it is the greatest intellectual triumph of a theory of finance which in my judgment has ever been witnessed in the world's history. Why, sir, but a few years ago when silver was introduced upon this floor it was scorned and derided. The man who dared to advocate the free silver dollar was called a lunatic. But now from all parts of this country so has that question been developed in argument and by experience, and so has it entered into the minds of men, that seventeen majority in this body has registered its decree in favor of it.

I am told that it is not decorous to speak of what is going on in the other side of the Capitol. I will therefore give my remarks upon that subject no personality or location, but simply refer in general terms to the fact that the breeze is blowing silverward wherever you come in contact in this country with the people or their Representatives.

Sooner or later Congress and the Executive have got to come in collision on this subject. Either in the next Presidential campaign somebody has got to be elected President of the United States who will stand up boldly and fearlessly for the money of the people and will not conceive that the sun rises and sets within the parlous of banking houses in great cities; or sooner or later Congress and the Executive have got to come in collision on this subject. If this collision has got to come, why not let it come now?

There is no man who loves peace of all kinds more than I love it. I hate quarrelling and I hate fighting; but if I have got to fight and must quarrel, here and now is the place where I always like to have it out. If a Democratic President was in the White House and was against silver, I should like to have the opportunity, as far as lies within my humble resources, to teach him a little true Democracy.

I am tired, heartily tired, of seeing the people of this country thwarted at every turn they take for greater freedom in the management of their finances. We have not had a representative man of the full free thought of the American people in the White House for 10, these many years; and as long as parties are so shaped and opinions are so warped by old issues and old quarrels that the mind of this country can not have fair play, we are not going to have any. You put a gold man on a silver platform and he will welcome the committee and will say that he indorses it every line and stands on every plank; but if he is elected President then comes in the interpretation. [Laughter.] Good Lord, deliver us from the interpreters and the interpretation! "Silver as money" was the Republican platform; silver as a prison commodity is the practice.

Mr. MITCHELL. While the Senator is on the subject of interpretation, let me ask why did the Democratic party put nothing in their platform respecting silver? [Laughter.]

Mr. DANIEL. The Democratic party at the last convention was in the same hole that the Senator from Oregon is now. [Laughter.] I would have expected his sympathy. He has only emphasized his own unhappy condition. He has his whole body in the hole, and if I had been in his place I would not have poked my head out to point people to my unfortunate condition. [Laughter.]

So far as silver was concerned we had the elephant when the Democratic convention met at Chicago, and so far as silver is concerned you, gentlemen, have the elephant now. The elephant trod on silver in 1858, and he is treading on it now.

Mr. ALDRICH. Do you mean President Cleveland?

Mr. DANIEL. Yes, sir; of course I mean President Cleveland. [Laughter.] But there was just a little more independence amongst the Democrats than I see now—

Mr. ALDRICH. How will it be in 1892?

Mr. DANIEL. Mr. President, the prophecies upon gold and silver,

as I read them in the record, are such as to warrant me in saying that a prophet is seldom without honor save in his own country. I can not venture to say anything about what will happen in 1892. I can not tell here what will happen in a week [laughter], and sometimes we are very much disappointed in what happens in a night. A prophet can only shoot at very short range in political affairs. But one thing I think I may venture to say; it is a mere belief, scarcely a prophecy; and that is, that in 1892 somebody will have to talk silver remarkably well or he will not be elected. What he may do afterwards no prophet can venture to say.

Observance of political platforms is not a virtue which has been remarkable in any of our public servants in recent times, and the political platform has come to be almost a useless piece of political furniture. The people a little later, I think, will look more at the man and his record than at his declarations. When the honorable Senator from Ohio [Mr. SHERMAN] can announce as his platform that he never has discriminated against silver, and can now appear in the front ranks of the so-called silver men, there are obvious divergencies between the common acceptance of history and records and platforms which are as irreconcilable as the terms of this bill with its professions.

