

Purchase of Silver Bullion.

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SPEECH

OF

HON. WILLIAM B. ALLISON,

OF IOWA,

IN THE SENATE OF THE UNITED STATES,

*Saturday, September 16, 1893.*

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The Senate 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. ALLISON said:

Mr. PRESIDENT: I feel the pressure, as I presume other Senators do, of the situation as stated by the Senator from Indiana [Mr. VOORHEES], who has charge of the pending bill, and I have hesitated, and now hesitate somewhat, to occupy the time of the Senate in discussion; but I recognize the great importance of the measure, and from circumstances, which I need not now relate, I think it is perhaps due to myself that I should say something respecting the present situation and respecting the bill now before us.

I have listened as well as I could to the debate which has been in progress, and I have been gratified at many things which have appeared in it. Conspicuous in that regard was the speech made by the Senator from Oregon [Mr. MITCHELL], who sits near me. I listened to his glowing picture of the growth and development of our country from 1860 to 1890. I was especially gratified that in his examinations he had been able to make a comparison of our growth between 1870 and 1893.

Without going into the question by and large, the Senator from Oregon disclosed to us from his observations that between 1860 and 1890 our population had more than doubled, notwithstanding in the mean time we had a most desolating and devastating civil war. I was gratified to learn from him that between 1860 and 1890 the wealth of this country had grown, not in proportion to its population, but had grown four fold in wealth from sixteen thousand millions to sixty-four thousand millions.

I was also gratified to learn from the Senator, and from the data which he so carefully prepared, that during all this progress of development and growth, the section of the country in which he dwells and the region in which I dwell have been specially favored in that progress; that the growth of wheat from 1871 to 1892, a period of twenty-one years, had increased from

240,000,000 bushels to 611,000,000 bushels; that the Southern States, which had been overrun, as it were, by our armies, with devastation in their pathway, have so far recovered that from 1870 to 1892 they had increased the growth of the great staple crop of cotton from nearly 4,000,000 bales to more than 9,000,000 bales, and that nearly all other agricultural products had increased in the same proportion. I was also gratified to see that during that time the exchanges in the great marts of our country had disclosed the enormous growth of \$62,000,000,000 per annum.

Mr. MITCHELL of Oregon. That was in fifty-seven cities.

Mr. ALLISON. In fifty-seven cities. Whilst the Senator was portraying this growth and development it occurred to me that the question which we are now debating is, in some of its aspects, if not in all, the most important question which can engage the consideration of the American people. This great production, this great population, energetic and active as it is, all receiving either wages or the result of its products, can not engage in the ancient methods of barter. We must have some measure whereby we can value these exchanges and products, and the question in which we are engaged is whether we shall at this time, by direct or indirect legislation, change the measure of value in which all these products are exchanged, and by which all these wages are measured and have been exchanged and measured since 1879.

Mr. DOLPH. And under which all this prosperity has come.

Mr. ALLISON. And under which all this prosperity, or practically all of it, has grown up.

Mr. President, it seems to me that, in the discussion of this question, it is our duty, first, to ascertain exactly what is our condition as respects coinage and what we should propose to meet it.

We have had since 1792 in the United States laws respecting the coinage of money and the regulation of its value, and also regulating the values of foreign coins. It is due to the men who framed those laws that we should say that when they framed them they undertook—believing as we believe, that it is better to rest the measure of value upon both metals than upon one—they undertook with the utmost care to ascertain what? To ascertain the relative value of the two metals, if they were to use them both in measuring the values, and the products and the labor of our country. This could be done by one of two methods, either to fix a ratio between them, with free mintage at the commercial ratio, or make one of them the standard of value and coin the other in limited quantity for domestic circulation only. They chose the first as the only true method. So careful, history tells us, were they in that measurement to ascertain the true ratio, that Alexander Hamilton, the then Secretary of the Treasury, took 1,000 minted Spanish-milled dollars and weighed them in the scale to determine the amount of the abrasion which they had undergone by means of circulation, so as to ascertain the average value of these abraded dollars in our own circulation, because it is notorious that our circulation at that time was principally silver, and the silver was chiefly what were known as the Spanish-milled dollars, those coined in Spain and those coined in the Spanish possessions on our own continent. After weighing these dollars the average was found to be 371 grains of fine silver.

In order to determine the exact ratio between silver and gold—because it was intended to use gold as well as silver—a further examination was had to ascertain what other nations had taken as the relative ratio between the two metals, silver and gold, and in order to make that ratio what they believed to be the exact commercial ratio they added a quarter of a grain to the average of the Spanish milled dollar and fixed the silver dollar at  $371\frac{1}{2}$  grains of fine silver. Upon that principle, thus based, they authorized the mintage of both gold and silver.

All the nations of Europe were then using either gold or silver, with free mintage of the standard metal, or using both metals as a standard, with free mintage. They did not all have exactly the same ratio, but the variations were slight, and there was then a demand universal for both metals at the mints. Therefore, away back in 1792, we started out upon the idea of a double coinage and a double measure. Whether that was wise on otherwise, I shall not now stop to discuss. That double measure and standard, modified in a way I shall presently speak of, continued until 1873, when by the act which has been so often alluded to, we changed our standard to the single standard of gold.

Because the relation in Europe, as developed a few years afterwards, disclosed that we had fixed a wrong ratio, overvaluing silver, our gold left the country until, as is stated in the reports made to the House of Representatives and to this body in 1834, there were scarcely a half million dollars of gold in the United States.

Yesterday the Senator from Colorado [Mr. TELLER] and I also stated to the Senator from Delaware [Mr. HIGGINS], who dealt with this question, that our gold appreciatively departed beginning in 1821. That is so stated by Albert Gallatin in his testimony before the committee having that matter in charge in 1833. But a further examination of that subject discloses that our gold commenced departing long before that; and although Europe, during the period from 1803 to 1815, was desolated by the allied armies and by the armies of Napoleon, although we ourselves had passed through a war with Great Britain, it was disclosed that gold went from us so rapidly that in 1821 the attention of Congress was called to the subject. Indeed I believe the attention of Congress was called to it as early as 1818.

A resolution was introduced in one branch of Congress for the purpose of remedying the defect in the ratio adopted in 1792, and Mr. Gallatin, in his testimony, stated the fact that Great Britain had then established the gold standard and started upon the pathway of specie resumption upon the gold standard. He stated that this demand went on and on long after Great Britain had filled her coffers and her banks from the surrounding nations with all the gold that she needed, and up to the time of his statement made in 1833.

The discussion of the failure in 1792 to make the correct ratio led to a long discussion for a change of ratio. That change of ratio was discussed in these Houses, and resolutions of inquiry were adopted addressed to the Secretaries of the Treasury. In 1829 Samuel D. Ingham, then Secretary of the Treasury, made an able report upon the subject to the two Houses of Congress, and, judging from that report and from his administration of the Treasury, Mr. Ingham was a man of competence in that high

place. He made a report in which he stated the fact that our gold coins had been swept away from us, that our people desired gold, and that it was important, if we were to have gold as a part of our circulation, that we should change the ratio. A large amount of testimony—I shall not go into it in detail—of experts, of men of the highest character and learning respecting the true ratio, was taken at that time and in subsequent years. It was shown that from 1803 France had had the ratio of  $15\frac{1}{2}$  to 1 and that other nations had different ratios; but that the French ratio was the prevailing one because of her central and pivotal position in the trade of Europe; but, as I have said, I shall not go into that question.

Whilst Albert Gallatin, who had given great attention to the question, insisted that the true ratio should be  $15\frac{1}{2}$  to 1, in accord with the French ratio, I believe that Mr. Ingham insisted the ratio should be 15.625 to 1—mark it, 15.625 to 1, not 16, not 15.80, but 15.625 in order that there might be no mistake as to the delicate and careful fractions which should disclose the true commercial and mint ratio between the two metals.

Mr. MILLS. If it will not interrupt the Senator, I will state in that connection that Albert Gallatin, in the very paper of which the Senator is speaking, says that safety consists in a point between 15.58 and 15.69.

Mr. ALLISON. I am obliged to the Senator. That is only a further illustration of what I am trying to demonstrate.

Others insisted that 15.80 was the true ratio. Then it was said that, owing to the methods of communication between one country and another, and especially because we were in one continent and Europe was in another, we could afford to make a little variation from the exact, truthful ratio which science had disclosed to be the equilibrium between these great metallic forces in the mintage of the world.

So I have no doubt the idea prevailed that we could make the ratio 16 to 1, and that the shade of difference between 15.625 or 15.80 would not enable other nations to gather from us our gold or our silver, and we could still hold them both at a parity in value in the metallic circulation of our country. We then made the ratio 16 to 1 upon the idea that, taking all things into consideration, we could safely do so, and that we should be certain to retain all the gold and all the silver to which we were entitled in making the exchanges of the world and for our internal exchanges as well.

What was the result of that slight difference between 15.625, if you please, or 15.58 and 16? It was that our silver—which is the money of the people, as the Senator from Virginia [Mr. DANIEL] so eloquently and truthfully portrayed the other day—went out of circulation, and we were relegated to what we have been too much relegated recently, the substitution of one-dollar bills for the silver of our country. The silver oozed out in the course of commerce, and people were obliged to substitute something in the place of the silver dollars, and one-dollar bills took their place. So it is true that in 1853 there was practically no silver money in the United States.

I pause here to say that I have heard it frequently stated upon this floor that, notwithstanding our mints were open from 1792 to 1853, or 1873, if you please, to the coinage of silver, during all that period we only coined 8,000,000 silver dollars. All

our fractional coins, half-dollars, quarter-dollars, and dimes, were a legal tender for any sum until 1853. One could have gathered up the dimes, the quarters, and the half-dollars and have made a payment in those from 1792 to 1853; and of those coins there were—I have not the figures before me—nearly \$130,000,000.

It may be truthfully said, therefore, that during all this period it was the aim and purpose and effort of our people to utilize both silver and gold, without discrimination against either. But in 1853, instead of changing our relation to that of the commercial nations of the world, as in my belief we ought to have done, and yielding, as we ought to have yielded, to what was known as the bimetallic relation of France and of Europe generally, we undertook to bridge over the situation by coining fractional dollars, depreciated 8 per cent, in order that we might keep them here. That was in 1853. That was the time to have established silver permanently in our circulation. Surely to the party to which I belong can not be imputed that mistake, because both Houses of Congress were wholly Democratic.

Our foreign coins were also a legal tender up to 1857. For the encouragement of our mints they were then declared to be no longer a legal tender. Eighteen hundred and sixty came, and with it came the war, which lasted four years; and with that war came a depreciated paper currency.

