

DEMONETIZATION OF SILVER.

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SPEECH

OF

HON. JOSEPH C. S. BLACKBURN,

OF KENTUCKY,

IN THE

SENATE OF THE UNITED STATES,

WEDNESDAY, OCTOBER 4, 1893.



WASHINGTON.

1893.



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*Wednesday, October 4, 1893.*

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. BLACKBURN said:

Mr. PRESIDENT: I am not an expert in finance, nor an authority upon political economy. I may not hope after the very elaborate and exhaustive debate which has been had upon this measure to throw any additional light upon the question we are to pass upon, nor to aid the Senate in any degree in reaching the conclusion to which it is to come, and yet I am tempted to trench upon the patience of the Senate, and upon the impatience of the American people sufficiently to put upon the record some of the reasons that shall control my action upon the pending bill.

This debate has developed the fact that wide differences of opinion exist among us as to many of the phases of the issue involved, but it has developed one other fact, that we all seem to be agreed upon, the one proposition that the law of 1890, known as the Sherman law, is a bad law, and should never have been enacted. It has been very justly and truthfully described as a homeless, an ownerless, and a friendless cur whose putative father even denies its paternity. I am not here, sir, as its friend, nor am I willing to appear even in the role of its apologist. The records of the Senate show that I opposed its passage, and I have never seen cause to change the opinion I then held.

I am opposed to it for more reasons than one. I believed then, as I know now, that its purpose was not an open nor an honest one, it never was intended to defeat or to prevent the passage of an unlimited silver-coinage bill. There was neither probability nor possibility of such an act being passed at that time. Both Houses of Congress were Republican; the Executive belonged to the same party, and whatever may be said in criticism of the late President, it must be admitted that upon that ques-

tion he at least had been candid and fair in his dealings with the people of this country. He had announced publicly more than once that if Congress should pass an unlimited coinage bill he would not hesitate to disapprove it.

The act of 1890 was not passed to prevent the enactment of an unlimited silver-coinage bill, nor was it passed as a measure friendly to the silver metal. Proof incontestable crops out on the very face of the act to establish this conclusion. It is not entitled "An act to provide among other things for the coinage of silver;" its title reads, "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes." It was never intended by that act to aid those who were clamoring for the admission of the silver metal to the mints of this country. Aye more, it was the purpose of that act to stop the coinage of the silver metal, and it has answered its purpose. In its fifth section it provides—

That so much of the act of February 23, 1878, entitled—

Mark the difference of titles—

entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," as requires the monthly purchase and coinage of the same into silver dollars of not less than \$2,000,000 nor more than \$4,000,000 worth of silver bullion, is hereby repealed.

The purpose of that carefully prepared, if not cunningly devised, piece of legislation was to stop the coinage of the silver metal, to increase the amount of silver bullion to be purchased, I grant you, that more than double the minimum amount provided for in the act of 1878; but, mark you, this act of 1890, known as the Sherman act—and for convenience sake hereafter I shall so designate it—goes further. It was approved upon the 14th of July, 1890, and it provides for the stoppage of silver coinage altogether within less than a twelvemonth from its promulgation.

It does make provision for the coinage of silver up to the 1st of July, 1891. That provision is compulsory upon the Treasury Department; but there it stops. From that time the coinage of silver is left discretionary with the Treasury Department. But, mark you more. The Bland-Allison law required not only the purchase, but the coinage of not less than two nor more than four million dollars per month. The Sherman law of 1890 provides for the coinage for less than a twelvemonth of the minimum amount required by the law which it repealed, and after the 1st day of July, 1891, no provision is made for the coinage of this metal at all, except in the discretion of the Secretary of the Treasury; and I beg you to tell me what Secretary has presided over that Department from the date of the passage of the Bland-Allison act in 1878 who has ever yet gone to the maximum or gone beyond the limits of the minimum requirement of the compulsory law.

I did object to the passage of the Sherman act in 1890 because I then believed, as I and you and all of us now know, that it had another purpose, and that was to make the silver metal ridiculous in the eyes of the world as a money metal by purchasing it in large quantities, refusing it mintage, and storing it as pig metal, not to be used even in the arts. But bad as this measure was, unfair, uncandid, as I believe it to have been and as the re-

sults of its operation prove it to have been, still, while reiterating my declaration that I am neither its friend nor its apologist, let justice be done.

I do not believe that it is the cause of the financial woes under which the country now suffers. No financial disaster ever came upon a people save from over investments in the shape of speculation or from a contraction of the currency. That it did in a measure contribute to the disturbance of business with which we are now afflicted, I doubt not; but that it was the sole cause, productive of all this financial trouble and panic, I do not believe, nor do I believe that its repeal would prove the panacea for all the financial ills under which we are now struggling.

I do not favor either the bill passed by the House of Representatives nor the amendment in the nature of a substitute reported by the majority of the Committee on Finance in this Chamber; and in what I may submit to-day, I avow frankly and openly that I speak from the standpoint of a man who still cherishes the convictions of a lifetime.

I have never held an opinion on the question here under discussion which I have changed or modified in all these years. I never gave utterance to a conviction upon this monetary question which I do not mean here upon this floor and now to repeat and to reiterate. By what I say to-day I ask to be judged hereafter. I am a bimetallist in the broadest and truest sense and signification of that term. I do not want to see my country put upon a single standard. I am opposed to a single silver standard just as I now oppose a single gold standard, because either the one or the other means the striking down, in round numbers, of one-half of the money of the world. I do not intend by my vote or by my action to give aid or comfort to any measure or to any effort which tends to contract the circulating medium of this country; but I shall get to that later.

If I were forced to an election between the two metals for a single standard of value, I confess frankly that I should prefer the silver standard to the gold standard, for the reason that we are the largest producers of silver of all the nations of the earth. We hold in our circulation to-day one-eighteenth of the silver of the world. It is *par excellence* our metal, and if driven to a choice between those two alternatives, I should sooner see the destinies of my country launched upon a silver basis than to go into the wild scramble with the powers of the older world for the infinitesimal output of gold, which year by year would prove insufficient to meet the growing demands of our population and our business. I mean in every word that I shall utter to-day to employ the fullest measure of candor. I am willing to admit, and I do admit, that in any suggestions which I may submit, I speak from the standpoint of one who believes that the measure pending on report from the Committee on Finance forces me to choose between a single standard and a double standard.

I believe more than that, that either the bill sent to us from the House or the substitute for it reported here in the Senate, leaves me no alternative except to take my choice between the retention of the act of 1890 and the reestablishment of the demonetization act of 1873. From my standpoint I can regard it in no other light, except that I must oppose the adoption of the bill

which is pending or practically cast my vote for that nefarious piece of legislation which blotted the statute books of this country.

I do not believe that there is a man who sits upon my side of the Chamber, who, as an original proposition, would vote for the demonetization act of 1873.

If the bill pending here to repeal the purchasing clause of the Sherman law of 1890 is passed, I ask you, sir, pray tell me what follows then? Cheerfully would I give it my support if it remitted the country to the then existing condition of affairs. If a repeal of the purchasing clause of the Sherman law put the country back into precisely the condition which it occupied when that law was unfortunately enacted, it would have my vote and my support; but it does not do it. When you repeal the purchasing clause of the law of 1890 without a substitute, without an amendment, an unconditional repeal, you send the country back to the law of 1873, which was a naked act of demonetization.

I can not go upon the record as an advocate of that act of 1873. I can not support the measure reported by the Committee on Finance without taking that position upon the record, and that, whilst life lasts me, I shall never do.

As to the act of 1873, it were perhaps better to say no more. It has been discussed enough; it has been denounced; it has been abused, and never, in my judgment, has justice in that direction been done to it yet. It changed every contract within the broad limits of this land, whether evidenced by note, by bond, or by mortgage. It put into the pockets of the creditor class more than 30 per cent beyond their righteous dues, and piled a corresponding burden, which had never been earned, by sheer force of legislation, upon the shoulders of the debtor class of the country.

According to the estimates of a recognized English authority (a numometallist, Robert Givens) prices declined upon an average 24 per cent from 1873 to 1879 because of the demand for gold from Germany and America to meet the requirements of their single standard legislation.

