

"Free coinage of the American product of silver is essential to our national prosperity."

SPEECH

OF

HON. JAMES DONALD CAMERON,
OF PENNSYLVANIA,

IN THE

SENATE OF THE UNITED STATES,

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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. CAMERON said:

Mr. PRESIDENT: Before the final vote is taken, I consider it my duty, coming as I do from an Eastern State, and standing alone from my section in the advocacy of what I consider honest money, the money of the people, to protest against the want of courage of this bill.

Through this long debate I have listened patiently, hoping that from some quarter or another we should hear the proposal of a measure broad enough to meet the difficulties before us, and to take the place of the suggestions which I ventured to offer more than a month ago. The hope has been disappointed. This side of the Senate has chosen to think its ideas of duty satisfied by throwing on the other side all the responsibility for the form of this legislation.

The other side has accepted and obeyed some impulse from without and has added nothing; suggested nothing of its own. Neither side has made a suggestion which, in my opinion, has been broad enough, and, therefore, I have studiously avoided voting for or against the amendments proposed. There can be but one solution, free coinage of the American product of silver is essential to our national prosperity.

I do not rise now to oppose longer the passage of the bill, which seems to be accepted as certain. On the other hand, I would urge the Senate to vote at once. Not to oppose or delay the bill, do I ask a moment of your attention, nor to irritate still further the temper which the struggle has already roused, but to make a last appeal on behalf of common patriotism. The Senate can not with self-respect pass such a measure as this. We can not, by a naked order, without providing for the consequences, reverse a settled national policy and still retain a claim to be regarded as men of capacity, character, or courage.

The answer will, of course, be made that Congress must first decide the principle—the single issue—before dealing with its remoter consequences. The answer itself is a confession, an avowal of feebleness. Never in the history of our country has so serious an issue been met in a narrower and less liberal spirit. We can not separate the act from its consequences. We can not set an avalanche in motion without first providing for the safety

of the people beneath it. We can not deliberately break the dam of a reservoir without first taking at least ordinary precautions to protect the villages in the valley below. We can not—at least if we are men of common sense, or common honesty, we would not—declare a war without first providing either arms, men, or money.

We of the minority need not set ourselves up as prophets. We know quite as well as any of the majority knows, that all forethought is subject to error, and that events rarely turn out as expected; but the question is not whether our forethought may be mistaken, it is whether Congress is or is not bound to think at all. The majority of this Chamber seems determined to act without thinking, for fear that if it stops to think it will not act. We on our side maintain that every public duty and interest bind us to measure the possible results of our acts, and that some of the possible results of this act leap into our very faces.

Look for a moment at the arguments put forward in support of the repeal. One of the most forcible is that it would oblige Europe to enter into an agreement with us to return to the use of silver as money. That is to say, we intend to cut off our American market for silver in order to throw 50,000,000 ounces a year on the European market in addition to what we already send, in the hope of breaking down its market price. We expect, we intend, to break down the market for silver.

Only this last week, too, we have been informed by telegraph that the government of India has requested the home Government to impose a duty on the import of silver into India, and that the home Government has refused until our action in this Chamber should be decided. Whether this report is true or not matters nothing. In any case, the Indian government is known to be in serious difficulty in the attempt to raise the rate of the exchange and the value of its rupee; and a duty on silver sufficient to shut out silver bullion from India seems inevitable and immediate.

Apparently, therefore, the two chief markets for silver are to be closed simultaneously within a few days. We are surely not unreasonable, then, if we infer that the value of silver, with reference to gold and money of all sorts resting on a gold basis, will materially fall. We may differ in opinion as to the extent of this fall, but the difference does not affect our duty as legislators. We are bound to consider the reasonable possibilities, and good judges think it possible that the fall may be great. Should it be great enough to cause distrust among the people of India, I believe many well-informed persons fear that the Indians may begin to throw their hoards on the market, which would make silver bullion unsalable.

All this may turn out quite differently. England may be converted; the present ministry may resign, and a new ministry may offer to adopt our silver policy, which this bill proposes to discard; war in Europe may change the conditions of the whole world; new mines or new processes may cheapen gold; but we are not gambling on such chances. We are bound only to provide against dangers, and only against dangers reasonably evident. The fall in the price of silver is a probability admitted by

everyone inside or outside this Chamber. What security do we propose to offer in this bill, or in any legislation now before Congress against the consequences of such a fall?