So, although both gold and silver were our legal standards of money, as they had been since 1792, by the exigencies and misfortunes of war, both those metals disappeared from our circulation, the one being held here to some extent, and the least valuable, for the purpose of paying duties, because under our law we had required the duties upon imports to be paid in gold, or in coin, which was then gold. We did not use the words "gold coin," but we used the word "coin."

Gold being the cheaper metal, of course remained here during the period of the war to execute the functions imposed upon it by the statute—the payment of duties and the counter payment by the Government of interest upon the public debt.

Now, I have gone over this history to show that the people of the United States during all this period favored both gold and silver; that they sought to establish a ratio which would retain both; that they did this with the utmost care, dealing in the minutest fractions to accomplish the purpose, and which they believed to be essential for its accomplishment. This brings us to the year 1873, which seems to be a sort of era in this great question. I agree that it is so, because, although our depreciated paper was the only money in circulation, except, as I have already stated, for the payment of duties and for the payment of interest on the public debt, we dealt with the coinage law, and whilst we were dealing with it, contemporary almost with that dealing, all Europe dealt with it as well.

To Europe this action was of the utmost present importance. In the United States we were on a debased currency, in 1873 still far removed from specie payments, and our people were absorbed in other questions and failed to realize the ultimate effect of a change of standard. But it is not believed that it was even then known in Germany that her action and the action that followed in the Latin Union would lead to such momentous changes in the future. Germany had wrested from France a thousand millions

of dollars as a condition of peace. She had consolidated the German Empire and made it one instead of many states. All of these states were on the silver standard. It was thought then to be a great stroke as respects German unity if they could not only have a common ruler, a common Reichstag, but a common currency, and that they should make that currency as distinguished as possible from every kind of currency they had hitherto held. Therefore, they started out with the mark, making it the unit of value, and making gold the only standard where silver had been the only standard before.

Germany, as we know, lies geographically in the neighborhood of surrounding millions of industrious and active people. Her enemy, France, lies upon one side and Belgium and Italy lie in between. France, Belgium, and Italy, the Latin Union states, had the double standard, and they had millions upon millions of silver under that double standard. Germany said, "This is our time to get rid of our \$500,000,000 of silver and allow the mints of the Latin Union states to absorb it, and we will take their gold." The Latin Union states, alert as they were, saw that it was no part of their policy to pull the chestnuts out of the fire for Germany, and therefore they immediately agreed that they would coin only a limited quantity of silver instead of having their mints open as they had been open before; and that limit of quantity, extending for a few years, developed itself into the absolute closing of the mints of Europe to the coinage of silver. So it is at this day and hour, and for fifteen years there has not been a mint open to the coinage of full legal-tender silver in all the European states.

Now, I want to go into this history a little. It so happened that at the same time we changed our unit of value from gold and silver to gold. We have had long discussions as to the utility of that change, and the method whereby it was done, and so on. Not being responsible for that change, I wish to say to my friend from Nevada [Mr. STEWART], who kindly alluded to me the other day, that I was not then a member of either House of Congress. I presume if I had been I would have taken my share, and I am willing to take my share, of the responsibility of that conduct, whatever it is, although I had no participation in it.

The year 1873 is a starting point, I agree, in all these debates and in the question in our country. It may be that it was not known in 1873 in the country generally that that change was made. It is not strange that it was not known, because at that time we were wholly upon a paper basis; but it is true that later on, and very soon, it was thoroughly known in our country. It can not be assumed that the men who studied these questions and were familiar with them should have been ignorant of that action in 1875. It is not true that they were ignorant of it in 1876? In 1876, with a Presidential election impending and with a full knowledge by the people of the United States that this great wrong had been committed, if it was a wrong, the members of the two Houses who then sat in the places which we now occupy (and it was my fortune then to be a member of this body) discussed these questions over and over again, and many bills were introduced and many amendments were proposed on the subject.

Mr. GRAY. Will the Senator allow me to ask him if it is not true that a year prior to 1873 there was a considerable quantity

of silver bullion coined into dollars, and that it is exceedingly probable the owners of silver bullion the next year found out that the mints were closed to the mintage of silver dollars?

Mr. ALLISON. I thank the Senator. That is undoubtedly true. They would find it out very soon.

Mr. JONES of Nevada. They were trade dollars.

Mr. TELLER. They did not take the places of the other dollars.

Mr. ALLISON. Standard silver dollars were coined in 1872 and 1873; and if afterwards a demand had been made for such coinage it would have been refused. Perhaps, while I am on the action of 1873, I may say a word or two respecting that point. I am not going into that legislation. It has been gone over most thoroughly by other Senators, notably by the Senator from Ohio [Mr. SHERMAN], who has given a full history of it. But it is a curious thing that in 1873 the trade dollar was put into the bill and took the place of the 412½-grain dollar. I say a curious thing.

Mr. HIGGINS. A dollar of how many grains?

Mr. ALLISON. A 420-grain dollar. It was called the trade dollar. The object of it was to make it attractive to the Chinese. In 1805 Mr. Jefferson stopped the coinage, not of the half dollars, but of the silver dollars, because, under the conditions of trade then, the silver dollars went straight from the mint into exportation to China. The Chinese were not familiar with our half dollars, and they did not take them, and the half-dollar coinage went on and on as full legal tender. But when the premium upon Mexican or Spanish milled dollars coined in Mexico reached from 3½ to 4 per cent, as it often reached 5 and 6 during that period, in 1804 to 1805, then our fresh newly minted dollars went out in competition with Mexican dollars containing more grains of pure silver; and that was the reason why Mr. Jefferson stopped the coinage of silver in 1805, and not because there was any hostility to the silver dollar at that time.

Mr. SHERMAN. If I will not interrupt the Senator, I should like to say a word as to the value of the silver dollar.

Mr. ALLISON. Not at all.

Mr. SHERMAN. The value of the Mexican dollar was 416 grains standard. The value of our dollar was 412½ grains. The ratio was the same, and therefore the Mexican dollar in foreign trade had the advantage of 3½ grains of silver. Although a very small advantage, still it gave the Mexican dollar an advantage; and in order to overcome that, the people of California (the only people then interested in silver, because we had no coin circulation at that time anywhere in the United States, except on the Pacific coast) asked that the dollar should be composed of 420 grains, which would give them an advantage over the Mexican dollar.

Mr. ALLISON. I thank the Senator for calling my attention to that point; perhaps I would have alluded to it later on. That was done in this bill of 1873. But, mark you, this trade dollar contained one of the essential elements of free coinage, namely, that anyone who had bullion could take it to the mint and get it coined. Mark the distinction I make. It is true it was only a legal tender for \$5, but if I had a million dollars in value in bullion I could take it to the mint in California and demand of the mint that they should coin it into dollars of 420 grains for me

and pay me, if you please, in gold gathered from the alluvial sands of California.

Mr. JONES of Nevada. They could not do that.

Mr. TELLER. They could not demand gold coin.

Mr. JONES of Nevada. They could get silver coin for the bullion.

Mr. ALLISON. Very well. I do not mean to say they could demand the gold coin, but they could demand coin, the money that was declared by that same statute to be a legal tender for \$5.

Mr. JONES of Nevada. They could demand trade dollars.

Mr. ALLISON. I am merely speaking now in general terms. The Senator may be correct. But they had a right, the essential right, without which free mintage is nothing, to take bullion to the mint and get it coined. Under the law of 1873 every man who wanted could carry his bullion to the mint and get that kind of a dollar, and when he got it it was a legal tender for \$5.

Now, then, 1876 came, and with it came a growing disparity between the two metals. The trade dollars became somewhat plentiful on the Pacific coast, and at the instance of the Pacific coast and its representatives then here, the power or quality of carrying silver to the mint was taken away by our statutes, and the question of the quantity of dollars to be coined was remitted to the Secretary of the Treasury, and then they could only be coined for export.

So one essential quality of free mintage was taken away in 1876 and not in 1873, and at that time fortunately, or unfortunately, as the case may be, one branch of Congress was Democratic and the other branch, this one, Republican.

Now, it was just as well known in the debates upon the subject in 1876 as it is now to the Senate, that by the act of 1873 the quality of carrying bullion to the mint had not been wholly taken away, and that the unit of value was placed wholly upon gold—had been fixed by the act of 1873. The Senator from Texas [Mr. MILLS] who sits near me had in the other House then, as we had here later, a distinguished colleague who was always on the alert as respects these questions.

Senator Reagan proposed to one of the bills in the other House an amendment which provided for the recoinage of the 412½-grain dollar or a 412.8-grain dollar, and that it should be a legal tender for \$50, but did he put into that amendment a proviso that any one could take his bullion to the mint and get that kind of a dollar? Not at all. His amendment provided that the Secretary of the Treasury should buy the bullion and put it there. That was Mr. Reagan's amendment in 1876, and it passed the House of Representatives. It came into this Chamber, and the Senator from Ohio, then chairman of the Finance Committee, I believe, reported back the bill favorably, adding some amendments to it, and limiting the legal-tender clause to \$20, instead of \$50, and also eliminating from it the question of payment for duties.

In those debates by and large, pro and con, the whole question of the act of 1873 was before the Senate and before the other House. At a later stage Mr. Landers, a Democrat from the State of Indiana, introduced in the other House an amendment to one of those bills. There were three or four of them, and I only speak now in general terms as to a history the accuracy of which I vouch for.

**Mr. COCKRELL.** The amendment of Mr. Landers was to the bill which was passed by the House of Representatives and subsequently passed by the Senate with an amendment. He proposed to amend the amendment of the Senate.

**Mr. ALLISON.** He proposed to amend the amendment of the Senate. That was after the bill went back to the House of Representatives. They having voted down the previous question upon the Senate amendments, this amendment was proposed to the very bill I am describing, which took away the right of a man to carry his bullion to the mint and get trade dollars for it, which took away the legal-tender quality of the trade dollar, which took away the power of the circulation of silver money of 420 grains from the United States, and declared that these disks should only be coined for export, and Mr. Landers's amendment passed the House.

When the bill came to the Senate, the Landers amendment was disagreed to and a conference had upon the amendment. This conference agreed to drop the Landers amendment, Mr. Payne of Ohio and Mr. Randall in the House agreeing to the report, and Mr. Landers dissenting. The report was discussed at length in the House, and briefly in the Senate, and was agreed to in both Houses.

