

**Should the Act of July 14, 1890, Be Repealed Conditionally or
Unconditionally?**

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SPEECH

OF

HON. CHARLES J. FAULKNER,
OF WEST VIRGINIA,

DELIVERED IN THE

SENATE OF THE UNITED STATES,

Friday, September 8, 1893.

WASHINGTON.
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Mr. President, for the first time in thirty years the Democratic party has been intrusted by the people with the control of the executive and legislative branches of the Government, and has been instructed to use the power delegated to it as a party in carrying out those principles and policies which, after a most elaborate discussion upon the stump, have been approved by the country.

By an overwhelming vote in the Electoral College, and by a large Democratic majority returned to the popular branch of Congress, the principles and policies of the Republican party, which have guided and controlled the destinies of this country for so many years, were condemned by the popular verdict rendered on the 8th of last November. The full scope and meaning of that decision is clearly understood by those who participated in that memorable contest, and who came in contact with the sentiments and feelings of the American people.

Three great principles of governmental administration were passed upon in that election :

First. The electors condemned the system of class legislation which conferred upon a favored few privileges denied to the great body of the people, and which was the most striking feature of Federal legislation during the administration of the Government by the Republican party.

Second. With a unanimity and emphasis rarely equaled, they uttered their condemnation of the attempt to interfere with that American doctrine of local self-government or home rule, which was championed by the Republican administration and a Republican Congress, and the success of which was only defeated by a Democratic minority in the Senate, after one of the most remarkable parliamentary contests ever known, with the aid and assistance of a small minority of Republicans whose patriotism elevated them to a plane above even allegiance to party organization, Administration influence, or caucus dictation.

The decision of the American Senate, that the American people could be trusted, was approved by the free electors, the final arbiters in our political system of government.

Third. That the financial policy which for twenty years had been

controlled and shaped by powerful agencies, with a view of increasing the values of property held by those depending upon annuities and fixed incomes and depreciating the values of all property in the hands of the producers of wealth, should be radically and effectively changed.

Mr. President, we occupy no longer the attitude of a minority party in the formulation of legislation in the interest of the people. The responsibilities of government have been transferred to our shoulders, and in the consideration and action upon the great questions which affect so directly and immediately the development and growth of our country, and the prosperity and happiness of our people, we should see that our conclusions are guided by sentiments of the highest patriotism; by principles of conservatism, equality of rights and equitable laws, leaving to our citizens, upon the plane of absolute equality, the privilege of a fair and unhampered opportunity in the great battle for individual success in life.

To carry into effect the commands of the people and the pledges of our party, we should be willing to make personal sacrifices of comfort or inclination. We should endeavor as members of a great political organization to whom have been committed the destinies of our country, to harmonize our differences as to details without in any degree sacrificing those principles to carry out which our States have commissioned us as their representatives.

In this spirit and with this hope, I shall approach the discussion and consideration of all measures which may be brought before the Senate seeking to redeem the pledges of our party, and to carry out, in good faith, the declarations of its authorized representatives.

Mr. President, in the exercise of his constitutional power, and in obedience to a great popular demand, the Executive has convened Congress in extraordinary session, thus placing the responsibility upon the legislative branch of the Government to inaugurate such relief as will avoid the imminent perils which threaten the country, to formulate such measures as, in its wisdom, will relieve the burdens resting upon the people, and place it beyond the power of any future Administration, by Federal interference at elections, to shape and dominate the political complexion of the legislative branch.

The proper committee of the House of Representatives is now engaged in a consideration of the revision of the revenue laws; the Judiciary Committee of this body has promptly reported a bill to repeal those sections of the Revised Statutes which made possible a career so distasteful to the American people as that of John I. Davenport. The House of Representatives has passed a bill repealing the purchasing clause of the act of July 14, 1890, and the Committee on Finance of the Senate has reported a substitute which is engaging the attention of this body.

Sir, the Democratic party in both branches of Congress, with promptness, but yet, at the same time, with proper deliberation, is proceeding to redeem every pledge it made to the people, and to relieve the business stagnation and financial stringency resulting from causes for which it is in no way responsible, and over which it had no control.

When, on the 4th of March last, the Democratic party assumed power, it was met at the very threshold of its administration of the Government with serious problems for its solution. The conditions were entirely different from those which confronted Mr. Harrison when, in obedience to

the will of the people, the executive authority was entrusted to his guidance. Mr. Cleveland and a Democratic House of Representatives had, after paying annual and permanent appropriations and largely reducing the public debt, left the Treasury in possession of a handsome surplus. Four years of Republican administration, during which time it sought to destroy international exchanges of products, by enacting a prohibitory tariff averaging 60 per cent upon imported articles, and by the wildest and most reckless expenditure of the public money, had left the Treasury of the United States in a condition which, but for the courage and firmness of the distinguished gentleman who presides over its management, would have made it the football of the money-changers of the great financial centers of the country.