It may be permitted, Mr. President, just here to say of that act of 1873, what I took occasion to utter from my place in this Chamber upon the 9th day of January, 1891. I repeat it now. It is as true to-day as it was when it was uttered:

Human ingenuity has not yet been able to furnish either justification or excuse for the demonetization of silver in this country. In 1873, when this foul deed was done, our silver dollar commanded a premium over gold. In the very hour of its taking off it stood confessedly the more popular and better metal of the two on which the country and its business rested.

Surely it was not stricken down because of its baseness; surely it was not rejected because the people discredited it. It had stood the strain of war, performing all of its vital functions as well as it had ever done throughout the ages that lie behind it. The volume of currency at that date, no man dare say, was too large for the country's wants, and yet, for purposes that may be suspected, but which may not be admitted, it fell, the victim of a blow delivered in the dark.

That language I reiterate now. That act changed the unit of value in this land from the silver unit which had obtained from the foundation of this Government until, by a dark-lantern process, this law was crystallized upon the statute book. It changed the unit of value from silver to gold; it dropped the silver dollar

from the list of coin metals; it put this country upon a single standard without warning or notice, without any preparation whatever. It is this law, it is this demonetization act of 1873, to which you will remit me by the passage of the act now before the Senate for adoption.

Bad as the Sherman law of 1890 may be, bad as we know it to be—everything in this world, sir, goes by comparison—compared with the act of 1873, I prefer the retention of the Sherman law. That, at least, recognizes silver, and that metal the act of 1873 demonetized. Hard lines, Mr. President, have we fallen upon when between these two alternatives we must choose; but I trust that the wisdom and conservatism of this Senate will find still another, a fairer, a wiser, and a more righteous basis of adjustment.

I do not believe that silver should be dispensed with as a money metal in this country. I remember that five-sixths of the civilized nations of this earth to-day stand upon a silver basis either wholly or partially. I remember that of the \$10,000,000,000 that constitutes the money of the world, the silver and gold are well nigh evenly balanced. The estimate, in round numbers, from the best authorities that can be had—I refer to the Mint reports of my own country—is, I believe, that there are \$3,600,000,000 of gold and \$4,000,000,000 of silver. The fluctuation between these two metals is inevitable and unavoidable.

It has been comparatively but a few years since, under the leadership of the great French economist, Laveleye, we saw the German nations demonetize gold in the year 1857, because of the heavy output from the recently discovered mines both of California and Australia. Silver was then the precious metal. Gold was the cheaper one. That was to be guarded against. In the very center of that older continent we saw the wisest and most experienced of its nations, Prussia, Austria, Belgium, and others of the now German confederation, seek to protect themselves from a disturbance of their business concerns by striking down the yellow instead of the white metal.

These fluctuations can not be avoided, and, in common fairness, not speaking from the standpoint of an expert, but from the standpoint of common sense, tell me, pray, sir, if stability of currency is what you want, which is the safer method by which to obtain it? Is it to rest upon either metal, or is it to accept an axiom in finance that it is the sum of these two metals, the aggregate of gold and silver, which constitutes the universal measure of value.

In times of disturbance the one operates as a check upon the other. Will you undertake to summon to your aid prophetic vision and tell me that in the dim and distant future that stretches out before us no other mines, whether of silver or of gold, like those of Australia or of our own western border or of the South American countries, or of India or of Africa, are ever to be discovered and developed? Who will stand your sponsor if you undertake to guarantee to me that we may safely adopt either gold or silver as a standard and look for no disturbances by reason of an unexpected output in that individual metal? Then, if you adopt the bimetallic basis, if the output of one is unexpectedly and without warning increased, is doubled, trebled, or quadrupled,

the other stands stationary as a check against the results, the disastrous results, always attending such a sudden disturbance in monetary values.

I do not believe, Mr. President, that that act of 1873 was constitutional. I do not believe that the passage of the bill now pending, which does substantially in effect revive and put back into operation the act of 1873, is a constitutional measure. The great expounder of this organic law, who made the State that sent him here forever famous by reason of his ability, his brilliancy, his patriotism, and his invaluable service, Mr. Webster, of Massachusetts, not only in his day, but down to the present hour, stands confessedly the representative expounder of the Constitution of this country. I believe with him in that declaration that gold and silver, at a ratio fixed by Congress, constitute the standard of value in this country, and that neither Congress nor any State has the power to substitute another standard nor to displace that standard.

With all respect for the great tribunal, the final arbiter under our form of government, the court of last resort, the shelter and the shield under which our liberties find their last and, I hope, their safest protection—with all respect for that court, I do not believe that the act of 1873 could ever have been held to be constitutional save for that inevitable political bias which creeps into judicial tribunals and which creeps into legislative halls like this that biases human judgment; and those justices, like ourselves, are at last but human.

But, sir, I protest upon other grounds, more than I shall tax the patience of this Senate to allow me to submit; I protest against striking down the silver metal here, because of the burdens that it will add to the debtor classes of this country, and not alone because of the unfair advantage it will give to the creditors.

Why, sir, what do you propose? You strike down silver, which to-day is an unlimited legal tender among these people, and is there a man upon this floor who will deny that if that act should pass it will change the terms and conditions of every contract existing and unperformed to-day within the land? Is there a man here who will deny that if you destroy one-half of the money of the country you double the value of the remaining half, and every penny unearned that you put into the pocket of the creditor represents a penny of additional burden upon the bowed back of the debtor? What remuneration are you going to give to the debtor classes of this country?

Sir, in the very opening years of this century, as far back as 1819, not a free republic like this, but a monarchy of the older world, demonetized silver. History tells us that in 1819 the Kingdom of Portugal demonetized the silver metal; but it was fairer than our friends upon the other side are willing to be to-day. In the very act that struck down the silver metal in Portugal it was declared that the addition made to the burden of debtor class of that country would be so heavy, the shrinkage of values would be so great, injustice would be so clearly wrought, that 20 per cent of every debt, public, corporate, and private, within the realm of Portugal should be taken from the



face of the obligation; and it was done in the act of demonetization.

Mr. MORGAN. But no abatement of the burden of the debtor is proposed here, except a bankrupt law.

Mr. BLACKBURN. I thank the Senator from Alabama for the suggestion.

In 1819 Portugal was unwilling by means of class legislation to rob the debtor classes of that country. She passed the bill, and Doubleday, in his life of Sir Robert Peel, tells us that in the same act she incorporated a provision that scaled every debt, corporate and private, within her realm 20 per cent. As the Senator from Alabama suggests, there is no abatement of the burdens of the debtor proposed here, except a house of refuge in the shape of a bankrupt law.

Mr. President, I have opposed the passage of a bankrupt law. I have stood in both Houses of Congress for well nigh twenty years opposing the passage of any bankrupt law that carried a compulsory provision. I admit that conditions may arise in which the debtor classes may need such legislation, and will be entitled to it; but I deny that under any conditions which have yet obtained, a bankrupt law is a relief to the creditor class where it carries a compulsory provision. If silver is to be stricken down in this country, if the country is to be put upon a gold standard, it may be that even a compulsory bankrupt law may afford some relief from the evils that will be imposed upon this country.

Who is it that is clamoring for the demonetization of this metal. With five-sixths of the civilized nations of the earth standing either upon a silver standard or a bimetallic standard, who is it that clamors for its destruction? Not a majority of the people of this world; not a majority of the nations of the earth. Russia stands to-day upon a bimetallic standard nominally, but in point of fact she stands upon a naked paper basis. She stands practically to-day upon the same fiat-money basis as does Brazil. Germany is upon a single basis, and yet it is not Germany that is clamoring for this legislation.

England is the only country upon the earth that is demanding the degradation of this metal. Her motives are not difficult to fathom. England is to-day the heaviest creditor nation upon the earth, for the rest of the world, it is estimated, owes her \$10,000,000,000. Is it to be wondered that England wants the single gold standard? If it be to the interest of that great creditor nation to insist upon it, then, in candor, tell me can it consistently be to the interest of a debtor nation to grant it? Conditions being reversed, policies must be reversed. What is to the interest of the debtor nation can not be to the interest of the creditor nation.