I am reminded in looking at this bill of what Macaulay remarked on one occasion about compromises. He observed that compromises are very illogical and seldom satisfactory, and as an illustration he observed that if two gentlemen of good character were to get into a dispute, and one were to insist that two and two made four, and the other that two and two made six, and were to submit the question to the arbitrament of mutual friends, the inevitable verdict rendered by the arbitrators would be about this: That having considered all the peculiar circumstances in this case, and while there was much in favor of the proposition of the one gentleman that two and two made four, and they could well understand how the other had derived a conviction that two and two made six, yet under the peculiar circumstances of the case they reached the conclusion that two and two made five. [Laughter.]

Arbitrators always divide and in all arbitrations in which men who think in opposite directions are trying to get upon the same platform an inevitable result is a heterogeneous and unsatisfactory product. When the Senator from Ohio, a believer in the single gold standard, a fighter against silver for a quarter of a century, a prophet who declared that \$50,000,000 of silver would deluge and ruin the country, and the honorable Senator from Nevada, who believes that the very atmosphere of the world would be improved by a little silver ingredient in it—when these two gentlemen pool their issues and the Senate is given the composite results, you will find that in every section of the bill two and two make five. [Laughter.]

The theory upon which our worthy silver friends have acted is that in order to restore silver to its parity with gold you have to give it the same functions and attributes which you attach to gold. I have read their speeches, and I have got so indoctrinated with their philosophy that I can no longer recognize it in this legislative expression, and I can not educate it out of me upon such short notice.

Now, gentlemen, if you will stand up to this fight you can win it, and if you run away from it you will lose it. A man is always going to stand up to the thing that he loves most. Whenever there be two men in the field and one is to be taken and the other left, you will always stand by the one you love most and let the other one that you do not like most be left. If you believe in the free coinage of silver as you have induced the people of this country to believe—and I am one of your humble disciples—if it has all the good in it that you have said it had, if the degradation of it has the evil in it which you have said it had; if you love that principle of finance more than you do a little short, evanescent political adjustment of difficulties which in their nature are irreconcilable; you will stand by free silver and let the President of the United States take care of himself.

Mr. President, I am so devoted to the Democratic party that it seems almost a sacrilege to my heart when I think of anything that could make me part company with it. It has passed from my mind to my heart, into the region of affection, because it was my friend and my people's friend when friends were few and much wanted. But as much as I love that party, as deeply as I am attached to it by the traditions of its history and my own, I had almost rather see a Republican President of this country with a financial system which would come to the relief of our whole people, than to see a Democratic President treading out and crushing down as our Presidents have done those great aspirations of the American heart which have asked for a freer atmosphere and for fuller play to their energies and their hopes and their enterprises and their ambition.

I believe that the two old parties are enough for this country, for when you come to build up new political organizations you are putting out upon an unknown sea. But it would be better to have a new political party in this country than to have both of these old ones perpetually cringing—I perhaps ought not to use a term that might seem offensive, for offense I do not intend—but the two old political parties perpetually bowing and giving up their opinions and the opinions of the people whom they represent to those who, for the nonce, are in the Presidential chair.

Sir, there is a danger to republican institutions of this country lurk-

ing in the too great deference of Congress to Executive thought and action. While this Republic is scarce yet a hundred years old, there is no one who has studied the course of public opinion and has witnessed how it is perpetually foiled and set aside by the mechanism of legislation and Executive administration, who has not been convinced that in this country it is more difficult for public opinion to find its expression in legislative action than in almost any of the enlightened civilizations of the world.

In France with her Corps Legislatif, in England with her Parliament, when the great body of those people have solemnly and deliberately made up their minds upon any public question there is no cabinet, there is no crowned head or chief executive, there is no premier, there is no power, that can possibly resist that enlightened public judgment. But if you have a coterie of sharp, astute men in this country who are attached to either one of the political organizations, and who possess elements, in a degree, of popularity and power, and if perchance the idea gets imbedded in their brain that they are wiser than their day and generation, and that it is their duty to indoctrinate the organizations which have made them their heads and spokesmen with different views and different notions from those which have welled up from the great depths of the popular heart, such is the mechanism of our Government, and so does its balances of power play against that volume of public sentiment that it is almost next to an impossibility to get the will of the people registered upon the statute-books and carried into a law.

Four or five years ago, when the President-elect of the United States, Mr. Cleveland, sent to Congress his message about silver, which had been preceded by his letter urging cessation from its coinage, if this had been in reality, as it is in theory, a representative government, his Cabinet would have resigned in a little while after his administration came in. That great Democratic voice which was ready to burst forth in its legitimate expression would have recorded itself then as it is trying to record itself now, in favor of a freer and more liberal treatment of our silver money.