**Mr. President,** I have not perhaps stated as fully as I should have done the debates, the amendments, and the disposition of the various bills brought forward in 1876. I have only brought them into this debate for the purpose of showing that it was in 1876 that the silver dollar was struck down as to the right of men to go and have it coined at the mint. It was struck down from its legal-tender quality already limited by the act of 1873; it was struck down from circulation in the United States by the statutes of 1876; and that was the final outcome of all the statements and legislation on the subject in 1876. It is true that the amendment of Mr. Landers passed the House of Representatives. It is also true that two great Democrats of that period, Mr. Randall and Mr. Payne, when the question came to the Senate for consideration, relinquished everything that had been claimed for silver in the House.

**Mr. STEWART.** I should like to inquire of the Senator if reducing the legal-tender power of silver coin to \$5 did not destroy it as a legal-tender money and cause it to be classed with subsidiary coin? That was done by the act of 1873.

**Mr. ALLISON.** Of course the Senator may have his views on the question, but it is not a subsidiary coin where a man can take his bullion to the mint and get it coined. Subsidiary coin is where the bullion is bought and is debased, and where men have no right to take it to the mint. Of course the five-dollar quality is another consideration. I am only speaking of one quality, the right to take it to the mint, and not as to the legal-tender quality. I agree with the Senator on that point.

**Mr. STEWART.** What was the use of taking it to the mint and getting it coined if it could not be used in the payment of debts?

**Mr. ALLISON.** I am not on that point. I am showing the successive steps by which this thing was all done.

Now, the election of 1876 came on, and in that campaign neither the Democrats nor the Republicans dealt with the silver question. Mr. Tilden was the Democratic candidate in 1876, and

reform was the watchword of their platform and of that campaign.

Then we come to 1877. A new House of Representatives came in, and then it is true that the House of Representatives by a vote of 164 to 34, I think—I may have the figures wrong—voted in favor of the free coinage of silver at the old ratio.

Mr. GEORGE. In 1876?

Mr. ALLISON. In 1877.

Mr. COCKRELL. In November, 1877.

Mr. ALLISON. In November, 1877.

Mr. COCKRELL. At the called session.

Mr. ALLISON. The House of Representatives then passed a bill for free coinage. That bill came here. I was then a member of this body and a member of the Committee on Finance. At that time we had not resumed specie payments. At that time the relation which I have given as respects foreign countries had depreciated silver, measured in gold, about 11 per cent. I then believed, as I believe now, that for us to have gone to free coinage at that day would have placed us upon the single silver standard, and therefore it was that I advocated in this Chamber and in the committee the amendments which are incorporated in what is called the Bland act.

Those amendments were two in number: first, coining silver upon Government account and limited in quantity; and, second, a public declaration as respects the policy of the United States, with the relation of the metals, disturbed and dislocated by the conduct of other States rather than our own, taking whatever share of responsibility we take with reference to it, that the people who had been thus interested in and responsible for the dislocation of the ratio should be consulted in regard to its rehabilitation and reestablishment. When that modified proposition went back to the House of Representatives it went there without dissent from the men who favored silver, so far as their conduct regarding it was concerned. A motion was made to concur in the Senate amendments, and that motion was carried by a majority of more than two-thirds of the members of that body at that time.

Now, what was done in 1878 by the deliberate legislation of the two Houses? I say the two Houses, because President Hayes even vetoed that measure, and it was passed in the two Houses over his veto. What was the public policy of 1878 settled by a two-thirds majority of both Houses of Congress? It was, first, that we would not go to the free coinage of silver, although silver was then depreciated only 11 per cent; and that we would seek the restoration of silver by means of an international agreement. That public policy was declared by a majority of two-thirds of both Houses. I take my own proper share of that responsibility. It stands to-day unchanged, as the responsible pledge and policy of the people of the United States.

Now, what other policy was declared in the law of 1878? It was that we would utilize as much silver as we could utilize in our domestic circulation consistent with an adherence to the gold standard of money which we had established by law in 1873 and which was thus indirectly ratified in 1878 by a two-thirds majority of both Houses.

I agree that there has been continuous agitation of the subject from that time to this. Of course, I mean byspeaking of this

established policy that there has not been a continuous debate upon the subject, but that the two Houses have never reversed that policy by any new statutory provision.

Mr. JONES of Nevada. Mr. President, I wish to say one word, if the Senator from Iowa will allow me.

Mr. ALLISON. Certainly.

Mr. JONES of Nevada. The policy which he states was ratified in 1878 by a two-thirds majority of both Houses could not have been carried by a majority if it had not been known by those who voted for it that we did not have votes enough to carry a measure more drastic over the President's veto. It was not the policy of a majority of this body, nor was it the policy of the other body, but they knew beforehand that the President of the United States would veto any other proposition, and they knew also that any other proposition more favorable to silver could not get a two-thirds majority of this body.

Mr. ALLISON. I was not speaking of the public policy in the sense that it met the personal approval of the members who voted for it. I was speaking of the public policy which is embodied in statute law, and which has not been changed by statute law from that time to this through all the perturbations and changes of party politics and changes of views, and very properly changes of views upon a great public question of this character.

Mr. GEORGE. Will the Senator from Iowa allow me to ask him a question for information, which is pertinent at this point?

Mr. ALLISON. Certainly.

Mr. GEORGE. Did not France for the first time cease to coin silver in 1878, after the action of our Government, of which the Senator is speaking?

Mr. ALLISON. I am not certain as to the precise date when she ceased, but France, from 1874 down to 1878, and the Latin Union had each year less and less an agreed amount of coinage. Her policy was as marked and distinct as any policy could be that she would not continue the free mintage of silver at her mints or the mints of the Latin Union; and there is no shred of testimony or of history, so far as I know, which discloses that the mints of France or of the Latin Union were closed because of our action in 1878, which is the pith, I take it, of the Senator's question.

Now, in 1879, the House of Representatives did pass a free-coinage bill, the Democrats being in the majority. That free-coinage bill came to this body, and Senators who were here at that period very well know we were as it were in equilibrium. We were in one sense in an equilibrium, but the Democratic party, by the shades of that equilibrium and the poisoning of it, had the committees of the body. They were the men who controlled its legislation from 1879 to 1881. They were the men who could slumber bills in the committee rooms by putting them to sleep. Mr. Bayard, now our minister at the Court of St. James, was the chairman of the Finance Committee at that time. Mr. Bayard was the man who was then responsible, as the Senator from Indiana is now responsible, for the business of that committee.

This free-coinage measure was held in that committee room for ten months or more—I will not give dates—and then it was reported back to this Chamber and put upon the Calendar, the report being an adverse report. If I do not mistake the date of

that report (and if I do I will be corrected) it was made here February 3, 1880, before the convention that was to nominate candidates for President and Vice-President. It was reported here on the 3d day of February, 1880, if I mistake not, and that Congress did not expire until March, 1881. I want some Senator to rise here at any time and give the yea-and-nay votes on that bill in this Chamber between the 3d day of February, 1880, and the 3d day of March, 1881.

Mr. TELLER. It was not debated.

Mr. ALLISON. I suppose not; but here is a body wherein we boast that we have free debate, and it seems to be pretty free nowadays, where we have unlimited debate, and where a man can get the floor any moment for any measure and test the sense of the Senate.

Mr. TELLER. Will it disturb the Senator if I ask him a question?

Mr. ALLISON. Not at all.

Mr. TELLER. I wish to ask the Senator if it was not thoroughly understood that it required a two-thirds vote of this body and the other House to enact any silver legislation at that time, and whether it was not then well understood here that a two-thirds vote could not be obtained?

Mr. STEWART. I should like to ask the Senator still another question.

Mr. TELLER. Let him answer that.

Mr. ALLISON. Well, I have yet to find that questions are not agitated here because at the other end of the avenue there may be some trouble. We heard this morning from the Senator from Texas [Mr. MILLS] and the Senator from Nebraska [Mr. MANDERSON] that these two great independent departments must act through constitutional methods; and how can we know that a President will veto a measure until we send it to him for his action?

Mr. TELLER. We had had some experience with Mr. Hayes.

Mr. STEWART. I should like to ask the Senator if he recollects the bill known as the bond-purchasing bill, which at that session was brought in here and the Senate, by a vote of 38 to 14, I think, voted to increase the purchases of silver sufficient to have silver take the place of the national-bank notes retired.

Mr. ALLISON. I remember it very well, as I remember many other bills that were brought in here at that time and voted upon, and debated, and vetoed, and so on.

Mr. VEST. I beg the Senator's pardon, but I should like to ask him a question. I understand the point he is making now is that the silver men, as they are termed, the free-coinage men, remained quiescent for a period of more than a year with a Democratic majority in this Chamber and took no action in regard to obtaining legislation for the free coinage of silver. I hope I do not misstate his position.

Mr. ALLISON. If the Senator will allow me, I am endeavoring not to be partisan, nor am I at this moment seeking to convict one party or the other. I am endeavoring so far as I can to trace the history of this transaction.

Mr. VEST. I beg pardon for having used partisan nomenclature. I will say, then, the friends of silver, for it has never been a strictly political question. I wish to ask the Senator if the RECORD does not show that in 1881 I offered a resolution here de-

claring that the dictates of statesmanship required the absolute and unlimited free coinage of silver.

Mr. ALLISON. I remember that very well. I am coming to that, if the Senator will allow me, so that there will be no mistake about the history.

Mr. VEST. And I ask the Senator if he himself did not move to refer that resolution to the Committee on Finance, a majority of which was utterly opposed to silver, and known to be so; and if, on a yea-and-nay vote, it was not sent there by a majority, and if that vote was not upon the distinct assertion made by me and others that it would be considered a test vote as to free coinage?

Mr. COCKRELL. May I correct both my colleague and the Senator from Iowa by giving the exact date when the resolution was offered by my colleague?

Mr. ALLISON. I remember the resolution. The date is not important for my purpose.

Mr. COCKRELL. The date was June 27, 1879, and here is the vote to commit the resolution.

Mr. ALLISON. Very well; I am not upon that question. I am not arraigning majorities or minorities. I am endeavoring to give the status of legislation upon this question. I repeat that from February 3, 1880, to March 3, 1881, our Calendar, although it contained a bill for the free coinage of silver, does not disclose that that question was acted upon finally. I know the Senator from Missouri is for the free coinage of silver. I know he has been for the free coinage of silver. I know also that I have not been for the free coinage of silver, except under conditions which I have often stated, and I am not now for the free coinage of silver by the United States alone at the present ratio or any probable ratio; but that is not—

Mr. TELLER. I did not understand the Senator aright, I hope. Did he say there was no discussion upon the bill at all in that time?

Mr. ALLISON. Upon what bill?

Mr. TELLER. The free-coinage bill.

Mr. ALLISON. Not at all. I do not say that; certainly not.

Mr. TELLER. I have a distinct recollection of having made some few remarks on that subject.