But we are told during the progress of this discussion—not from the other side of the Chamber, but from this side of the Chamber; not from avowed monometallists, but from avowed bimetallics—that we must wait. I was amazed to be told that we should pass this unconditional repeal bill and go back to the demonetization law of 1873, and wait until a fortunate day should dawn to inaugurate legislation looking to the establishment of a bimetallic currency. Ah, the counsel did not stop there. The

advice went further, and told us that we must wait until India reopened her mints to the silver of the world. What! India, a dependency of Great Britain, and we must wait until England directs her colonies to adopt a double standard, and then we may be permitted to follow in the wake! England dictates the financial policies of India, but, thank God, more than a hundred years have passed since she was allowed to treat these States as her colonies or dependencies. Have Senators forgotten that more than a century ago, rather than submit to the domination, the financial exactions of the mother country, the people of our land resorted to the last argument to which liberty ever appeals—they went to the sword. And now, after a hundred years and more, are we to be remitted to that financial serfdom?

Mr. President, it is not within the compass of human power to calculate in dollars and in cents, amounting to millions and billions, what it is to cost this country to pass the bill that is pending here. We know that every product of human industry within the limits of this land rises and falls in price with silver as its barometer. It was in 1892, year after the Sherman law went into operation, that silver touched 82 cents per ounce, the lowest point ever reached within its history. It was upon the 1st of July, 1891, that the coinage of silver practically ceased. Between 1873 and 1879, or from 1873 to this blessed hour, the shrinkage in value of every sort and of every description has passed beyond the power of human computation. Thirty per cent, 50 per cent, 60 per cent has marked the shrinkage in the value of your farming lands and the products of the farm.

A contraction of the currency always brings a shrinkage of values, and every recognized authority upon the subject that has ever written or ever spoken tells us that in the train of that shrinkage of values and contraction of currency come disaster, wreck, and ruin to the farmer, to the manufacturer, to the mechanic, and to all who depend upon them for their sustenance. Why, sir, if England can have the silver money in this country demonetized, it will be a long stride in the direction of its universal demonetization. What is to become of the single silver standard countries, because in this day of enlightenment and civilization no nation can afford to tread the selfish road which looks alone to the promotion of its own interests? Its neighbors must be consulted and their interests considered. The common interest that binds the world together can not be ignored. What is to become of China, holding a population of 400,000,000 souls, which stands alone upon a silver basis? Looking to the southward, to the neighboring Republic of Mexico, and to the South American continent, what is to become of them, for they are silver people?

Suppose you demonetize silver, what then? You must strengthen your gold reserve. How? By a sale of bonds, another mortgage upon labor, and a purchase of the only metal left by which to measure values. In what amount, I ask? The answer comes, \$200,000,000 of bonds; an addition to this gold reserve of \$200,000,000 must be made. Are we to go into the general scramble for the possession of this metal?

Europe is hoarding gold to-day, not for commerce, but for war. Is there any need why we should enter the list as a com-

petitor to bid against her? Suppose we do; suppose that we rush into the market to bid for \$200,000,000 of gold, do we not drive and force other silver countries of the world to follow our example?

There is but \$3,600,000,000 of gold in all the world. If we need \$200,000,000 to strengthen our reserve, surely it is a modest estimate to claim that the other silver and bimetallic countries of the world will need at least \$1,600,000,000 more. What shall we pay for it? Whatever rate the holder sees fit to ask. Where will its premium stop? No mortal man can tell. What need have we for it? Are we threatened with invasion? Is there upon the earth an enemy against whose hostile approach we must provide? I think not. Europe is to-day an armed camp. That Continent is rocking to-day beneath the tread of more than 6,000,000 of armed men. Each day brings its renewed threat of invasion over the border.

Look at Russia, a silver country, whose unit of value is the silver ruble—a paper country, in point of fact. Will any man answer and tell me how much gold Russia is hoarding to-day? No, sir; because the man does not live upon this earth outside the Russian finance ministry who can form even an approximate idea. Her gold reserve to-day is estimated at between \$450,000,000 and \$800,000,000. Why is she hoarding it? She does not transact her business upon a gold basis; she does not transact it upon a bimetallic basis. She is hoarding it for war. If you need proof of it look at the facts known to us. Whilst we can not tell how much she has, it is an open secret that she holds to-day \$20,000,000 of gold in England's bank and she holds to-day \$20,000,000 in Germany's bank. What for? To meet any demand of trade? No, sir. She holds it there for war purposes. Let a rumor of disturbance come between that Western empire and the English people and at once she withdraws \$20,000,000 of gold from England and disturbs the finances of that nation perhaps as sadly as the recent outflow of \$38,000,000 of gold from this country seems to have upset our commercial relations.

The same is true of Germany. Look at the gold holdings of every prominent power upon the Continent of Europe, and it must convince you beyond cavil or dispute that the gold of the world, infinitesimal in amount as compared to the business of the world, is being hoarded, not for commerce but for war. Yet there are those who would advise us to go into this scramble to gather that gold, to bury \$300,000,000 of it in the vaults of the Treasury, where it would rust and rot, awaiting the invasion of our borders.

We are told, Mr. President, that silver should be disgraced because it has depreciated in value. My answer is a denial; it is not true; silver has not depreciated in value, measured by any product of human industry, save gold. In the open markets a dollar in silver to-day will buy as much of food or clothing, as much of the necessities of life, of the products of human labor, as it ever did before, or as will a dollar in the other metal. A silver dollar to-day will pay as much debt as it ever paid before, or will pay as much debt as a gold dollar will do to-day. Silver has not depreciated in value. The fairer, because the truer, way to state the proposition is that gold, and gold alone, has

appreciated in value. The reason for that is not difficult to discover. You need not search below the surface for it lies patent upon the face. The one metal, by such acts as this now proposed has been petted and fostered by the legislation of this country the other has been debased, degraded, and converted into a commodity.

Silver stands to-day the only honest measure of value in this country. If the price of an ounce of silver has gone down, so has the price of your bushel of wheat or corn, or your pound of pork or beef or cotton. Silver stands to day where it has ever stood, the money of traffic and of trade, the money of the masses, the standard by which their labor has been measured, and you can notescape it. I venture the assertion that never in the history of the human race was any metal subjected to the test that this white metal has endured. Denounced as a commodity, put under the ban of the law, refused mintage except in limited quantities, stored in the vast storehouses of the country as you would store old broken furniture in the garret of your house; yet, despite its despised character, it stands to-day as the representative of every lick of labor that is struck by the 67,000,000 people who live upon this continent.

We have heard, Mr. President, more than once about an honest dollar, and a clamor has been raised that none but such as that should be issued or emitted by the Government. So say I; but let us determine what constitutes an honest dollar. Is it the dollar that pays 100 cents of debt? Is it the dollar that buys 100 cents of labor? If that be the honest dollar, then the stamped silver dollar of this land is that. Or is the honest dollar one that pays \$1.30 by reason of the legislation of which it has been made the beneficiary? Is the gold dollar worth by comparison with silver bullion to-day \$1.30 upon the dollar? Is that an honest dollar?

Who is the repudiator? Answer me? Is he the repudiator who offers to discharge the obligation of a dollar by paying you one that represents 100 cents in the open markets, or is he the repudiator who claims that you, his debtor, shall pay him when you owe him a dollar or 100 cents, a dollar that represents \$1.30? How easy it is to change the terms upon which you submit your statement.

But, Mr. President, I am tempted to ask where and whence comes the demand for the demonetization of this metal. It does not come up to us in a gathering thunder chorus from the farm nor the workshop nor the mine. It comes from behind the grated vaulted door of the banks. Who is it who has too much money here? Surely not the people. Surely not the West and South, the great producing sections of this country that to-day are unable to move their crops, to pay their debts, to relieve their mortgages, or to support their families. We are in the midst of financial distress. Everyone charges it and everyone admits it.

We are told by some of our people that the Sherman law is responsible for this condition. I do not believe it. Bad, as I know it is, it never brought all this trouble on us. It did not shrink our trade with the foreign nations of the earth. It did not transfer one-half of the aggregate wealth of the American people into the pockets of less than twenty-five thousand souls. Overproduction did not do that. Underconsumption, brought about by

the hampering restrictive features of your tariff system, the shortening and closing of your markets for the products of your labor, a fatally defective banking system, wild speculative investments, and criminal extravagance in public expenditure—these are some of the causes which produced the troubled condition in which we find ourselves. The Sherman law did not do all that.