By the laws enacted under the influence of a Republican Congress and a Republican Administration the revenues of the Government were reduced, while at the same time the annual appropriations were increased, thus burning the candle at both ends. On the 4th of March, 1889, the Treasury showed \$96,245,580 of free gold. On the 4th of March, 1893, the Republican Administration turned over but \$3,284,218 of free gold. On the 4th of March, 1889, the Democratic Administration turned over a Treasury full to overflowing, while on the 4th of March, 1893, the Republican Administration turned over a Treasury that had been gutted and looted of its surplus, even after covering into the Treasury, to be used to discharge the current expenses of the Government, over fifty millions of dollars used as a trust fund to redeem national-bank notes; and yet, during the last year of that Administration, only \$9,001,137.98 of the public debt was discharged.

Further than that, taking the receipts of the first two months of the present fiscal year as a basis of comparison for the next ten months, with the annual and permanent expenditures of the Government for the present year fixed by law, instead of a surplus, we will be confronted with a probable deficit of over fifty millions of dollars. This is the legacy bequeathed to us by the Republican party.

In addition to this condition in which we find the Treasury, and which calls for the wisest exercise of statesmanship on the part of the leaders of the Democratic party, we are further embarrassed in assuming control of the Government by the condition of financial anxiety and prostration of all our business interests.

Mr. Cleveland, with a lucidity of expression rarely, if ever, excelled in the public utterances of any of his predecessors, has accurately described in his message convening Congress the paralysis of our business industries, and the want of confidence on the part of the people, resulting in the withdrawal of the circulating medium from active employment. On the free circulation of our currency the country must depend for the prosperity and vitality of its industrial system, the profitable movement of our crops, the employment of labor, the price of our products, and general business activity. The President assumes that the purchasing clause of the act of July 14, 1890, is, to a large extent, the cause of this financial disarrangement, and that its prompt repeal will result in relieving the situation and restoring confidence.

Mr. President no member of this body has a higher appreciation of the distinguished abilities, the sterling integrity, and the unflinching

courage of Mr. Cleveland than myself. Placed by the Democratic party in the exalted position of Chief Magistrate, I gladly acknowledge his leadership, and if consistent with my own sense of duty to the high trust committed to me, it would afford me unbounded pleasure to sustain any policy which he, as the head of the administration of the party to which I owe allegiance, would suggest for my guidance. But, sir, if after a full, fair, and respectful consideration of the views of the President, I shall honestly differ with him in his conclusions, and find myself unable to follow to the full extent on the line he may have indicated, I could not surrender my convictions and blindly pursue the path that my judgment did not approve without being deeply sensible of the fact that I was unworthy to occupy a seat in this, the most august deliberative body in the world, and feel that the time had come when I should surrender the trust which the partiality of a confiding constituency had placed in my keeping, that some one of the true and manly sons of which my State is justly proud might occupy the place which my weakness had forfeited and my duplicity had dishonored.

Mr. President, it is not my purpose at this time to detain the Senate by entering into a minute description of the causes which have led up to the business paralysis and lack of confidence upon the part of the people so universal throughout the country, but which is at last yielding to that wiser, sober second thought and the patriotic impulses and national courage characteristic of our people.

Many of the causes which have been gradually undermining public confidence, and which have naturally produced a disturbance of the financial equilibrium, may be traced, in my judgment, to events which have occurred and policies inaugurated beyond the boundaries of our republic. The development in methods of transportation and the intimate relations of the business and commercial world have been so marvelous in this the latter part of the nineteenth century that any great and serious financial disturbance in any part of the world will necessarily affect, in a more or less degree, all commercial nations.

The terrific shocks which have prostrated business enterprises in other parts of the globe, in their circles have expanded until we have felt their perturbations. A wild speculation in Argentine securities and in Australian stocks; extravagance in governmental expenditures, resulting in annual deficits; the change of the financial systems of great commercial nations from bimetalism, or the silver standard, to the gold standard; the unparalleled scramble by the rich and the poor nations of the world to possess their share of the limited supply of the world's gold; the shrinkage in values of all products and property, resulting partly from the demonetization of one-half of the debt-paying metallic money in the world—these causes have exerted a potential influence in demoralizing the hopes and confidence of our people, and undermining the stability and integrity of our business enterprises. To these influences must be added the persistent croaking and continual predictions of misfortune which have been heralded throughout the land by the press, as the exponents of certain financial elements in our commercial centers.

Mr. President, the causes which I have enumerated have been more influential in producing the results to remedy which Mr. Cleveland was induced to convene this extraordinary session of Congress, than the pur-

chasing clause of the act of 1890. Whatever may be my action on the questions involved in the repeal of the first section of this act, I desire that the reasons which will control and influence my vote shall not be left in doubt.

Mr. President, let us examine with calm impartiality the operations of the Treasury under the act of 1890, and see whether the financial stringency and universal distrust, which all admit to exist, had their origin in or have been promoted by its enforcement.