Mr. President, if you wish political badinage, if you propose to treat this subject as we might do upon the stump when you attack one speaker by showing that he is bad and you think you cover the whole case when you show he is worse, we might have "tit for tat" between our political opponents and ourselves, and at the end of the battle both of us would be worsted. But if there is to be a concession here, a reasonable concession ought always to be to a certain degree in order, but it ought not to be until you have exhausted your forces and until you have thrown the responsibility exactly where it belongs. Refuse this conference report, ask for a new conference, get this bill passed if you can, and send it to the President; if he vetoes it try to pass it over his veto. Why should you hesitate to give him an opportunity to veto it?

If I were President of the United States I should like to have the opportunity to veto a bill which I thought was wrong and injurious to the people. The popular mind attaches great dignity to the office of President. If this bill ought to be vetoed and he should veto it, he would be in a commanding position before the American people. He would say, "I was urged to do this thing; I thought it was wrong, and I vetoed it." You are not putting him into any bad position by giving him an opportunity to express his view and his conviction upon this subject. You would be putting him in the position which a wise and a brave man would crave the possession of.

If he has the courage to veto it, he would rejoice in the opportunity to exhibit that courage. If he has the wisdom to say that you are wrong and that the gold monopolists are right, he ought to rejoice in the opportunity of pointing out the errors of your ways and turning you into the right path. Therefore you can have no just, sensible, stable political motive for trying to adjust this issue between irreconcilable doctrines. Sooner or later it has got to be fought out. The people are not going to be content with a makeshift, an expedient. It postpones to the next session a battle which can be fought out here at this session.

Free coinage, if it is destroyed to-day, will come in to-morrow. You have gained nothing in putting this question off from one Congress to another. Four years ago it was almost ripe for action. It was postponed. It came up the next year, and then again and again and again, and now it is here, and it is on the very edge of victory if the leaders in the battle will stand up to those who have followed them. I do not feel, neither shall I speak towards any of them with any sense of bitter reproach. I appreciate their difficulties, and I think I understand their feelings. It is natural to them, it is proper that they should desire to compromise, if compromise will effect the result. That is always the disposition of a just man. But it does seem to me that they have given away too much in this compromise, and they have received too little. There can be but little inflation of our currency, even if this bill be carried out with good will and with a disposition to advance it to all intents and purposes.

If you will read the last report of the Secretary of the Treasury you will see the statement of the retirement of the national-bank notes. In this very year, 1889, with all your coinage of silver, counting the twelve months back there has been, if I may rely upon the reports that I see in the newspapers, a net contraction of the currency of the

people of the United States. However that particular fact may be, in the last six years there has been an actual average contraction of your national-bank currency of \$30,000,000 per annum or \$2,500,000 per month. You have inflated your currency scarcely a dollar with all the silver that you are coining under the Bland act. A silver dollar has merely taken the place of another or paper dollar which was going out of circulation just as it came in.

If you were to give the most liberal scope and play to this measure with its continuous and perhaps increasing retirement of your national-bank circulation, it is almost doubtful whether you will have any increase of your circulating medium, and certainly you will have but a very moderate increase when you contrast the demands of this great and growing and prosperous country with the financial resources which they rely upon.

Now, Mr. President, in conclusion, if I had the honor to occupy a position amongst the true friends of free silver that could give to my voice or advice any force or weight, I would say to them this: I do not seek extreme measures or factious opposition to any of the powers of our Government; but we represent here a great idea of the American people which has shown its dignity, its force, by an almost unexampled majority in this great body.

There is not a thing disrespectful to our colleagues in the other House of Congress; there is nothing inconsiderate to our colleagues here in saying to them in respectful terms: "We can not consent to this compromise; we will ask another conference, we will ask you to reconsider this upon the lines which we have presented in the Senate bill; we will do our duty to the uttermost to advocate and to enforce the idea which we believe to be best and most judicious for this nation; we will let responsibility go to whomsoever may assume to take it, and if we be beaten after we have fought our battle game to the finish, then, and only then, will it be for us to consider the policy next to be pursued."