But the advocates of repeal, the advocates of a single standard, tell us that we must have an international standard of values. Mr. President, an international standard of values is a myth. There never was an international standard. There never will be. There never need to be. That it would be a convenience to commerce I confess, but that it is a necessity to commerce I deny. Neither the gold sovereign of England, nor the gold Louis d'or of France, nor the gold eagle of America bears the same relative value to the silver coin of its respective country, and yet each stands as a representative of value in its country. What need have we for the international standard. Only one-twentieth of our trade is with foreign nations, nineteen-twentieths of it is among ourselves. Neither the one nor the other ever crosses the borders of its domain that it must not be adjusted upon a basis of relative value, its commercial value.

There is no such thing in the ordinary employment of the term as the intrinsic value of a metal. What intrinsic value has the silver bullion? What intrinsic value has the gold bullion? You can not pay your debts with it. You can not transact the ordinary business affairs of life with it. It is a commodity. It is a dead substance until the stamp of a responsible government is put upon it which vitalizes it.

Mr. President, the destruction of silver as one of the moneyed metals of this country would entail untold loss, suffering, ruin upon this people. The repeal of the Sherman law will not cure the distempers under which we suffer. He who so diagnoses this case is but a quack in the profession of political doctors. The disease lies deeper. The trouble lies further back. Your tariff system needs revision. Your financial system needs overhauling.

I stand here to-day to advocate both of these necessary works. It would seem that it was scarcely necessary either in this Chamber or in this country to make an argument or to enter a plea in behalf of a bimetallic currency. If there be one postulate in the current politics of the American people upon which all parties seem to be agreed it is that of the establishment and the maintenance and the perpetuation of a double standard of values in this country. The Republican national convention which met upon the 7th day of June, 1892, in the city of Minneapolis, incorporated into its declaration of principle, into its declaration of promises to the American people, the following plank:

The American people, from tradition and interest, favor bimetallicism, and the Republican party demands the use of both gold and silver as standard money, with such restrictions and under such provisions, to be determined by legislation, as will secure the maintenance of the parity of values of the two metals, so that—

What?—

so that the purchasing and debt-paying power of the dollar, whether of silver, gold, or paper, shall be at all times equal.

That is the condition we are in to-day. The purchasing and debt-paying power of every dollar of money circulating in this realm to-day is equal, whether it be gold or silver or paper. Let it be remembered, whatever the practice of the Government may be, that where two metals are made legal tender, the right of option belongs to the debtor and not to the creditor. If the debtor may not discharge his obligation in the metal that he selects, then that metal is not a legal tender. Who proposes to disturb that condition? That is what the party to which you gentlemen upon the other side belong has declared to be its purpose. Are you willing to make good that pledge to the American people? You promised to do it in the last authoritative utterance that you ever made to the American people. The question confronts you to-day; Will you make good that promise or will you break it?

Mr. WASHBURN. I should like to ask the Senator from Kentucky a question right here.

The VICE-PRESIDENT. Does the Senator from Kentucky yield to the Senator from Minnesota?

Mr. BLACKBURN. With pleasure.

Mr. WASHBURN. Would we comply with the promise if we should agree to vote for the free and unlimited coinage of silver?

Mr. BLACKBURN. I will answer the Senator by saying that the term "free coinage of silver" is a misleading term. There never was such a thing in this country as the free coinage of silver. The correct term is the unlimited coinage of silver. From the foundation of this Government until 1873, when that metal was demonetized, silver never was coined free. A tax, called seigniorage, of 10 per cent was always put upon it; and hence the distinction in your dollar as described in your laws of finance. Up to 1873 the holder of silver bullion went to the mint with his silver bars of  $412\frac{1}{2}$  grains of pure silver, and he was entitled to its mintage.

Mr. BUTLER. Three hundred and seventy-one and a quarter?

Mr. BLACKBURN. No, sir; he must carry  $412\frac{1}{2}$  grains of pure silver to the mint. He was entitled to its mintage, and the Government exacted a toll, called seigniorage, of 10 per cent. Forty-one and one-fourth grains of that pure silver belonging to the bullion holder, to the miner, the smelter, was taken out and covered into the Treasury of the United States and  $41\frac{1}{2}$  grains of alloy was substituted in its place. Hence the distinction. The silver dollar is described as a dollar of  $412\frac{1}{2}$  grains nine-tenths fine, or a silver dollar of  $371\frac{1}{2}$  grains pure silver, which meant the same dollar. The profit of the Government consisted not in the  $41\frac{1}{2}$  grains of pure silver subtracted from this bullion, but, measured exactly and accurately, the profit of the Government meant the difference between the value of  $41\frac{1}{2}$  grains of pure silver metal and the cost of  $41\frac{1}{2}$  grains, infinitesimal, incalculable, of the mixed alloy metal that was used as a substitute.

Now, I will say to the Senator from Minnesota that if he will unlock the mints of this country, if he will restore to the silver metal the same right of coinage and of mintage that it held prior to 1873, he will make good the promise contained in the platform of his party, which I have read and ventured to call to the attention of the Chamber.

Mr. WASHBURN. There is where the difference of opinion arises. My judgment is, and I think it is the judgment of the men who formed that platform, that by adopting the free coinage of silver we would go to the monometallic basis of silver.

Mr. BLACKBURN. Now, will the Senator from Minnesota permit me to ask him a question, and I do it in all sincerity and, I need not add, with all respect? Does the Senator from Minnesota feel that he is making good this pledge that his party gave to the American people by voting for a bill that demonetizes silver and strikes it from the list of money metals of this country?

Mr. WASHBURN. I believe the repeal of this law (which the Senator and every member on his side admits is a vicious law) will be taking the first step towards genuine bimetallism; and until that thing is done I do not believe genuine bimetallism is possible.

Mr. BLACKBURN. Then, with all due respect, will the Senator permit me to suggest that the proposition as he states it suggests to my mind the employment of the most heroic methods ever known in desperate cases, that is, to decapitate the patient before you can begin to build up his depleted system. Does the Senator mean that after we have slain it we shall be gracious enough not to bury it and trust to the interposition of the Almighty to bring about a resurrection?

Mr. MCPHERSON. Will the Senator from Kentucky yield to me?

Mr. BLACKBURN. With pleasure.

Mr. MCPHERSON. As the Senator is upon the platforms of the two political parties I should like to ask him whether he finds in the Democratic platform any mandatory instructions to Congress from the national Democratic convention to proceed to the free and unlimited coinage of silver upon any ratio whatever, either before or after the repeal of the Sherman law?

Mr. BLACKBURN. I will take pleasure in trying to answer the Senator from New Jersey. I will state what I find in the body of the last Democratic national convention's platform. I asked the attention of the Senator and the country to the pledges given by my friends upon the other side, but I trust no one believed me to be unfair enough to fail to call attention to the pledges that were given by my side. Here it is. I will read in answer to the Senator from New Jersey. I find that the seventh section of the platform adopted by the last Democratic national convention, held in the city of Chicago upon the 21st of June, 1892, reads thus:

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters as well as its author—

It seems to have had no author—  
anxious for its speedy repeal. We hold—

Here is my answer to the honorable Senator—

We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals and the equal power—

I crave the Senator's especial attention—  
and the equal power of every dollar at all times—

Where?

in the markets and in the payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

For whom? Not for the banker, not for the board of trade, not for the bondholder, not for the hoarder of gold, not for England.

We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

There is the platform of my party on the question under consideration, and I stand here to-day ready, willing, anxious, pleading, appealing for the chance to crystallize into law ever sentence, every line, every word, every syllable contained within the limits of that platform.

Mr. MCPHERSON. The Senator will not fail to observe that the platform of the Democratic party presents three distinct propositions. The first one is as follows:

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all its supporters, as well as its author, anxious for its speedy repeal.

Here was the injunction of a Democratic national convention speaking to this Democratic Congress—a Democratic convention made up of delegates representing every township and every community of people in this country. That was the first order.

Now, President Cleveland in conformity with that declaration of faith of the Democratic convention has called us together in extraordinary session and recommended repeal. So far we have reached. The bill is now before the Senate, reported favorably by the Committee on Finance. But say some Senators, including the honorable Senator from Kentucky, before proceeding to repeal the Sherman law there is some other provision of the Democratic platform which requires notice from us.

Now, the next clause in this section of the platform, as I read it here, contains these words:

We hold to the use of both gold and silver as the standard money of the country.