Mr. ALLISON. My statement is that it was not taken up with a view to final action, and no final action was had.

But these are not the points I am seeking to make. The Senator from Missouri did introduce a resolution, and I did move to refer it to the Finance Committee, and it was so referred by one majority, and I voted for its reference. Therefore it may be said that mine was the controlling vote in the majority, but certainly it was not any more controlling than that of every other man who voted to refer the resolution. But that is aside from what I am saying.

In 1880 we had no action upon silver in the Senate. Mark you, the House of Representatives was Democratic and this body was evenly divided. In 1881 a new House came in, which was not Democratic. That new House was Republican, as the Senate was Republican in 1881. Therefore we had the responsibility from 1881 to 1883. Then came another House, elected in 1882, which was Democratic. Did that House pass a free-coinage bill? Not that I remember.

In 1884 Mr. Cleveland was elected President of the United States. With him was elected a Democratic majority in the House of Representatives, and in four years of his term, from 1885 to 1889, although several test votes were taken, there was not a majority in the Democratic House for the free coinage of silver; and therefore that question rested during the four years of President Cleveland's Administration without favorable action, although in that time in this body we did pass a free-coinage measure and sent it to the House of Representatives, and it slumbered there, as I recollect, in their committee rooms; or if voted upon at all, I have not in my mind now the details of the votes, and it is not necessary that I should give them, because I am only generalizing. There were four years when the Democratic party had a majority in the other House and a Democratic President, and silver was quietly put to sleep.

Then 1889 came and with it a Republican President of the United States, and then came a Republican majority in both Houses, and then came the controversy which culminated in the act of 1890.

Mr. COCKRELL. I did not catch what the Senator said about a free-coinage bill in 1886.

Mr. ALLISON. I think it passed the Senate and failed in the other House.

Mr. STEWART. In 1886?

Mr. ALLISON. In 1886. Am I correct?

Mr. BERRY. The Senator from Iowa is undoubtedly mistaken. There was no free-coinage bill passed by the Senate while Mr. Cleveland was President in his former term.

Mr. ALLISON. Then I stand corrected, and I am glad of it, because I am sure the Senate would not do that during Mr. Cleveland's administration. But no free-coinage bill passed the House of Representatives, although an attempt was made in 1886, and the bill was rejected by a decisive majority.

Mr. DANIEL. If I am not interrupting the Senator, I had the honor to be a member of the other House at that time, and I can give him the exact facts about it.

Mr. ALLISON. If the Senator will allow me, my time is very limited and I shall be glad to proceed, whether I am right or wrong as to a free-coinage bill having been passed by the Senate during Mr. Cleveland's first term.

Mr. DANIEL. The Senator is mistaken. No free-coinage measure passed the other House then.

Mr. ALLISON. Very well. I have already stated that free-coinage was rejected in the House, and I am corrected as to the Senate, so that no free-coinage bill passed either House during the first term of President Cleveland. I have only recited this history for the purpose of showing two things: first, that it is easy for a minority party to have a policy of aggression or otherwise; and secondly, that it is not so easy for people who have responsibility to run headlong into measures whether pro or con, and therefore it is we find that these measures discussed in the two Houses were more or less of a political character.

The great significance of this recital lies in the fact that during all these years, from 1878 to this time, although there have been majorities in each House for free coinage, and although this question was fully discussed in the country during the

period, neither of the great political parties resolved for free coinage, or for a change in the standard of value.

We have had Presidential elections in 1880, 1884, 1888, and 1892, covering a period of four Presidential elections. Presidential elections are supposed to embody the general sentiment of the public mind as respects great political questions. In all these sixteen years no party except the party of my friend from Kansas [Mr. PEPPER] has ever approached the question of the free coinage of silver. There is no platform that can be tortured into such a statement. Now, why? If this great wrong had been committed, and if it ought to have been redressed immediately, why is it that the two great political parties of this country have never in their platforms deemed it politic to go to the country upon that question?

Mr. McPHERSON. Will the Senator permit me to make a suggestion? Is it not true that during the four Administrations of Government of which he speaks, with the different political parties in power, and the Bland-Allison act, so to speak, upon the statute books, which gave a discretion to the Secretary of the Treasury, not one of them has ever coined a dollar above the requirements of the law?

Mr. ALLISON. The Senator's statement is in corroboration of what I say, and shows that there was no public opinion in either party insisting upon a larger coinage than a minimum under the Bland act; but I am not on that point. I am now upon the point that in this country, with a question discussed more than any other question has been discussed, no political party has ever gone before the people favoring the free coinage of silver or the destruction of gold as the measure of value, which was made the measure of value in 1873.

Mr. STEWART. I do not want to interrupt the Senator too much, but if he will excuse me I will say that that is what I complained of.

Mr. ALLISON. I know the Senator did.

Mr. STEWART. Both parties were juggling with the country, and were making platforms to deceive. That is the reason why I would not stand with them.

Mr. ALLISON. I am glad to know that is the Senator's view. I knew it was the Senator's view that we had been juggling with the question. I knew that the Senator for two or three years was dissatisfied with the parties. But, Mr. President, these political parties that go into great campaigns go into the campaigns upon principles enunciated in their platforms, which, although they may not always be stated with the frankness with which they ought to be stated, yet always show the tendency and trend of public sentiment in regard to great public questions. When the Senator from Colorado [Mr. TELLER] the other day in his observations stated that he knew what was in the Republican platform of 1892 because he participated in its making and he construes it to mean one thing. I want to say to him that if that had been understood as the meaning of the platform I think the Republican party would have been snowed under a good deal more than it was. If the Senator intended to make a free-coinage platform it was as easy for him to do that as it was to make the circumlocutory phraseology which required that each dollar should be as good as every other.

Mr. TELLER. I did not say that it was a free-coinage plat-

form, and the quotation of my remark by the Senator who followed me was not justified by what I said.

Mr. ALLISON. Then I will stand corrected.

Mr. TELLER. What I said was that it bound us to the double standard, and that every Senator is under obligation to vote in that direction. That is as far as I went.

Mr. ALLISON. Mr. President, I do not intend to discuss the platform, and I am not discussing it in a partisan way, as Senators will perceive.

If the Democratic platform had meant free coinage and could have been tortured into free coinage why would it not have said so? My friend from Kansas [Mr. PEPPER] represents what is called the Populist party, and they know how to use phraseology in their platforms. They know what to say. They said they were in favor of the free coinage of silver at 16 to 1. But they have not always resolved for free coinage; in 1884 when a gentleman from Pennsylvania introduced into their convention a resolution favoring the free coinage of silver that convention voted it down.

Mr. PEPPER. What convention?

Mr. ALLISON. The convention of ancient Populists, or the party that preceded the party of my friend which was born last year. It was called the Greenback party. That was in 1884, only nine years ago. When a man proposed in that convention to declare for the free coinage of silver and commit the party to it they voted it down by a large vote. So in 1884 the Senator's party was against the free coinage of silver as well as my own.

Mr. PEPPER. There was no Populist party at that time.

Mr. ALLISON. Well, whatever party it was.

Mr. PEPPER. I was in active sympathy with the Republican party at that time, and continued so until 1888. There was nothing in the political atmosphere that even squinted towards a Populist party at that time.

Mr. ALLISON. Then I beg the Senator's pardon. I am glad to hear it, because I certainly would not have supposed that he was a member of that party in 1884.

Mr. President, I do not care to go into detail about platforms, but I know as to the platform of 1884, because the most distinguished Populist of the present day outside of this Chamber was the president of that convention. It was Gen. James B. Weaver, who was the candidate who received the Greenback vote of 1880.

Mr. STEWART. In 1880 he had a free-coinage plank in his platform.

Mr. ALLISON. I believe he had. [Laughter.] He had it in 1880, but he seems to have got tired of it, and in 1884 he presided over the convention which voted down by a large majority a proposition for free coinage.

Mr. President, I have gone over these platforms without reading them, not to arraign this party or that party, not to say that we have done this thing or that thing, but to show that no political party has proposed in its national convention a suggestion that we should go to the free coinage of silver.

Mr. McPHERSON. The Democratic convention of 1892 voted it down upon a distinct proposition made in the convention.

Mr. ALLISON. I am glad to hear that; but the Democratic party did have a platform in 1892, and I will speak of it now. What did it mean? It meant that if we had silver we should

have silver at its intrinsic and exchangeable value. What did that mean? I am not here to interpret it and may not interpret it correctly, but it meant that if we had a free-coinage provision we should coin as our fathers coined, at the commercial ratio, now 28 to 1. Has any Democrat on the other side of the Chamber or any Republican on this side proposed free coinage at the ratio of 28 to 1? Surely not. It meant, also, to commit the Democratic party to the policy of restoring silver by means of an international agreement, and if that could not be done, to adopt such safeguards of legislation as would secure the parity in value of the two metals in our own circulation. Now, that is all there is of it. You may bring to bear all the dialectics that you choose upon it, that is the plain common sense of it; and that is the way the people of the United States understood it; and that is what they are for to-day, without respect to party.

I think I have shown by the action of Congress and by the declarations of the two great parties that they have not been for the free coinage of silver. Why not? Because they believe that to establish free coinage of silver means the silver standard and the exclusion of gold as a part of the money of our country. For the same reason they are opposed to such measures as will accomplish indirectly what they are opposed to directly.

Mr. President, I am going on at much greater length than I intended upon this question. What I mean to show is that with this history since 1873 we are asked here now to support measures and sustain policies that will bring this country, in my belief, to the single standard of silver. I care not whether it is done by indirection or whether it is done by direct methods. The law of 1890 was a temporary law. It was an experimental law also in one sense. Nobody believed that that law was to stand long upon our statute books. I certainly did not believe it. I voted for it, I will say in this Chamber, as I have said elsewhere, and always with great hesitation.

If this policy of purchase is continued much longer it will bring us to a silver standard, because under present conditions we can not redeem all our paper in gold. I do not believe in the policy of piling up bullion in the Treasury of the United States and holding it there uncoined. I believe that that is a most dangerous policy to silver itself. It is a menace to the price of silver, and it has something to do, in my judgment, with the depreciation of that metal.

The Senator from Colorado the other day alluded to the fact that Wall street was frightened because the Senator from Nebraska introduced a bill for the free coinage of silver, and that stocks went down a point or two. In Europe, when it is suggested that we are going to sell the silver in the Treasury, what is the effect on the price of silver? What is the effect of a mere suggestion by a prominent man in this country, whether he be in this Chamber or the other or out of both, that the silver bullion held in the Treasury of the United States should be sold for gold? We have there now 122,000,000 ounces of it. That would carry down silver as rapidly as it could be carried—taking into account the cost of its production, as rapidly as did the action of India. The more we put there the more dangerous it is to silver, unless we follow it up by coining that silver and strengthening our gold reserve.