One of these probable consequences is an increased demand for gold to take the place of silver. Already in Europe the governments are fighting for gold. France refuses to part with hers; the Imperial Bank of Germany keeps up a high rate of discount to attract gold; the Bank of England has recently annoyed the whole business community by keeping its rates of discount far above the market rate in order to protect its gold reserve. India has for fifty years absorbed much gold. If silver is to be discredited, she may want more than ever. What, then, is to be our position if we pass this bill as it stands, without regarding probable consequences? We have liabilities in paper or silver, the value of which we are about to imperil, amounting to one thousand millions, and we have, as the foundation for all this credit, only about eighty millions of gold in the Treasury.

This view is too favorable to the Treasury. As matter of fact, we have a deficit of several millions a month. The Treasury has thus far met this deficit by paying gold out of its reserve. No application has been made to us for resources; no application can now be made and met without some further delay. If we manage to keep fifty millions of gold in the Treasury we shall do well.

Every intelligent American knows that such a course is worse than error and approaches hard on crime. No banker who feared the penitentiary would knowingly and willingly let his liabilities stand in such a relation to his assets. If he did it by deliberately destroying the value of his chief asset, he would certainly have to pass the rest of his life in a prison or in an asylum. Ten to one is a gambler's chance. Twenty to one is the risk only of a lunatic. No banker who values his solvency allows his coin or convertible assets to fall below the scale of one to three, and on that scale our Treasury is bound to put not fifty millions, but three hundred and fifty million gold dollars into the vaults before this bill becomes law.

What shall be said, what can be said of financiers who deliberately set to work to destroy the value of their assets and intend afterwards to borrow to the full extent of the value they have wantonly destroyed? If the Secretary of the Treasury, or the Committee on Finance of this Senate, had begun by a request for three hundred millions in gold, they would, at least, have shown that they knew what sort of a financial operation they were undertaking. If, after the passage of this bill, and a further decline in the value of silver, they should ask for such a loan, the request will be fatal to their reputation as financiers. They have not asked for it; we can hardly thrust it upon them; this bill contains no suggestion of gold, and the Secretary is paying it out with a free hand. We are wasting our silver and our gold and our credit, and we call remonstrance factious.

The bill, then, does not propose to increase the gold reserve. Will it protect the eighty millions now in the Treasury? The Bank of France flatly refuses to pay out gold. The Bank of England raises its rate of discount indefinitely, and contracts

the circulation. Our Treasury can do neither. Any one who can obtain a greenback can take gold, and the greenbacks alone amount to more than \$300,000,000. If this bill should, as is reasonably probable, increase the demand for gold, the Treasury is exposed to the necessity of paying only in silver—of discharging one liability by another, which we are, by this act, making more or less worthless.

Since we are on the subject of possibilities, which we are bound to consider and for which, if they are reasonable, we are bound to provide before passing this bill, I will venture to suggest another. The new policy looks to a further fall in the value of silver bullion. Any fall, which causes much further decline, must render silver coin a very dangerous medium for the Government to use as money. With modern appliances, and with little capital, a skillful mechanic could coin a dollar identical with the Government dollar—perhaps not to be distinguished from it—in any quantity, and with little risk of detection.

The temptation even now is great; perhaps the thing is already being done on a large scale without our knowing it. What would it be if the profit were still greater—say 80 cents on the dollar? If the time should come when coiners can make a clear profit of \$80,000 out of every hundred thousand they manufacture, without danger, or loss, or injury to any one except the Treasury, the conclusion is surely reasonable that we may be obliged to withdraw all our silver coin. If so, what shall we substitute? Shall it be gold? Would our people consent to buy eleven hundred millions of gold at a time when every other government would necessarily be obliged to do the same thing?

Evidently we should not resort to gold, but to paper. Am I wrong in saying that we all feel fear—and I, for one, feel not only fear, but certainty—that in such a situation we should be driven by political necessity into the use of irredeemable paper—flat money? Is this result which is or ought to be present in all our minds provided for or even considered in this bill? Has the majority faced the possibility? Yet should this evidently possible case occur every member of this Senate who votes for the bill as it stands will have to admit that he knowingly, deliberately, advisedly refused to provide against the danger which his own act brought on.