Well, we do hold to it.

And to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be equal in intrinsic and exchangeable value.

We hold to the use of both metals. That means a disuse of neither metal. If by the use of silver, as the Senator from Kentucky and those who think with him are to-day advocating, the effect would be to demonetize gold and drive gold out of the country, then surely the Democratic platform does not demand legislation under this provision. The Senator himself has declared that he is not in favor of a policy which demonetizes gold or demonetizes silver. He is in favor of the use of both gold and silver, as the platform declares the Democratic party to be.



I was honored with a position as a member of the committee on resolutions at that convention, and I know something of what happened there. I was also a member of the subcommittee on resolutions. The advocates of the free and unlimited coinage of silver in that convention demanded that the word "free" should be placed before the word "coinage," upon the plea that the Democratic platform gave no promise that silver could have free coinage at the mints. This amendment was voted down in the committee on resolutions and it was voted down in the convention with one loud acclaim.

Now, let me ask the Senator this question: If the Democratic party stood pledged to free coinage under one clause why did you have an alternative proposition?

We hold also to "an international agreement." We hold still to another proposition, and what is it? That silver and gold may be used under some "safeguard of legislation." The Democratic Congress has a choice to adopt any one of these three propositions and be in full compliance with the terms of the platform.

Mr. BLACKBURN. I am glad to yield any portion of my time to the Senator from New Jersey, for he is not only always courteous and fair himself in extending such a recognition to other Senators, but he is fair in the statement of his proposition. But the Senator hardly quoted the platform from which he and I have so recently read when he said that that platform demanded as a condition precedent to the unlimited coinage of silver, the result of an international agreement. I did not say that the bill now under consideration was not in line with the platform as I have read it, for it is. My objection to the pending measure is not that it is contravention of the declarations of my party, but it is because it does not come up to the promises that my party gave.

Sir, you may divide and you may subdivide that plank of the platform, if you wish; you can not break it into fractional sentences so as to warrant the presentation of the bill pending before this body. The party never told you in that platform to come here and repeal a portion of the Sherman law. It told you to repeal the "cowardly makeshift" that was denominated the Sherman law. The bill that your committee has submitted to us here to pass does not even conform to that one section of the platform. That plank in the platform told you to do more things than one. It told you to repeal the Sherman law of 1890. Are you proposing to do it? Does the substitute bill now before the Senate—does the bill as it came from the other wing of this Capitol propose it? Neither. You propose to do one part of an infinitesimal portion of what your platform told you to do. You propose to repeal one clause in what is known as the Sherman law and leave the rest of it to stand. You propose to repeal nothing in the Sherman law except that which reenacts the demonetization law of 1873.

Now, Mr. President, the difference between the Senator from New Jersey and myself upon this issue is easily stated and easily comprehended. He stands here proposing to carry out the platform to the extent of one sentence in one section of one plank of his own platform.

Mr. McPHERSON. I propose to stop the purchase of silver bullion.

Mr. BLACKBURN. I stand here, on the contrary, proposing to execute that platform to the letter. I say incorporate in your bill more than a repeal of the purchasing clause of the Sherman law. The platform of my party, which lies before me, nowhere mentions or alludes to the purchasing clause of the Sherman law, the only thing which you propose to repeal. My platform demands the repeal of the whole of that law and so do I, because I meant to tell the truth when I accepted that platform, and I mean now, God helping me, to make that promise good.

Mr. McPHERSON. Will the Senator from Kentucky yield to me for a moment?

Mr. BLACKBURN. I trust it is not more than a question.

Mr. McPHERSON. Will not the Senator observe that he has already stated he does not wish to go to silver monometallism?

Mr. BLACKBURN. I do not, and I never will agree to go there.

Mr. McPHERSON. Very well. Does not the Senator observe that if we were to repeal all the sections of the Sherman law the certificates already issued would be payable in silver, and were then at once upon a silver basis and going to silver monometallism?

Mr. BLACKBURN. The difference between the Senator from New Jersey and myself just there is still easily stated and easily comprehended. I am trying to get him to carry out the platform of the party. I want to repeal the Sherman law as badly as he does. He wants to repeal a piece of it. I want to repeal all of it, and in the place of it substitute that which is necessary to guard against silver monometallism just as he describes.

But I want to ask the Senator from New Jersey a question of my own now. However widely he and I may differ as to the construction of that plank of the platform, there is one thing upon which I do not believe there is room enough for any difference between him and myself. I ask the Senator from New Jersey whether he believes that his construction of the platform will be carried out by reviving the law of 1873 and demonetizing silver and striking it from the list of precious metals in this country? Does the Senator believe in the light of his own construction of the platform that he is obeying it or making its pledges good when the platform demands bimetalism? Does he believe that he is redeeming the promise given in that platform when he strikes the metal down and demonetizes it altogether?

Mr. McPHERSON. Will the Senator give me time to answer?

Mr. BLACKBURN. I would rather the Senator should take his own time, as he told me he was going to do.

Mr. McPHERSON. I will gladly answer the Senator when I have an opportunity.

Mr. BLACKBURN. I am sorry to miss the honorable Senator from Minnesota [Mr. WASHBURN] from his seat, for I had a question that I wanted to put to him, which was suggested by his interrogatory submitted to me.

We are told by the advocates of a monometallic standard that what this country wants is an international currency that will

circulate abroad. What for? Here within the last few months, when a drain of \$38,000,000 was made upon gold in this country, the whole nation was thrown into a state of convulsion and panic. Do you want a money that will go abroad, and yet hysterics ensue the very instant that it takes its flight across the ocean?

Mr. President, I hold, and it may not be denied, that under any construction which any man can give to the financial plank of either platform both parties have demanded in good faith and have promised the people, I trust in good faith, not to put this country upon a single standard of gold, but now and here to put it upon a bimetallic standard of gold and silver without discrimination as to either metal.

There is not a political organization upon this continent that challenges the confidence of the American people or that asks for their support or vote that has dared to hold a convention and announce a platform without swearing and avowing to the people that their purpose was to put the country upon a bimetallic basis. Who can tell what the result of the last election would have been but for the pledge given in the platform I have read? The fight was made not between the parties upon the silver question, for the Minneapolis convention and the Chicago convention in 1892 had vied with each other to see which could go the furthest in promising bimetallicism to the American people.

Mr. President, I am pleading for the life of a metal. I announced in candor at the outset that I spoke from the standpoint of a man who honestly believes that the question we are confronting to-day is either a gold standard or bimetallicism for this people. I am pleading for the life of a metal that has rendered faithful service and discharged every mission intrusted to its keeping, whether in peace or in war, for more than three thousand years that lie behind us. I am pleading for the life of a metal that has ever been the metal of the masses, upon which the daily transactions of life have ever rested. It was not gold, but it is silver that provides the lamp with oil, which redeems from darkness the humble home of the toiler. It was not gold, but it is silver that provides and purchases the loaf of bread that stays the pangs of hunger when the son of toil seeks his rest at the close of each day of his treadmill existence. It was silver that fed and paid and clothed and maintained your armies in the darkest hour of your country's peril. It was silver that survived the storm of war and came down to us in peace still the choicest metal of the two, ruling at a premium whether in war or in peace, until that dark hour in that dark night on the 12th of February, 1873, when without a note of warning to the country, without notice to the millions who were to be plundered and made the victims of the enactment, the precious metal fell never to rise again except when wearing the shackles of limitation that the law of 1878 was only able to impose.

Mr. President, the metal in whose behalf I speak to-day is the basis upon which the business of five-sixths of the human race is predicated. It is the corner stone upon which rests the prosperity and the thrift, the happiness and the hope of the vast majority of the human family. It has not lost any of its intrinsic value. If it stands to-day a debased coin, it is only when compared with that one single product of human industry, gold.

Subject it to any other test you will, however crucial or severe, it stands as it has ever stood, the fairest, the most honest of all the standards of values that this people have ever known. We hold to-day one-eighteenth of the silver of the world.

I pray you not to strike it down. Who may tell what the next step is to be? What is to become of the silver that we already hold? I believe the estimate is that there are \$350,000,000 of coined silver, including the subsidiary coinage, now in use in this country, and \$150,000,000 of silver bullion stored away in the vaults of the Treasury. What is to become of this?