For myself I am in favor of coining every dollar of the silver

that is in the Treasury. It ought to be coined. When I say that I do not mean now, presently, but it should be understood as the policy of the Government that we will not have in the Treasury stored away there silver bullion for sale.

Mr. COCKRELL. Coined in this century or the next?

Mr. ALLISON. I should be in favor of coining it as soon as practicable. It might be wise to leave it for a short time for other reasons pending action in concurrence with other countries. But I am for coining it and going on with its coinage. That must be done. Not one dollar of that silver can ever be sold without the sanction of Congress, and that sanction I am sure will never be given. Therefore as we pile the silver up in the form of bullion we put in menace the price of silver everywhere, and it should be coined.

There is another thing to be noticed. By the policy of 1878, which has not yet been changed, we practically agreed to maintain silver at par with gold coin. The Senator from Massachusetts [Mr. HOAR] stated the other day that he voted for the bill of 1890 because it contained that pledge. That was a good pledge to put into it, but it was a pledge already involved in the policy and in the law itself. We have put into the Treasury under the coinage act of 1878, \$70,000,000 in round numbers, not raised by taxation, but in the form of seigniorage or profit, and with that money we have purchased 4 or 4½ per cent bonds for every dollar of it, and thereby released to that extent so much of the interest-paying debt.

Are we to take that great surplus fund called seigniorage from the men who have our silver certificates and our silver dollars and not use it to maintain its parity with gold? It is said that there is in the Treasury a seigniorage of \$60,000,000 over and above the coinage that is necessary to redeem the Treasury notes outstanding. If there is, does not the same equity require that that seigniorage shall be utilized and used to maintain the parity in value between the two metals which we declared positively in 1892 we would maintain?

Mr. TELLER. Will the Senator allow me to ask him a question? If it is the duty of the Government to maintain the parity, why should the Government especially dedicate any particular fund? Are not the entire funds of the Government and the strength of the Government to be used to maintain that parity?

Mr. ALLISON. Yes; and upon that point let me say that at this moment we have \$346,000,000 greenbacks; we have \$150,000,000 Treasury notes; we have \$330,000,000 silver certificates, and we have \$200,000,000, in round numbers, of national-bank notes. The national-bank notes I will leave out of the question, if you please, but we have over \$800,000,000 of Government currency issued by the Government, which we have pledged to parity in value, each and all, and yet with only \$100,000,000, in round numbers, of reserve which is specially pledged. I do not mean specially in the sense of the law, but specially in the sense that we sold bonds to the extent of \$95,000,000, and it is understood that it is held as a reason why the greenbacks should be specially cared for. The Senator speaks of the resources of the Government. There are no resources of this Government to-day that can be utilized beyond that \$100,000,000 for this redemption.

Mr. STEWART. I beg pardon.

Mr. ALLISON. We can sell bonds under the act of 1875, I have no doubt.

Mr. STEWART. I should like to inquire of the Senator if all that paper is not redeemable in silver?

Mr. ALLISON. I am endeavoring to show that under our statutes and our policy and our laws we are to maintain the parity in value between silver and gold. Therefore it is that although our resources are great those resources are not placed in the hands of those whose duty it is to administer them. There ought to be a larger reserve for the maintenance of the paper money we have in our circulation. Now if we go on indefinitely issuing this paper money can it be doubted that the Treasury will be unable to redeem it, and we need not mince matters about that. I have shown you that we have bought bonds to the extent of \$70,000,000 with the seigniorage under the Bland law. We have \$60,000,000 more. There is no surplus in the Treasury. I need not argue that point. So I maintain that if we are to do what the people expect us to do we must see to it that the reserve in the Treasury is strengthened in some form, and if we continue indefinitely such issues it is essential that we should proportionately increase the reserve.

Mr. GEORGE and Mr. STEWART. How?

Mr. ALLISON. Senators ask me how? I have shown how \$100,000,000 of it or more could be strengthened. Of course there are many ways to strengthen it. But is it supposed it is not worth while to strengthen it? Do men stand here on each side of the Chamber and ask how, as though we were interested in letting the Government go to pieces, as though it was not a part of our responsibility to find a means of doing that when we reach it?

Mr. STEWART. That is what we are asking about.

Mr. ALLISON. And that is what we will have. I will state to the Senator from Nevada that I am in favor of strengthening the reserves in the Treasury for the purpose of maintaining our coin at parity in value between gold and silver. It is necessary.

Mr. STEWART. How can it be done?

Mr. ALLISON. There are many ways of doing it. It can be done by reducing our annual expenditures, or by increasing our annual revenues, or by both; or it can be done by restoring to the Treasury the seigniorage under the law of 1878, or by selling bonds and using the seigniorage under the law of 1890.

Mr. WASHBURN. If the Senator will allow me, I should like to ask the Senator from Nevada if he and those associated with him desire to see our obligations redeemed in silver?

Mr. STEWART. I desire to see every dollar of our paper redeemed in coin, as the statute provides.

Mr. ALLISON. So I understand, and so, I take it, we all agree; and, therefore, we should provide the means of doing so.

Mr. STEWART. We have to meet that question.

Mr. ALLISON. I undertake to say that we can not continue—and that is the point I make—the purchase of silver without seriously endangering the standard which we have had since 1873 and bringing this great nation, with all its opportunities, with all its wealth, and with all its labor and production, to a silver standard from a gold standard, when the disparity between their value now is more than 40 per cent.

The Senator from Virginia [Mr. DANIEL] the other day stated here, among other things, giving the glowing picture which he

did give of this country, that we had enormously increased our debt since 1880. In contrast with that I turn to the Senator from Oregon [Mr. MITCHELL], and take the glowing picture of our development in the building of railroads and in every avenue of wealth. Is it the policy of anybody to pay a debt created upon one standard in another standard, and that depreciated?

Mr. MITCHELL of Oregon. I said nothing about that, so far as I am concerned.

Mr. ALLISON. I understand that, but I am taking the two statements together. I submit to do that is a wrong thing, and to do it by stealth is doubly wrong. If the people of this country, having that question fairly submitted to them, are willing that we shall scale down our debts by a change of ratio or by the indirect method of continuous purchases of silver bullion, let whoever wants to do it, do it; but I am not one of them. But if the people of the United States favor the scaling down of debts, which I do not believe, why is it not proposed here to do it by reducing the grains in a gold dollar, thus restoring the commercial ratio, or approaching such restoration? No one will propose that. Yet it is agreed, and truthfully agreed, that under present conditions there is not gold enough, banishing silver, for the world's transactions and exchanges.

Mr. STEWART. I should like to call the attention of the Senator to the act of 1878 which authorizes the coinage of the standard silver dollar and restores its legal-tender character with gold, and calls it "a standard dollar." Does the Senator deny that the silver dollar is a standard dollar?

Mr. ALLISON. I understand that perfectly, and I now put this question to the Senator. I wish to ask him if he wants to bring this country to an exclusive silver standard?

Mr. STEWART. I want to bring it to the place it occupied before the passage of the act of 1873, to gold and silver upon a parity, according to the declarations of both the great political parties.

Mr. ALLISON. That is what we all want. But no Senator upon this floor, I care not what his politics may be, will avow that we ought to go to a silver standard at this moment. I do not believe any Senator will say that; and yet it is just as plain as the noonday sun, if we go on purchasing silver and putting it in the Treasury as bullion, it will be a question of only a few months, or a few years at most (probably only a few months, from what has occurred within the last few months), until we shall fail to redeem our obligations in gold, and then we shall be on a silver standard. I believe that as much as I believe that I am at this moment addressing the Senate.

I have never changed my mind from 1878 to this moment that we could not in and of ourselves restore the parity in value between silver and gold at the ratio of 16 to 1. If we could not do it in 1878, how can we do it now, when silver, instead of being worth \$1.11½ an ounce, is worth in the market to-day only 73 to 74 cents an ounce? How can we do it now if we could not do it then in the face of the fact that India was then, and has been for all these years, a continual absorber of silver money; when she has now stopped the use of silver money and placed that country in a position where she need not use or buy any more silver bullion?

Last year I supported the bill of the Senator from Ohio, which

was reported to the Senate, favoring the repeal of the Sherman act, to take effect on the 1st day of January, 1894, which means January next. I favored that bill then because I did believe, and I now believe, where a great industry has been built up in any part of our country to some extent on the faith of our legislation, those engaged in it should have a little time to regulate their conduct and their situation respecting it. Not only that, but I believed that if we postponed the particular day of the taking effect of that act, it would have a beneficial influence upon the Brussels conference, which was to convene on the 30th day of May last. I believed then, as I believe now, if that had been done, India would not have taken the action which she has taken during the past summer. It must be borne in mind that India did not take that action until after the conference, which was to reassemble on the 30th of May, was postponed to meet not earlier than November.

Mr. COCKRELL. If it would not interrupt the Senator, I should like to ask why Senate bill 3423, introduced by the Senator from Ohio [Mr. SHERMAN], July 14, 1892, and reported by him with an amendment on January 7, 1893, was not pressed for consideration at that session.

Mr. ALLISON. There was, I believe, a test vote upon that question.

Mr. STEWART. The Senate did not want to take that bill up.

Mr. ALLISON. The question put to me by the Senator from Missouri might be asked by some Senator who is not familiar with the business of the Senate; but the Senator from Missouri knows that that was the short session and that every moment of time was occupied in the consideration of appropriation bills, so that it was impossible, in the brief space of a few weeks, to take up so important a question as that, even though it was favored by a majority of the Senate.

Mr. STEWART. The motion to take it up was voted down.

Mr. ALLISON. There was a vote, and it was voted down. I do not even remember how I voted on that question, but I knew perfectly well that the bill could not be considered at that session. It was voted down by a vote of two to one, I am told by Senators about me. I have never examined to see how that is.

Mr. President, I have been diverted somewhat from what I intended to say, but I wish to repeat my belief now—and what I have said, I think, tends to show—first, that all history discloses when a small divergence is made from the true commercial ratio, the result is, whatever your established ratio by statute, you are upon the ratio which represents the overvalued money. We must not forget that the commercial ratio is fixed by the demand for silver as money, that demand having been greatly diminished by legislation in Europe. It must be restored by the same method and through the same processes.

I undertake to say that it is absolutely impossible for us to deal with the question of ratio at this time on any bill. A ratio of 27 to 1 or 28 to 1 would be an unwise ratio; for, with silver fluctuating 20 cents in a single day, how can you make a ratio that will be a just ratio?