Again, this is a measure of contraction. Reversing our whole policy, it announces to the million and a half of new citizens, who every year enter upon active life, that they must get along, as best they can, with the same amount of specie money, which many, if not most, of their fathers already declare to be insufficient. Do we intend this new policy to be permanent? For myself, I solemnly protest that I have not the smallest idea what our intention may be. A bill like this, which upsets from top to bottom the whole of our old system, ought to explain and affirm the new one; but I study the bill and the debate in vain to discover what ultimate object the majority has in its mind.

Finally, if gold should be made by this act scarcer than it is—if commodities should fall still further with reference to the gold standard, this bill may seriously affect your revenue laws. We all know that the best authorities estimate the fall in the price of commodities since 1873 at more than one-third. If gold should

be forced up—if new panics are to be foreseen—if commodities are to be still further reduced on the gold standard, our whole revenue system must be reformed to meet the emergency. We can not touch the tariff until we know the effect of our silver legislation on prices.

If we do so now, we may merely have to undo, in the next session, what is done in this. The Senate will be not only justified, but will possibly be compelled, to take this risk into grave consideration, if not in passing this bill, then in acting on any future measure which may concern the revenue.

The majority does not choose to accept these views of reasonable possibilities, which ought to be embraced in this scheme. They have chosen to ignore these questions. After opposition to this bill had practically ceased, and its passage was regarded as assured, Senators were bound to answer reasonable criticism of the details of their scheme. Silence at this point ceased to be good policy or good politics. It was never a sign of statesmanship, or of courage; it has now become a sign of something worse, something I will not characterize.

In the history of parliamentary government, as far as a general rule can ever be called established, it has been established that the party which resorts to silence as a weapon—which votes, but refuses to answer—is in the wrong. The question I am trying to ask is, not whether the majority is correct in its principles, for that seems to be settled in its favor as far as numbers go, but whether it has seriously faced its own act. If not, it is in the wrong, whatever the event may be.

Already the action of Europe and European governments has spread ruin throughout the United States; has for six months paralyzed industry; has thrown our largest corporations into bankruptcy; has ruined several of our Western States, and through them has cost Eastern capitalists many millions of money invested in the West. We are going—certainly not in the gaiety of our hearts, for of gaiety I admit that the majority shows no trace—but, willingly or not, we are going to finish what Europe has successfully begun.

Those who have steadily and stubbornly opposed this policy may now fold their arms and wait. Henceforward the responsibility rests on the other side, and no doubt the majority will be held to it. If the party, or the combination of parties, or whatever the number of Congressmen and Senators and other individuals may be which makes up the combined responsibility for this measure—if they, or it, do not provide for dangers distinctly pointed out, or for any other dangers which they ought to have foreseen even if not expressly pointed out; if they refuse to widen their vision and listen to warning, the country will have to be the final judge between us. No great statesman in our history has ever effected any good object by such means.

Not in such a spirit or by such tactics did Hamilton organize the national finances, or Gallatin direct them. Clay and Webster did not enlighten the Senate by methods like this, or by narrowing the field of their intellect. You may search long and far in the worst periods of our history to find a parallel for legislation so narrow in a crisis so vast.

Finally, no Senator must reply by pleading that all these ques-

tions can be settled by subsequent legislation. They can not be delayed. The difficulties keep step with the act. The Senate can not afford to pass this bill in its present shape, and then adjourn, leaving further legislation to take its chance among the difficult and violently disputed questions that will crowd on us in the regular session. The influence, whatever it is, which is responsible for the present bill, certainly does not command the confidence of a majority of the Senate.

Even though we had been directed by the genius of the greatest statesmen the world ever saw, we should still need—and, in that case, we should certainly have—not only the guaranty of further legislation, but also the legislation itself. Directly and personally we are ourselves responsible for its absence. If we fail now of our duty, we have no ground for confidence that the duty will ever be performed. On the Republican side of this Chamber, if not on the other, we have thus far seen nothing to create confidence of any sort in the wisdom, the unanimity, or the courage of the party—if it is a party—which controls, or is supposed to control, the Government.

In the hope, therefore, of inducing the majority to deal with the subject in a broader spirit, and with the intention, if that hope fails, of at least completing the record and of leaving no excuse in future for the supporters of this bill to plead that the whole subject was not offered for their consideration, I may ask the Senate to vote on the propositions which I have already offered in debate, or I would prefer that this bill be referred to a select committee of seven or more members with instructions to report on the further measures which may be required to provide for carrying safely into effect the object of the legislation as proposed some time since by the Senator from Alabama [Mr. MORGAN].