The question that I wanted to ask the honorable Senator from Minnesota was to tell me what would be that next step to which he alluded? After passing this bill and demonetizing this metal what is your next step towards redeeming the pledges and the promises of the platforms? Is that next step to be to sell as a commodity the \$500,000,000 of silver that we hold to-day in order to complete the elimination of this metal from the moneyed metals of the world? Or will you tell me that the \$500,000,000 of silver that we hold, including the \$150,000,000 of uncoined bullion, is to be circulated at par and floated as honest money in conjunction with our gold and paper circulation? If that be your answer, then I inquire further if it be honest to float \$500,000,000 of silver at par which are worth but 70 cents per 100, how does it become dishonest to float one thousand million? If it be good morals to force this country to take at face value as legal tender 500,000,000 of dishonest dollars, in what school of ethics have you been taught if you tell me that it becomes dishonest to float 800,000,000, or 1,000,000,000 of those same dollars? There is no difference in the argument; it is only in the amount.

Mr. GRAY. May I suggest to the Senator from Kentucky that it is not a question of morals but a question of power in the Government. While we may float \$500,000,000 we may not be able to maintain the parity of \$1,000,000,000 or \$2,000,000,000.

Mr. BLACKBURN. I ask the Senator from Delaware, with all respect, if that is his opinion?

Mr. GRAY. I was not stating that the country could not float \$1,000,000,000. I only said it was a question of degree. Whatever the point may be, there is a point, in my opinion, when the Government will be unable to maintain the parity of silver with its unlimited coinage or purchase. That is all. What that point may be I have not stated except by way of illustration.

Mr. BLACKBURN. The answer of the Senator from Delaware only shows what I have held to be the fact, that in the bill pending before us it is proposed that we shall venture upon a sea of experiment. It is empiricism in legislation. The past furnishes us no guide by which to shape our course.

But, Mr. President, in my judgment, the repeal of the so-called Sherman law will not cure the evils under which we suffer. I know the inconsistencies to which politics very frequently subjects the statesman. During the long years of my service in one or the other House of Congress, whenever a tariff debate comes up, there are those who remind us that we who advocate a tariff for revenue are, if not the agents, the allies of Great Britain. I

hear nothing of that sort upon this monetary question, at least not from that quarter.

Just here I will ask the indulgence of the Senate for a moment, convinced that I can not now put it in better shape than it seems by the records of the Senate I did succeed in putting it upon the 9th of January, 1891, to what was then said by me when a measure similar to the one now under consideration was before the Senate:

When the tariff is under discussion we are charged with being the advocates of British theories, but upon this issue the tables seem to have been turned. The British theory of a single gold standard finds its champions in the Senator from Ohio and those who follow his leadership. He and they may not like England's tariff views, but they appear to be amazingly enamored with her financial or monetary policy, so long as it serves the purpose here as it has served there of the annuitants, the capitalists, the money-holders, and the money-changers, even though it grinds to poverty the tolling millions of our land.

I repeat that language here and now, and I ask who are England's allies here, the only nation upon the civilized earth that is clamoring for the demonetization of silver, the heaviest creditor nation in the world, and we, a debtor nation, advised to follow in her wake, to adopt her policies, to enhance the value of her investments, and increase the load of debt that we stagger under to-day?

Mr. President, the repeal of the Sherman law will not cure the troubles that we are under. We must go further. The treatment must be more thorough and it must be more heroic. You must revise your tariff system. You must strike out and eliminate its prohibitory features and in many cases those that approximate so closely to prohibition. You must broaden your markets for the products of your labor. You must open up a wider trade. You must build up a demand for the productions of American labor. You must remember that we feed the other nations with the surplus of our products. You must bring the tariff down to a strictly revenue basis. You must strike from it the features of class legislation which have enabled less than 25,000 of our people to put into their pockets one-half of the aggregated wealth of this whole country, leaving the remaining 67,000,000 to divide up among themselves the remainder.

The Sherman law did not do that. It was a system of cunningly devised class legislation, not only in the taxing law and the tariff system, but in the monetary system as well. You must revise and you must remodel the financial system of your country. You must go back where the Constitution puts you and place your country upon the bimetallic basis, which the organic law of this land declares shall alone constitute the standard of value in this country. You must adopt the gold and silver standard according to the provisions and the promises and the platforms of all the parties on even terms; and then the paper money that is issued to the people should be issued based upon that bimetallic standard, and it should be issued directly by the Government and not filtered to the people through the agency of petted and fostered national banks.

You must go further. You must repeal the 10 per cent tax on State bank issues in order to afford a safety valve by which a sudden, unnecessary, unusual and selfish contraction of the cur-

rency of this country can not be accomplished. In 1862, during the war period, when amid the booming of cannon and the clash of arms the laws were silent, the same cunning, selfish, contriving element of the American people, whose cloven foot is seen to-day in the legislation pending, accomplished by indirection that which they dared not attempt in a direct, fair, and manly manner. There was not then, there is not now, either in this Chamber or elsewhere, a man to be found who ever claimed or dared to claim that Congress hold any rightful or constitutional power to prohibit the issue of money by a State bank institution. It was not stricken down by a blow from the front; but by indirections that was accomplished which not even in war was dared to be attempted by more direct methods. The taxing power was invoked to accomplish the result.

Congress passed a bill saying to the State banks, "We admit that we have no power to refuse you the privilege or to curtail or to deny your right to issue your State bank money, but we will use the taxing power to accomplish that which we can not reach in any other way, and we will charge you 10 per cent for the privilege and the luxury of loaning your State bank issue at 6 and 7 per cent." So long as that State bank issue law stood unrepealed, so long as those State banks were allowed to emit their currency, it was impossible for the commercial center of this country ever to contract or expand the volume of currency at pleasure. It was, as I have stated, a safety valve. You must repeal that 10 per cent tax upon State banks, and then never again will Wall street be able to make a corner upon the currency of this country as the stock gambler makes a corner upon its wheat and its corn.

You must reduce your expenditures to an economic and an honest basis. You must purge your pension roll, which now reaches one hundred and sixty-odd million dollars every year, of the heavy percentage of speculation and fraud by which we all know it is encumbered. You must enact an income tax law, forcing the wealth of the country to bear its just share of the burdens of Government.

When these things are done, if in God's providence they may ever be done, then financial disasters and panics will be supplanted by prosperity and progress; strikes will be heard of no more; tramps will give place to well paid and contented labor; we will then exchange hunger for happiness and tears for smiles amid the toiling millions of this land; every industry—agricultural, manufacturing, or mining—will gain new life; and then we may hope to attain the destiny to which we are entitled—that of the freest, the most prosperous, the happiest people upon the earth.

But, Mr. President, the legislation that is proposed to us now, in my judgment, is a movement in the backward direction. It is not toward the great destiny that is in front of us. I trust that the wisdom and the conservatism of the Senate will find some adjustment of the vexed question which seems so difficult of settlement now. I reiterate the hope expressed this morning by the Senator from South Carolina [Mr. BUTLER] that a compromise may be reached which will be satisfactory to all shades of opinion upon this question.

With him I agree, that in all the great issues which have been presented for the determination of the American Congress, compromise has been in most instances the only available method found at our command. In 1832, when the issue growing out of the nullification ordinance of a State of this Union threatened serious embarrassment and trouble, extreme men held to extreme views upon both sides. Neither dominated, neither could, with a peaceful solution to result. A compromise formed the basis of the adjustment. Again, in 1820, when the great empire State, so ably represented by the Senator in front of me [Mr. VEST], was clamoring for admission to the Union, the storm clouds gathered, and it looked as though the peace of the Union was to be disturbed and its prosperity was to be blighted. But again compromise was called in as the only available means of settlement. It answered its mission of mercy; it accomplished that purpose; and we moved on in our upward road to prosperity and power. And so again in 1840.

Again, in 1850, when the integrity of the Union was trembling in the balance; when exasperated men, leading upon both sides, refused and turned a deaf ear for months to all appeals to reason, that same master spirit that had ruled the storm of 1832 and that of 1840 came back, and towering up above the forms of those by whom he was surrounded, the great commoner, the matchless popular leader, again appeared, bent and bowed with age, to plead the cause of peace, of compromise, of adjustment; and again the storm clouds passed and the ship of state rode on into peaceful waters.