The moment the resolution of the Indian council stopping the free coinage of silver was adopted away up on the mountain slope of the Himalayas, and was telegraphed to London and to New York, silver bullion went down 20 per cent.

Mr. TELLER. Twenty-five per cent.

Mr. ALLISON. Twenty-five per cent, the Senator says. Then it went up 15 per cent in the next week. Can we make a ratio which will measure all values and all debts and all credits on the basis of a fluctuating value like that? To merely state the proposition is to show its impossibility.

Mr. STEWART. I would suggest to the Senator that we should better know the present status of silver if the four and a half million ounces per month had been bought right along under the existing law.

Mr. ALLISON. Although I voted to postpone that bill to a future day, the situation in India has changed the situation here.

What are we doing with the 4,500,000 ounces of silver we buy each month? We are trying to keep up the price of silver, which will go down to the cost of production, whatever that may be.

The Senator from Illinois [Mr. CULLOM] says to me that the price of silver is now down to a point where most of the mines are closed. I have no doubt that is true. But from whom are we buying this silver? As a matter of fact, we are buying it from the people who produce \$196,000,000 of silver in the world. We are buying it from Mexico, from Australia, from Germany, and from every country where silver is produced, thereby keeping up the price in those countries as well as in our own. We are buying silver in the face of the fact that England has now come into the market as a more active competitor in selling silver with the producers of the metal. In 1876, when the price of silver bullion went down, it was noted as one of the reasons why it went down that England was selling council bills at the rate of \$75,000,000 per annum upon India, payable in rupees.

Mr. WHITE of Louisiana. May I interrupt the Senator for a single suggestion?

Mr. ALLISON. Certainly.

Mr. WHITE of Louisiana. Is it not a fact that in the debates which have previously taken place in this body on the silver question the advocates of free and unlimited silver have always contended that we could go to the free and unlimited coinage in this country because India continued the free coinage of silver and we were, therefore, not in danger of being flooded with the world's silver?

Mr. ALLISON. That has been urged, and urged with very great force.

Mr. TELLER. I want to enter my protest against being committed to that.

Mr. ALLISON. Very well. I do not commit anyone.

Here is India, which is the entrepôt to the Orient, so far as its trade is concerned. Here is the trade between India and China and the Strait settlements, and the region round about—without going over them all—which amounts to a thousand million dollars per annum. I do not mean their internal trade, but I mean foreign trade, of purchase and sale between countries who trade with each other to the extent of a thousand million dollars, computed in gold at the present price of silver.

Mr. STEWART. I should like to ask the Senator how much free gold is held, outside of the war reserves and other reserves, for use in the world?

Mr. ALLISON. That relates to another point, which I shall probably get to presently.

Mr. STEWART. I hope the Senator will do so.

Mr. ALLISON. I will go into it if I have time.

Here is this thousand millions of external trade computed in dollars at the present depreciated prices, all of it sold in countries on a silver basis, and all of it sold since 1877 upon a fluctuating exchange bearing upon the price of silver.

England, in addition to that, has demanded from India £15,000,000 in exchange in the form of council bills, and by that means she has prevented India from absorbing the silver which she would naturally absorb, and which she did absorb prior to 1873 when the par was dislocated. So these council bills have come in, and while we have been buying 4,500,000 ounces of silver a month England has been practically selling 9,000,000 ounces per month. During all these years while we have been buying silver she has been selling silver, or its equivalent, in the form of council bills, and she goes into the markets of London with these council bills in competition with silver bullion, and thereby bears it down if she chooses, and reduces the exchange by selling the council bills at a lower rate than the bullion price of silver. She can do that. Then the bullion price goes down, because the silver bullion gathered at London is the silver bullion that goes chiefly to China and to India.

Here is a new element which has been thrown in by the voluntary act of the Indian council and that of England, whereby the thirty or forty million dollars of silver which has been absorbed by India every year is to be cut off, and yet we are to contribute now and continuously to the purchase of silver, when we know it will be purchased on a falling market down to the point of the cost of production. It will not fall below that at any time. Therefore, believing as I do upon this question, I am in favor of the repeal of the purchasing clause of the Sherman act.

Mr. MITCHELL of Oregon. Does the Senator think it possible for India to maintain the gold standard?

Mr. ALLISON. I have not sufficient familiarity with all the details of that Indian transaction, or the plans they propose or the experiments they will try, to express an opinion; but I do not see how it is possible for them to maintain a fixed par of exchange for the rupee. And the experienced men who recommended it only regard it as an experiment difficult to attain, and tried only because they could not maintain the situation existing in India when it was attempted. But shall we help them do it? If I could see now the ministry of England gathered in council I should see men who are more anxious than any Senator upon this floor that we should here and now not take the action which is proposed in the pending bill. They would say if only the United States will—

Mr. TELLER. All their public utterances are the other way.

Mr. STEWART. Every one.

Mr. ALLISON. Very well; they may not say all they mean on this subject. I am only saying that what we do now to continue the purchase of silver may be a straw only, but it will have the effect to help them to carry out their present Indian policy. Why? They have undertaken to sell council bills at 1 shilling and 4 pence for the rupee. That they can not do, or, at least, they have not yet been able to do it; but if we help them to hold up the price of silver bullion to the point of 1 shilling and

4 pence, then they can more easily execute their policy respecting India.

Therefore, Mr. President, whether wisely or otherwise, if we continue the purchase of silver we aid the British policy in India. I do not know but that some of them may say one thing and some another. I know, however, the inevitable effect of what we do here will be to either uphold or impair their ability to maintain their policy in India: but whether we cease to purchase silver or do not cease to purchase it, it is impossible, in my belief, for England to carry out that policy.

Mr. President, having said this much—and I perhaps should have said more on this point, but I have been diverted from time to time—I wish to say that in my belief silver will be rehabilitated.

The Senator from Nevada asked me a moment ago as to the stocks of gold. The stocks of gold in the banks of Europe and in the United States aggregated £309,000,000, or \$1,500,000,000.

Mr. STEWART. How much of that is held for war reserve?

Mr. ALLISON. I do not know, but it is well known that France, Germany, and Russia have large reserves of gold, the two former an amount far beyond any necessity of maintaining at par their paper money. It is well understood that they have strengthened these reserves preparatory to the contingency of war, and that Russia, although wholly on a paper basis, has lately added very largely to her holdings of gold, and I have no doubt a large sum is held in the countries I have named, not to maintain the par of paper money, but for war purposes.

That all the great interests of this world can be carried on by the use of gold alone as standard money is, to my mind, impossible. I believe that the \$3,500,000,000 of full legal-tender silver money in the world will continue to be legal-tender money, and I believe that the six hundred and fifteen millions, or whatever may be the amount which we have now in the United States of full legal-tender silver money, will so continue. We have in the United States to-day one-sixth of the coin legal-tender silver money of the world, and yet Senators say, because we differ from them respecting one or two details as to how this great restoration of silver money shall be had, that we are in favor of the single standard of gold. The single standard of gold is impossible, whether we favor it or object to it. This \$3,500,000,000 of full legal-tender silver money will, in my belief, remain as legal-tender money.

Mr. JONES of Nevada. I should like to ask the Senator why he thinks it is impossible to do the entire business of the world upon gold? It seems to me it is just as easy to do business on gold, or any quantity of money, however small it may be, if the price of the products of labor be not taken into account. It is just as easy to do business on decimals as on multiples; and if the question of price enters into the calculation, why is it not easy to do all the business of the world now upon gold?

Mr. ALLISON. I know very well the Senator's theories, and I may not differ with him upon some of them. He thinks the business of the world can be carried on with units, whether silver, gold, or paper. That may be true. But I am speaking now of the general situation as it is in the year 1893, with debts as they are, obligations as they are, property as it is, currency as it is, and all the relations of civilized countries as they are. With these conditions remaining, both gold and silver must be used.

Mr. President, I wish to say a few words regarding my belief as to the best way of dealing with the present situation. I believe the way to deal with it is to deal with it as we deal with other things; that is, to deal with the peoples who, like ourselves, are interested in the subject. Here are \$3,500,000,000 of full legal-tender silver money in the world. I will not say every dollar of it is full legal tender, but most of it is full legal-tender money with less bullion in it than the bullion in the coins of the United States. This money is scattered throughout the whole of Europe. It permeates every bank and every business relation of Europe; it leads into all their debts, into all their credits, into all their transactions. Are not these people interested with us in the rehabilitation of silver?

We have heard it said two or three times upon the other side of the Chamber that this country of ours is big enough and strong enough to deal with all these questions independently and without the concurrence of other nations.

Mr. STEWART. If all this is legal-tender money, what does the Senator say when there is only \$100,000,000 of gold in our Treasury to redeem the vast amount of paper which has been issued?

Mr. ALLISON. The Senator will excuse me from being diverted from the point I am making to go back to others of which I have already spoken.

It is said we should not engage in agreements respecting this subject. Why not? There is not to-day a civilized nation on the face of the globe with which we have not agreements about every conceivable thing relating to commerce. We have made treaties over and over again about matters related to our commerce and our trade.

The Senator from Alabama [Mr. MORGAN] persuaded us all to engage in a convention with European powers respecting the situation of Congo in Central Africa, and we followed him to the early recognition of the flag of a private association, which association was afterwards turned into the State of Congo and following this we have made most valuable treaties with all the European nations with respect to the trade of Central Africa. We have made over and over again treaties whereby we agree that certain articles should come into the United States at certain rates of duty upon the condition that certain other articles from this country should go into those countries at certain other rates of duty, and yet there is in the Congress of the United States, under the Constitution, power only to levy and collect taxes and imposts. That was done long before any provision concerning reciprocity was inserted in what is known as the McKinley tariff act.

We made a few years ago a most important treaty with Great Britain, submitting to arbitration a single question relating to the seal fisheries in Bering Sea, and selected two of the most eminent men of our country, the Senator from Alabama [Mr. MORGAN] and Associate Justice Harlan, of the Supreme Court, as arbitrators on the part of the United States.

This great tribunal has reached a wise solution of this difficult question. But this solution involves not only arrangements between the two countries but with other commercial countries.

Our statutes and our treaties are full of illustrations, and yet it is said the dignity of this country is imperiled if we treat

with other nations as respects the common measure of value which shall make all international exchanges of products and fix a ratio between the precious metals which shall utilize both metals in making these exchanges. We have seen the fluctuations which have made unstable all exchanges with silver-using countries, and have only lately seen that by the action of India, a foreign country, our silver producers have had their product fall in a single day 20 cents per ounce, to recover again 12 cents per ounce in a few days, when that would have been impossible if we had had international action on the subject.