For two or three years, for a little while, this will in some degree please the people by the declaration that they have more money and by actually giving it to them, but silver is not going to rise to par under this bill. New difficulties are going to beset and thicken upon our pathway. In the mean time it will be contended, just as we see the gold men undertaking to contend here now, in the face of law, in the face of precedent, in the face of the plain truth, that we have adopted the single standard.

The Secretary of the Treasury, instead of correcting his ill-conceived and misused language, will go along and declare again that our bonds are payable in gold. The world will be deceived by our action. The mystery of interpretation will evolve out of the smoke and cloud of this statute ideas not contained in it. The New York papers and the financiers of the world will so iterate and reiterate their views of it; it will be twisted and tortured and turned in this direction and that; and meantime silver will be degraded as a mere commodity to be warehoused, not a dollar of it being coined, not one dollar of it more being sent out in its paper representative according to its dollar capacity.

Have our friends upon the other side, who stand here for the silver dollar, thought about that? Do they know the doctrine they are committing their votes to when they say, "We support this measure?" Not only are they submitting to the degradation of silver in its own proper substantial metal form, but they are submitting to its degradation in the documentary evidence which shall go forth to the world to represent it.

You do not permit that silver to be coined into as many dollars as it would make at the fixed ratio of 15.98 to 1, but the paper dollar which you sent forth as a silver representative is represented by only so many silver dollars in bullion as was the cost of that bullion. What this oracular language means in this bill when it refers to a ratio of silver I do not know, but there is a beckoning hand for an interpreter in this clause of this new measure.

It being 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.

In other words, there is an established policy with reference to some unknown and unstated ratio. It is very difficult to establish a policy with reference to an unknown quantity. A straight line is said to be the shortest way between two points, but you can not locate the line until you first locate the points. How can you establish a policy about a ratio which is unexpressed and which, so far as this committee is concerned, is inexpressible? That ratio, which may be provided by law, it may be, is a larger ratio of silver in the silver dollar; and if we are to divine the thoughts of men from the mechanical structure of the statute which has come forth from their minds it would seem to be indicated by the structure of this statute, not that its projectors had their faces turned to the French ratio, but rather that they had their faces turned to some ratio that would put more silver, and not less, in the dollar.

Why? Because the paper representative of your silver bullion does not go forth into the world to represent as many dollars as that bullion could be manufactured into, and as you are hoarding up in your Treas-

ury a bulk of bullion in ounces not to be imparted dollarhood in paper or coin, the circumstantial evidence, if you were to look only to the body of the act, would lead to the deduction that you were keeping that in order to put more silver into your dollar at such a time as it might please you to coin those dollars.

Therefore this bill, with all the speculations and conjectures and diverse interpretations which are already put upon it (and many more may be evolved out of it), is not the solution of a question which ought to find its solution at this session of Congress; and while I am reluctant to vote against any measure which puts more money in circulation, and while, if I had fought this battle to its last expression, I am candid enough to say and to admit that I should rather have this bill, with all its objectionable features, than none, I can not bring my mind to assent to so awkward and incongruous a resolute of a proposition which should be scientifically and justly treated instead of jumbled up with inconsistent provisions.

Mr. CAMERON. May I ask the Senator if he has finished?

The PRESIDENT *pro tempore*. Does the Senator from Virginia yield to the Senator from Pennsylvania?

Mr. DANIEL. I will let the Senator know. I have not quite finished.

Mr. CAMERON. I did not know whether the Senator had finished or not. If he has, I should like to have the vote taken on this question now.

Mr. DANIEL. I am sorry I can not accommodate the Senator. I am nearly through, though. I shall be through in a moment. I might have answered the Senator that I had finished, but I was not quite through.

Mr. CAMERON. I thought the Senator had finished.

Mr. DANIEL. I had about finished, but I am not quite through. I shall be through in a moment.

Concluding my observations, while I dislike to vote against any bill which would produce more money even for the time, I shall feel obliged to vote against this one, unless those gentlemen who have been the advocates of free silver will first carry their logic to its ultimate conclusion and pursue it to the last ditch. When we get there, I shall be glad to do whatever may seem to be best under the circumstances; but we are not there yet, unless by their action.