Mr. President, in after years, when posterity shall come to study the great characters that have loomed up boldest in our history, the name of Clay will stand out brightest upon the pages of his country's history, not as the magnetic orator, not as the matchless leader, but as the great pacificator, who, by the employment of wisdom, of conservatism and prudence, had calmed the angry feelings of his fellow-men and saved from wreck and ruin the destinies of his country.

I appeal now, as did the Senator from South Carolina [Mr. BUTLER], let us look and see if there be no basis of adjustment upon which this issue may be determined. There are those who sit upon this side of the Chamber who know with what persistency and with what earnestness of effort I have struggled, from the day this Congress was convened down till now, to find a basis of compromise. I shall myself, sir, to-morrow submit for the consideration of the Senate an amendment which I propose to offer looking in that direction.

I am a compromise man. I will go as far as the farthest, and then I will go farther to adjust the issue which we are now considering.

If you say that you want seigniorage out of the silver metal, I answer and say, "Take it." If there are those who think I am making this fight for the owner of the silver mine, the silver smelter, they are mistaken. He constitutes too small, too infinitesimal a factor in the great calculation to be entitled to consideration. Where he would lose a penny by the demonetization of silver, the cotton, the corn, the wheat grower of the country would lose his dollars. If you think that it is in the protection of

the silver interests of the Northwest, I answer and say, "Put your tax or your toll upon his metal." I do conceive, and I do avow it, that it would not be fair for this Government, by legislation, to strike down the industries which have been built up in those silver-producing States under the shield and shelter of the law—fifty millions a year to be struck down by one fell blow—where honest men have invested their capital, not upon an implied, but an express contract that they were to have the protection of the law. But if you believe that that is what is inspiring the opposition to this bill, I pray you to accept my assurance that you are mistaken.

If seigniorage is what you want, take it; if the 10 per cent charge before 1873 is not enough, double it, take 20. I will agree to that. If that will not suffice, take 25 per cent out of every ounce of pure silver metal that goes to the mint. Let the Government, if its necessities require it, strip the owner of one-quarter of his possession. I admit that that would not be in accordance with the platform of either party, but I will take that rather than to see this metal murdered. If it is not seigniorage, if it is the ratio you complain of, I beg you to allow me to remind you that of all the nations of this earth that use silver as a money metal there are but two or three whose ratio is as high as ours. The Latin Union stands upon a ratio of 15½; South America stands upon a lower ratio than ours; all Europe stands on a lower ratio than we, except, I believe, three of the European nations. Our ratio is 16 to 1. If you tell me that that ratio is too low, in the spirit, not of justice, but of compromise, pleading ever for an adjustment of this issue, I say raise your ratio, make it 17, make it 18, make it 19, make it 20; and, for one, I will accept it rather than have this silver metal stricken down.

I have but one condition to impose upon a compromise, and that only because it is essential, it is indispensable to the preservation of the life of silver. The only condition that I would impose would be this: Unlock the doors of your mints to the silver metal, give it its right of entry there, then hamper it with what conditions you choose.

Such is my faith in the metal for which I plead, that I only want a day in court; I only want access to the mints with it, and then leave it to work out its own well-assured salvation. If compromise can be had, Mr. President, it is that line upon which I mean to act.

But important as this issue is, it is equally important that we must settle it. I regret that in the course of this long debate—for the debate has been exhaustive, elaborate, and able—Senators should have found it necessary either to threaten or to predict that the time was coming when the Senate would prove unequal to its duty or unwilling to discharge it.

Sir, in all the history of this body rules that were hinted at on yesterday have never been applied. In all the history of the Senate cloture and previous questions have been strangers to this Chamber. I trust and hope that the day will never come when they shall be needed in the deliberations of the Senate. Surely no act nor utterance from this side of the Chamber has warranted such apprehension.



But, Mr. President, the people who stand behind us are demanding a settlement of this question. I am the last man who would ever seek to abridge the right of debate in the Senate of the United States; I am the one who will stand to the last insisting that the freest, the fullest scope of discussion is the only sure guide to an intelligent conclusion, and yet we must admit that, irksome as these speeches may have become to us, they have grown still more tiresome to the country. The very utterances that we are making here to-day fall upon dull ears but impatient souls. The people want this question settled. By "the people" I mean those who are opposed to the demonetization of silver as well as that smaller element that clamors for its degradation. The people want to know their fate.

Mr. President, all of us are annuitants; there is not a man in either House of Congress who does not draw a fixed salary for the support and maintenance of himself and family; but the people behind us are not so fortunately situated. I have been home within the last week, I have been among them, and I feel doubly assured that the people of my State stand where I do upon the question we are considering. Gladly would I select the State from which I come as the jury to decide this issue and submit to a vote of its people the question of remonetization, free coinage, or demonetization of the silver metal. I know the verdict which would come; and it would come in no uncertain tones.

But, Mr. President, the people behind us are impatient, and have a right to be impatient, standing in the midst of the desolation which surrounds them, with their trade stagnating, with their labor unemployed, with enterprise paralyzed, with 2,000,000 men to-day tramping our highways and our streets begging, not for bread, but for labor by which to earn it, with strikes in every community within the limits of the land, brought about by hungry laborers who can not find work. No wonder that in such a condition, shivering in their nakedness and taking counsel of their hunger, they demand that action shall be taken by this Senate. It ought to be taken. The people want this issue settled, and, for one, I here declare that I will have no part nor hand in deferring or delaying its adjustment.

I shall support any substitute and every amendment that may be offered which looks to the preservation of the life of the silver metal. I shall not give my vote nor my support to any bill which demonetizes that metal and strikes it from the list of measures of value, nor shall I seek by any obstructive tactics to delay the settlement to which sooner or later we are bound to come.

The Senate, thank God, is a deliberative body. I have abiding faith in its conservatism and in its wisdom. I do not believe that it will cross the track of its history for a hundred years and refuse to decide an issue purely commercial and nonsectional, and thereby make impossible the passage of any measure, tariff or other, during the remainder of this Congress or any succeeding Congress. I have no war to make with anyone nor quarrel to prosecute.

We are told that this was a conspiracy. To that charge I bear willing testimony, for I do believe it. We are told that this panic was unusual in its features and its construction. That,

too, is true. It is a panic unprecedented in its character. It was brought about by that element of our population who demanded an issue of bonds, and would be satisfied with nothing less. Proof upon the face of the paper incontestable and indisputable is furnished in support of the allegation.

I regret to hear it charged or rather intimated that the Administration was a party to the conspiracy which had brought these troubles upon the country. That is not true, and its falsity is easy of demonstration.

I have heard references made to an interview held between the head of the Treasury Department and the bankers of Wall street on the 29th of April last in that great metropolis. I know now, as I knew then, the accidental character of that meeting of the Secretary with those bankers, and I knew in detail then, as I know now, the result of that interview, what passed at it, what subjects were discussed, and the unsatisfactory condition in which the bankers of that city were left at its conclusion. But I know of another interview, which was held by the representatives of the Rothschilds in New York, not in the city of New York, but in the city of Washington, not at the request of the Secretary of the Treasury, but on the seeking of the New York Wall street bankers, not on the 29th of April, but on the 26th or 27th of April. I knew then that the demand was made for the issue of \$150,000,000 of bonds. So far from this Administration being a party to that conspiracy, that demand was peremptorily, flatly, and unconditionally refused. A conspiracy! Yes; it was a conspiracy, and by the same conspirators who have been at work upon the finances of this country for more than thirty years.

I know when war came on in 1861 and great armies had to be raised and clothed and armed and fed and paid, that proportionately large sums of money must of necessity be raised. The Government was unable to raise the millions necessary to prosecute that war to a successful termination, except through the financial agencies of this money center, the bankers of New York. They undertook the herculean task of raising the money necessary for war, and they did it. They did it upon terms that I apprehend did not cost them any sacrifice. It is true that they bought our bonds at a discount in depreciated currency, it is true that they made untold millions of money through the financial transactions of which they became the agents; but, to their credit, be it said, that it is equally true they raised the money that the Government needed for the prosecution of that war, and bridged it safely over to its conclusion in 1865. When that war ended this Government found itself staggering under a debt of \$2,800,000,000 of money; it had an empty Treasury; its resources were depleted; its producers for four years had been converted into consumers; and the Government was unable to float that debt except by a continuation of the same financial agencies in the moneyed center of the country.