No more important commercial arrangement can be made than that which will secure the common use by commercial nations of both gold and silver as international money.

Mr. MITCHELL of Oregon. Will the Senator allow me there?

Mr. ALLISON. Yes.

Mr. MITCHELL of Oregon. We also sent three or four eminent gentlemen to Brussels to try to deal with some of the foreign nations upon the very subject we are now considering, and, so far as heard from, nothing has been accomplished on that question.

Mr. ALLISON. I thank the Senator for calling my attention to that subject, and for the kindly spirit in which he calls it, and I shall speak of that.

We have dealt with these subjects, and is it of no importance to the Senator from Colorado or to the State of Colorado and the surrounding mineral States to say that the Indian council on the Himalayan Mountains can affect the value of their property to the extent of 20 cents upon each dollar of production? Is not that worth dealing with foreign nations about, if thereby these great changes can be avoided?

Mr. TELLER. I am in favor of it.

Mr. ALLISON. I know the Senator is in favor of it, and he is wise in that direction, and has always been, in season and out.

But it is now stated on this floor that because we propose to deal with this question internationally, we are belittling the American Republic. There is no greater question for the people of this world than the question of money; there is no question which affects more deeply all the trade of all the nations than the question of money. Therefore there is nothing that should so engage the attention of commercial and civilized nations as that question.

I have here a statement—and I only intend to take a sentence from it—made by the Secretary of the Treasury in 1830, which I think clearly presents the importance of this question, showing that this is not a new suggestion.

Mr. GEORGE. What is the date?

Mr. ALLISON. It is House of Representatives Executive Document No. 117, Twenty-first Congress, first session, dated May 4, 1830. The then Secretary of the Treasury said:

A conventional agreement among the principal commercial nations of the world which desire to use both gold and silver as standards of value, fixing the same relative values, might avert such consequences.

That is the consequence of one or the other metal going out. The Secretary was showing that gold was going out.

But the regulation of the coins of a country is regarded as a high attribute of sovereignty; and until higher objects of ambition shall overcome the folly of maintaining mere dignity at the expense of public good it is not to be hoped that such a measure would be favorably considered.

Mr. HOAR. What Secretary of the Treasury was that?

Mr. ALLISON. S. D. Ingham, who was Secretary of the Treasury at that time. What he stated as wise for the nations had been practically adopted by the European states centuries before; namely, to adjust the ratio between the two metals in each State, so as to conform as nearly as possible to the commercial ratio prevailing in the surrounding states. This was done by Locke in 1666, and fifty years later by Sir Isaac Newton, although both these great men believed that the unit of value should be based on silver, that metal being least liable to fluctuation as compared with gold.

Now, in this year, with these perturbations in the price of silver, with one set of nations in the Orient with their thousand millions of commerce with each other and with the nations of Europe and the United States, and with their exchanges now at a discount of from 40 to 50 per cent measured in gold and fluctuating every day in the markets and exchanges of the world, dealing in products which we are bound to use, and which we see upon our tables every day, with no house so humble that it does not have daily upon its table some of their productions—dealing with those people, as we are, upon these great commercial questions, why is it that there should not be between us and them a common measure of value? Yet that proposition is whistled down the wind by statesmen in this Chamber.

The Senator from Oregon [Mr. MITCHELL] made a suggestion respecting the conference at Brussels. I wish to say that in 1878 we put into a statute a provision that there should be a conference of nations with a view to a common ratio with free mintage at such rates. The conference failed, although the principle was agreed to. I say to the Senator that if he will examine the text of the resolutions adopted by the conference of 1878 he will find that they declared it was a desirable thing for the nations of the world to use both gold and silver as money measures of value.

Mr. MITCHELL of Oregon. I fear the Senator from Iowa misunderstood my suggestion and the spirit in which it was made. I called attention to the fact that we had sent a number of eminent gentlemen to Brussels, for the purpose of showing how absolutely impossible it is to bring about an international agreement on this subject, notwithstanding the able efforts of these gentlemen, about which we are all agreed.

Mr. ALLISON. I appreciate the kindly suggestion of the Senator from Oregon [Mr. MITCHELL], and I will speak of it presently. We had a conference in 1878 in pursuance of a statute. In 1881, upon an appropriation act, provision was made for another conference. These two conferences failed, although there was a general and universal recognition at that time that some agreement should be made among the commercial nations of the world for the utilization of both silver and gold at a common ratio. We sent as commissioners in 1881 the most eminent men of our country, Allen G. Thurman, William M. Evarts, and Timothy O. Howe.

Mr. STEWART. Havenot the representatives of England in every conference notified the conference that they would not agree to bimetallicism?

Mr. ALLISON. I shall come to that after awhile.

The conference agreed to adjourn until a future day, to be

called together by the Government of the United States and the Government of France. That united call was never made. I have searched as well as I could the archives of the State Department to see why it was that the call was never made. I have copies of all the papers, but there is no very satisfactory reason why the conference was not recalled.

The whole question of an international agreement slumbered until late in 1891. Then it was that President Harrison commenced what I may call negotiations, although they could hardly properly be so called. I might say he opened informally negotiations with other nations as to the advisability of holding another conference. England had some scruples as to the method of the call, desiring that it should embrace a larger use of silver as money, and not embrace wholly and singly the question understood to be bimetallism.

Mr. GEORGE. Did England not repudiate the bimetallism part of it?

Mr. ALLISON. Mr. President, I know how the Senator wishes to point morals and adorn tales—

Mr. GEORGE. Is not that the fact?

Mr. ALLISON. England was not satisfied with the form suggested, although I think no formal proposition was ever presented. That conference was called. It was to assemble in 1892.

I may be pardoned now for making a statement about that conference. Those who were appointed as members of it on the part of the United States were appointed after the adjournment of Congress on the 5th day of August, 1892. I was notified by the Secretary of State that it was the wish of President Harrison that I should be one of those conferees on the part of the United States. I accepted the position reluctantly, having some of the scruples which were later on so well stated by the Senator from Massachusetts [Mr. HOAR], as to the propriety of members of this body undertaking what might be called even quasi executive functions.

Mr. HOAR. Will the Senator allow me to make one observation at that point?

Mr. ALLISON. Certainly.

Mr. HOAR. Having made that criticism, I have reflected upon the subject since I made it, and I desire to take an opportunity to say—and perhaps this is the best one—that, in my judgment, although the general practice is not to be encouraged and is open to the objections which I stated to the Senate, I am satisfied that there are exceptional cases where the country ought to have the right to command the service of any citizen best fitted for that purpose, without regard to any matter of etiquette or technicality; and I think the case where the Senator rendered that service was one of those exceptions. I think he was right in accepting the duty, and that President Harrison was right in appointing him.

Mr. ALLISON. I thank the Senator for that kind compliment. I did not understand his former criticism as in any sense unfriendly. I did not, however, receive the notification, as I said, until after the adjournment of the long session of Congress. The Senator from Nevada [Mr. JONES] and three other gentlemen were associated with me. I went to my home, as they did to theirs. There was no date fixed for the assembling of the conference at the time we were appointed, and it was not known when it would

assemble. I was notified that I would be informed in ample time to make due preparations. It was late in September, or about the 1st of October, before the date was fixed; and then it was fixed on the 22d of November of that year.

As a member of the conference I was summoned here on the 10th of November, having engaged passage to sail on the 12th. Some of the members had already gone. Those of us who were here received instructions from the State Department, which contained no suggestion of a solution of the questions, except that it was the wish or opinion of the Executive that we should agree to nothing at Brussels which would put Europe on a gold standard and the United States on a silver standard.

The first meeting of the five members of the conference on the part of the United States was on the evening of the 21st day of November, at the city of Brussels. We had no opportunity prior to that time of comparing views or consulting with each other as to what our policy should be.

On the morning of the 22d of November we found every State which had been invited by the President of the United States represented. They were there ready to deal with these questions in the spirit of the invitation, and I may say here as I pass—my associates may agree or disagree with me, but I think they will agree with me—that each and every one of the States, including Great Britain, were deeply interested in what was to take place there.

When we assembled on the 22d the first question which arose after the organization was, what is the policy of the United States? It was said that in such conferences the inviting State must have what they called a programme or a policy to lay before the convention as the basis of debate. We stated frankly at that meeting that our first convening had been the night before, and that we had received from our Government no policy in detail which could be presented to the conference. Therefore it became necessary that the conference should be adjourned from Tuesday, if that was the day—the Senator from Nevada [Mr. JONES] will remember—and we adjourned for four days, agreeing to present at the expiration of that time a series of propositions within the spirit of the call, which should constitute the subject of the deliberations of the body.

As the proceedings are all published, I need not allude to them. It soon became apparent, however, that a meeting called for the 22d of November could reach no definite and detailed plan, even to the point of argument, before it would be necessary to adjourn for the holidays, because all the European countries have a high regard, as is known, for the holidays of Christmas and New Year. Therefore, before we had been in Brussels two weeks, the question of the holiday adjournment came up; and, instead of nothing being done, as the Senator from Oregon says, I think that that conference, in the four weeks it sat at Brussels, made more progress respecting the solution of this question than had been made at all prior conferences. There was presented proposition after proposition for the solution of this question, it is true not upon the direct subject of opening the mints of Europe to the free coinage of silver, but various propositions looking to that end in the future.

It was said, and justly said, with the great disparity between the bullion value and the coin value of gold at the relation of 15½

to 1, it would be impossible to jump suddenly to that point; and, therefore, some of the suggestions were for the purpose of maintaining the gold standard with such enlarged use of silver as would absorb the product of the mines and others looking to a gradual elevation to the double standard of silver and gold.

We were in this condition respecting the adjournment. I may say, in the presence of the Senate, that between the time when President Harrison had called the conference and the time of its convening, it had become well known in this country and in Europe that there had been a change in political control in the United States. It was known that the Senate would be Democratic and that a gentleman had been elected President of the United States who was a Democrat. Therefore it was that those of us in that conference who were Republicans did not feel the liberty of binding our Government, as it were, even by discussion or debate on different propositions that we should have felt if we had been sure of a friendly political Administration and friendly Houses of Congress who were to sit in judgment on our conduct.

So it was when an adjournment was suggested, the delegates from the United States, with the concurrence and perhaps at the suggestion of the Democratic members of the conference, insisted that if there was to be an adjournment and new plans presented the President-elect of the United States should be consulted respecting these plans, and also as far as practicable the two Houses newly organized should in some way aid in the preparation of plans. It was with great reluctance on the part of some of the delegates that the conference was postponed from December until so late a day as the 30th day of May. This was especially true as respects the delegates from India.