The bankers of New York undertook to carry the debt until the rebuilt resources of this country might from time to time be able to discharge it. They carried through that contract. The Government was bound to accept such terms as Wall street offered. Helpless and powerless itself, either to raise the money

for the prosecution of the war or to float the debt that the war had left upon them, they were exactly in the condition with the farmer whose place is plastered over with a mortgage to the banker—he must take the banker's terms, whatever they may be.

The Government continued this financial agency, and it continued to shape the financial policies of the Government. How could the Government refuse? But the truth of history must be vindicated. From 1861 on, whilst the Government was in the hands of those people, the financial policies of the Government were fashioned by those bankers, and the Federal Treasury was practically but a tender to the gambling machine of Wall street. More than once when they needed their money in the shape of interest upon their hoarded bonds, more than once, as the honorable senior Senator from Ohio and ex-Secretary of the Treasury [Mr. SHERMAN] knows, did they come to the Treasury here at the capital and demand the payment of that interest months in advance of its maturity, under pretext of easing matters in Wall street and making money less tight—grinding us to death in order that they might be paid their money before it fell due. But the Government was helpless.

That same policy was continued and pursued until April last, when that same set of bankers demanded of this Administration the issuance of \$150,000,000 of bonds. For the first time since 1861 be it said—and be it said to the credit of this Administration—for the first time in thirty-two years Wall street was taken by the throat and notified that her robber exactions would no longer be countenanced. This Administration is entitled to credit for that.

What brought on this panic? I beg you to tell me, if the President and the Secretary of the Treasury had yielded to the demand for those bonds, would this panic ever have come? Financial trouble was staring us in the face and gathering force for years, but by no natural cause had the hour struck for its culmination. It was precipitated by the demand for bonds, and by the refusal of the present Administration to let the bankers have them. Bonds are all they want to-day. The demonetization of silver was an afterthought. Mark you, if you need proof of what I say, every man in this Chamber knows that an English pound is worth, I believe, four dollars eighty-six cents and five mills; every man within the sound of my voice knows that you can not ship gold out of this country across the Atlantic except at a loss, save when exchange ranges above 487.

The records of the country show that for days and weeks, beginning in the latter part of April, and it is more noticeably true in the month of May, for days and weeks gold left this country at the rate of five millions a week, until thirty-eight millions had gone, until a panic had been produced, until values had been upset and unsettled, until the business of the country had been disturbed. At the rate of five millions a week your gold was shipped out of the country, when never in one day nor one hour nor one instant had foreign exchange been above the rate I have named.

It is plain on the face of paper that one of two things was true, either the shipper was paying ocean freights at a loss out of his pocket or else he was receiving a commission from some

one upon every dollar that was shipped. Who shipped this gold? I do not charge that all of the bankers of New York or Wall street were engaged in it. There are bankers there whose character stands too high for me to believe that they were guilty of such a combination; but I know that there are bankers there who represent the Rothschilds, who did ship Heidelbach, Ikleheimer & Co., and Lazarus Frères & Co. These were the exporters of your gold. They were shipping it when the rate of exchange proved beyond controversy that they were shipping it at a loss; they were either paying the ocean freights out of their pockets or receiving a commission.

What did that gold go to Europe for? Did it go there to settle any foreign balances? No, sir. What drove it out of the country? You answer and tell me the Sherman law did it. Then, I say is it not as fair for me to claim that the Sherman law brought it back again? We have it back now, and it came back in larger quantities and in shorter time than it took to leave. No, sir; it was shipped out of this country in the execution of a threat which emanated from the Wall street bankers, and which was disseminated through this country through the columns of the metropolitan press of New York. Just exactly at the time when bonds were refused to their demand, then came the threat that the South and the West should be treated to a pinch of hard times.

These men deliberately started to work, not to produce the financial crisis and disaster which has come upon the country. No; that was not their purpose, for they have been crippled in it. They started to raise a squall and stirred up a storm; they started to produce a feeling of uneasiness through business circles in this country just sufficient to amount to the pressure of a thumbscrew when applied to the Treasury Department to extort a compliance with their demands and the issuance of their bonds. It is like the man in the surf, who, by a receding wave, is swept beyond his depth and is powerless to save himself. They turn now with frantic appeals and ask Congress to do what? To pull the country out of the very condition into which they deliberately plunged it, without ever intending to go to the extent they have.

This is the history of the transaction. They had two motives in shipping that gold from this country. Neither one was to settle any balances of trade against us. One was to produce that feeling of uneasiness which would enable them to extort the bond issue, and the other I do not say, but the other might have been the opportunity to speculate upon the depreciated securities of this country held abroad, by reason of the panic that the withdrawal of that large amount of gold would of necessity produce. There is the history of that transaction as I read it and as I honestly believe.

If further evidence be needed, it is furnished by the fact that during those days and weeks and months when the Federal Treasury was pressed the hardest, when the gold reserve was of necessity invaded, when all the banks of the West and South were gladly giving up their daily receipts of gold to aid the Treasury and maintain the credit of the country, not one penny was received from Wall street or the banks of New York. The

metropolis, the moneyed center of the country, alone failed to respond to the appeal of the Treasury.

But, Mr. President, as I before said, it seems to me, in justice to this great question, in justice to the interests which are hanging and depending upon our action, in fair dealing towards ourselves, in fair dealing towards the people whom we represent, that the time has come to reach a conclusion of this matter. The people are impatient, and have a right to be impatient. The people want a settlement; they want to know their fate, and they have a right to know it.

The unconditional repeal of the Sherman law will never pass this Senate with my sanction or my support; but a settlement of this issue should come, and it should come now. I appeal to the sense of fairness, to the patriotism, to the sense of dignity that characterizes the body of which we are members, and ask Senators, without distinction of party, and without regard to political affiliations, to rise to the dignity of this great issue and make a settlement which shall be just and fair.

I have no quarrel with anyone because of a difference of conclusion upon this measure. It is not possible for men to be wider apart in their judgment than I am from the conclusions that this Administration has reached upon this question. I can not support the recommendations that the President has sent to Congress. In order to do it I must revoke the work of a lifetime; I must retract every utterance; I must surrender and I must abandon every conviction I ever held or cherished upon this subject. That I can not do. But because I disagree with the Administration upon this one issue, it does not tend either to destroy or weaken or impair my faith in the integrity of the President, in his ability, in his honesty of purpose, or his love of country.

I not only appeal to the Senate as a body—but we might as well be candid with each other—I appeal to Senators who sit upon this side of the Chamber, and I beg them to remember that this Administration, with which some of us can not agree, is none the less my Administration and their Administration. My party put it into power; and in proportion to my ability I contributed as much as another to the accomplishment of that result. I will not quarrel with my Administration because I do not concur in its judgment upon a single issue. I beg the Democratic side of this Chamber to remember that the responsibility of government rests with us. You gentlemen on the other side of the Chamber owe an obligation to your constituents and to your country; we owe that same obligation; and then we owe an additional one, which is the resultant of the responsibility which rests upon the party that is in power.

It has been charged by our Republican opponents that Democracy is unfit and incapable to rule this country. Are we willing to furnish proof in support of that false accusation? Not I. Beyond the rocks and reefs, over which we are now tossing, a calm, unruffled sea spreads out, and not a cloud as large as a man's hand is to be discovered in the political horizon, to which my party, in the discharge of its responsibility, is drifting.

Let us be candid and tell the truth. Each day as it goes by impairs still more the faith of the American people in our capa-

city for government. They know that the Senate, when full, is composed of 88 men, chosen from 44 States, representing well-nigh 70,000,000 of free people. They have a right to believe, and they do believe, that the day has not yet come—they do not believe that the day will ever come—when this great august Chamber will prove itself unable or unwilling to transact the legitimate commercial legislative business of the country.

There is no need to talk of cloture or previous questions here. The Senate never was humiliated to the point where it needed their application. It does not need it now. The safest tribunal to which an appeal can be addressed is the sense of dignity, the sense of fairness, the conservatism, the manhood that constitutes this body. I appeal to those who sit around me, who have been trusted to guard the fortunes and to guide the destinies of the party to which we belong, lead us, I pray you, to a fair, a righteous, a speedy settlement of this vexed issue. [Applause in the galleries.]

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