The Senator from Nevada says England was all the time in hostility. That is true so far as the opening of the mints of Great Britain to the free coinage of silver at any ratio is concerned. They declared in that conference that their local policy respecting silver was that they did not desire to change their measure of value. The same policy was declared by Germany, and impliedly by Austria. The honorable Senator from Nevada [Mr. JONES], who was with me, made a most exhaustive and able discussion of that question before the conference, which was warmly received, and I am sure made a strong impression upon each and all of its members. When we adjourned to meet again, the general wish, desire, and belief was that if we could adjourn until midsummer or spring, and have six or nine months to deal with the question through committees, we could reach some solution which would gradually elevate silver to the exalted position which it held side by side with gold among all the nations of the world, and which would be accepted by all.

It was my belief then, and it is my belief now, that if this Government will undertake the policy of international arrangement regarding silver and gold, that policy will be accomplished, and within a reasonable period we will be able to restore the parity between the two metals, and practically rehabilitate silver. That is my belief, and that is the permanent and wise solution of this question. In the mean time, it seems to me, we shall have to drift along as best we may, purchasing from time to time and coining all the silver that we can use in our domestic circulation maintaining the parity, and I have no

doubt we can absorb a considerable amount beyond that which we now have.

Mr. HILL. Will the Senator allow me so ask him a question?

Mr. ALLISON. Certainly.

Mr. HILL. I desire to ask the Senator to state to the Senate whether, in his opinion, the repeal of the purchasing clause of the Sherman law will facilitate or hinder an international agreement?

Mr. ALLISON. That is only a matter of judgment, and I may be right or wrong in the judgment I suggest. My belief is that if we are to have an international agreement, we must make it appear to the nations of the world that we alone do not mean to take care of silver. That is the salient point. There are men in Europe of the highest character who read every speech which is made upon this floor, and who gather their opinions from our public documents, who believe that sooner or later the Government of the United States will go to free coinage and thus relieve them from their situation, and relieve us of our gold as well, and this is a constant hindrance to an agreement. The recent action of India will only hasten the consideration of the subject by all the nations, whether they use gold alone, or both gold and silver.

Mr. President, in view of the action in India, I believe that it is wise to repeal the Sherman law, although as to the precise date of its taking effect, whether to-day, to-morrow, or next week, if it be known in Europe and among the commercial nations that we do not intend alone to deal with the silver question, they will deal with it in agreement and in accord with us. So believing I am in favor of its repeal. One word now, in response to the Senator from Nevada.

Mr. GEORGE. Will the Senator allow me to ask him a question before he leaves this point?

Mr. ALLISON. Yes, sir.

Mr. GEORGE. I desire to ask the Senator whether he has noticed from the organs of public opinion in Europe since the adjournment of the Brussels conference any decided expression of opinion favorable to the reassembling of that conference and to the recognition of free coinage?

Mr. ALLISON. I am not thoroughly familiar with public opinion in Europe upon this question; but I have no doubt that the public opinion of Europe is that a conference of nations should assemble and deal with this question, and when I say that I do not exclude Great Britain. All these nations are deeply interested in the subject. They can not afford any more than can we to have silver obliterated. There are more than \$1,200,000,000 of full legal-tender silver in circulation in Europe, and they are interested, as we are, in placing this silver on a par with gold in international exchanges.

The Senator from Nevada [Mr. STEWART] the other day, in his observations—and I think they were repeated, in varied form, by the Senator from Virginia [Mr. DANIEL]—said that England is against us because she is a creditor nation. Those who have studied the tendency of public opinion know that many of the most influential Englishmen in public life and in the universities believe in what we call bimetallism; that is, the fixing of a ratio between the two metals whereby there shall be free mintage in concurrence by the commercial nations. There is a

silver party in England, and it is a strong party and a growing party, and in my belief, when opportunity is given, will be a triumphant party, favoring the utilization of silver as well as gold.

It may be that those enjoying annuities, those having long investments, will cling to the opinions and views as expressed by Mr. Gladstone, but it is certain that nearly all the men engaged in commerce and in the manufacturing industries of Great Britain, and all the great agricultural interests of Great Britain—these three great productive classes of Great Britain—are to-day in favor of utilizing silver and gold.

Mr. WHITE of Louisiana. May I interrupt the Senator from Iowa?

Mr. ALLISON. Certainly.

Mr. WHITE of Louisiana. The Senator speaks of the sentiment, in Europe. I should like to know whether that sentiment anywhere, in any country, expresses itself in favor of isolated or national bimetallism, or whether it is a sentiment in favor of international bimetallism?

Mr. ALLISON. Nowhere, that I know of, has it been suggested by men who study this question as experts, or by the professors in the universities of Europe, or in our own country, with perhaps a few exceptions, has it ever been suggested that a single nation could in and of itself lift up silver from 40 per cent or 45 per cent depreciation to its par with gold.

Mr. STEWART. Do not all the English writers say that if England will say the word it will be done?

Mr. ALLISON. Certainly.

Mr. STEWART. England alone can do it.

Mr. ALLISON. No, sir; but it is as well understood in Europe as it is in this Chamber that all Europe will join England in the rehabilitation of these metals, as we will join the commercial nations when a sufficient number of them are willing to open their mints to free coinage, to make that coinage effectual to secure and maintain a parity.

Mr. STEWART. Does it not depend on England then? The whole thing depends on what England says.

Mr. ALLISON. The Senator argues in a circle.

Mr. STEWART. No, I say it will depend on England.

Mr. ALLISON. I only say when they speak in the universities of England's action, they speak of her action in concurrence with the commercial nations of the world and not otherwise. I do not know of any considerable number of the students of finance who believe that under existing conditions any single nation can restore silver within and of herself.

Mr. STEWART. All England has to do is to speak the word and it will be done.

Mr. SHERMAN. I should like to call the attention of the Senator from Iowa to the very important meeting addressed by Mr. Balfour. He delivered a very able address, and in that address, and also by the resolutions of the meeting expressed the very idea now suggested by the Senator, that it must be an international agreement, and not a national agreement.

Mr. ALLISON. So I understand, and so say nearly all those who write or speak upon this subject. As far as I know, those who have spoken in England upon the subject and those who have written upon it have spoken and written on the idea that it would be international.

Mr. STEWART. Do they not all criticise the position that the Government of England has taken, and say if she would say the word all the rest would follow?

Mr. ALLISON. Undoubtedly.

Mr. STEWART. All of them?

Mr. ALLISON. All of them.

Mr. STEWART. It all depends on England.

Mr. ALLISON. That does not follow as a matter of course. When the Senator from Nevada and those who surround him state, as I have heard it stated in this debate, that because England is a creditor nation therefore she will never agree to the double standard, and that if they were in her place neither would they do it, they are furnishing an argument and an opportunity to the enemies of silver in England that they do not have a right to have.

It has been demonstrated over and over again by Mr. Balfour, by Prof. Foxhall, by Mr. Grenfell, and by other writers, many in number, that the creditor interests of England are not to be damaged by the union of the two metals, that it will so revive the trade of the world and the business of the world as to overcome and overbalance all that may come to a few annuitants or interest-receiving people as respects the great credits of England, and in addition their investments will be made more secure.

So, Mr. President, I state here as my belief that if we will have patience upon this question and deal with it in a statesmanlike way, as was proclaimed here by Mr. Ingham more than fifty years ago; if we will dismiss from our minds our prejudices and our party leanings and deal with it as a great question involving our country in its integrity and in its interests, we shall soon see the time when silver and gold will travel side by side. I have no idea that the accidental production of a hundred million dollars of silver now as against \$50,000,000 of gold, or \$100,000,000 of gold hereafter against \$50,000,000 of silver weighs as a thread in the balance. It is not the overproduction or underproduction of these metals that affects them. There is lying behind the silver in its pathway now nearly \$4,000,000,000 of silver that is only a local currency, and that in a sense drags down the annual production of our mines. We are now hoarding silver in bullion, which, if we continue it much longer, will act itself as a means in depressing the price of bullion instead of promoting the price.

Thus believing, Mr. President, although I have not touched some points that I intended to speak upon, I will close by saying that I know of no interest in the United States that can possibly favor the suggestions made upon this floor which lead to a silver standard and which will bring a silver standard. Surely, it is not the purpose of those who want a silver standard, or who want to rehabilitate silver, to change the measure of value of all the things we consume, of all the wages of labor, of all production, of the relations of debtor and creditor, whatever they may be, since 1880, if you please, when the large debts were incurred. Do Senators say that we favor the scaling down of debts? Do Senators say that the \$6,500,000,000 of railroad bonds shall be scaled down?

Mr. STEWART. May I ask the Senator a question? Have they not been scaled by at least 50 per cent in twenty years?

Mr. ALLISON. When you come to the question of debts of twenty years ago they are very few indeed. It is stated by

those who have examined the subject that debts on the average are only nine months old. I appeal to the experience of Senators around me. How many of them owe a debt that they owed in 1873? I appeal to any business man. How does he manage to continue to have the same creditor for a period of twenty years? These changes come and go as the tides come and go. The railroads that have borrowed \$6,500,000,000, it is said, and mortgaged their railways, never expect to pay a dollar of it, except in the form of a renewal of those mortgages.

Those mortgages are as much a part of the system of railways in every country on the face of the globe as are the cars or the engines. As their 6 per cent investments mature, if the rate of interest is lower they refund the loans; and so it goes on and on forever, with increasing celerity and activity as respects railroads. So with the businessmen of our country, our savings banks, our manufacturers, our farmers, our producers. Debts created this year or five years ago are paid to-day. They are paid by a new loan at a reduced rate of interest or in some other form by accumulation of earnings. If you go back thousands of years it is found that the reason originally, or one of the great reasons, why silver and gold are stable relatively as respects the quantity, that whatever fluctuations or changes there might be, or depreciation or appreciation in value of the metals, would be such an appreciation or depreciation as would spread itself over a series of years and thus do no harm to anybody.

You may take silver and gold outside of their use as metals and they are worth very little in comparison, although it is said now that one-half of the current production of gold is used in the arts; but for this purpose alone there is an accumulated supply which would last for fifty years. I have no doubt that more than that is so used, and it is for that reason, among others, that I believe it will be only a short period before there will be a full rehabilitation of both metals.

So believing, and believing that the industrial interests of this country, its wage earners, its farmers, its producers in every section and every State of the Union will be injured by transferring ourselves suddenly from the standard of money upon which all their obligations have been made and all their arrangements are being perfected is a mistake, and a mistake greatly to their injury. I shall vote in accordance with the suggestions I have made upon this subject.