No one can assume that the execution of this law tended to produce a stringency or scarcity of money in the channels of trade. Its operation has been the reverse. Under its provisions the circulation has enlarged, during the last three years, to an amount aggregating \$151,804,177, by the purchase of silver bullion, for which Treasury notes were issued. In eight years the national banks had reduced their circulation \$144,608,577, and Treasury notes took its place in the volume of our circulation. In this respect, at least, the law in its operation has been beneficial.

It is asserted and believed by many that the purchase of 4,500,000 ounces of silver has been the chief disturbing element in our financial system. If so, what evidence is furnished that this diagnosis of the disease is accurately made. Is it maintained that the American people doubted the ability of their Government to carry out "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or at such ratio as may be provided by law" to the extent of the purchases which had been made by authority of said act? This cannot be the cause of the distrust upon the part of the people. Experience has shown that the hoarding which has resulted in the scarcity of money is not confined to any one of the several classes of obligations of the Government, but that all of its obligations, and every description of its currency has been withdrawn from our financial institutions with a view to its safe-keeping by individuals.

Unrest, doubt, anxiety and want of faith are clearly apparent; but is not the opinion of the people plainly indicated as to the object of their distrust and want of confidence by their action? They have done nothing by which they have expressed a fear as to the ability of the Government to redeem every dollar of its obligations either in gold or silver, not even at the pleasure and discretion of the Government, but at the pleasure and in accordance with the wishes of the holder of those obligations. Confident of the solvency of the promissor and relying upon the willingness of the United States to redeem at par its currency, all classes of its notes have been the subject of withdrawal from the circulation of the country, causing a shrinkage of the volume of its currency, the prostration of its business interests, the suspension of payment by its banks, and complete financial stagnation.

But, sir, there is no evidence that these results are attributable to the purchasing clause of the act of 1890. When you analyze the motives and seek to ascertain the reasons which have influenced this withdrawal of the circulating medium, is it not clear that the feeling of distrust and apprehension which has seized the public mind is directed at the solvency and integrity of our financial institutions? If so, on whose shoulders should fall the responsibility for the financial distress which has swept over this country from sea to sea? Does it not rest upon the financial

leaders in the great commercial centers, who, during the closing hours of the former Administration and the existence of the present have, in season and out of season, been predicting that, unless the Treasury surrendered to their views and increased the public debt by the issue of gold bonds, financial depression with all its attendant evils would result? Their predictions were verified. The people caught the alarm and promptly sought to protect themselves by hoarding their accumulations. The financial leaders of the great money centers of the country "have sown the wind, and they shall reap the whirlwind."

Mr. President, it would be unfair to the bankers and other financial authorities to assume that the results of the operation of the act of 1890 during the last three years would have produced the condition which is now prevalent throughout the country. They had in their possession accurate information of the aggregate amount of silver purchased by the Government and the amount of coinage under the act of 1878, and must be presumed to know that in the transaction of the enormous business of the country this amount of coin, or its representative, could easily be absorbed. Even if they were of the opinion that there was a redundancy of circulation, under the thorough organization of the national banks of the country it was within their power to reduce the volume by the retirement of unprofitable circulation.

Mr. President, although our coined silver, including its substitute in notes based upon bullion, is only about \$600,000,000, we are gravely and seriously informed by the press of the country that the use of silver to the extent of one-third of our circulation has produced all the evils which now afflict the body politic, including the shattered confidence of the masses; the suspension of payment by the banks; the stoppage of the wheels of industrial progress; the want of sufficient employment for labor; the fall in the price of the products of the husbandman below the cost of production; the scarcity of money, and that the cry for bread in some of our large cities, threatening the stability of organized society, is the direct and immediate result of the use in our monetary system of this limited amount of silver.

With all due deference to those who entertain a different opinion, I must be permitted to say that, in my humble judgment, the attempt to appeal to the credulity of the American people, and ask the repeal of the purchasing clause of the act of 1890 upon the assumption that the execution of the authority contained in its first section has produced the conditions which all recognize is, in the light of our experience of the past two weeks, unwarranted, unjustifiable, and the conclusion reached cannot be legitimately demonstrated by any known process of human reasoning. It will require more potent arguments than have as yet been advanced to convince sixty-five million people, whose foreign and interstate commerce and whose business transactions reach the magnitude of that of the American people, whose resources are recognized by mankind as almost unlimited, and whose patriotic impulses have been equal to every draft which the exacting demands of over a century have drawn upon them, that the purchasing clause of the act of 1890 is responsible for the conditions which confront us to-day. Such an assertion is beyond the limits of what, in parliamentary language, might be designated as "imprudent exaggeration."

Mr. President, while I am not one of those who believe that the act of 1890, with its present limited purchase of silver bullion, has caused the condition in which we find the country to-day, yet I am sensible of the fact that influences have been put in operation, by agencies the most powerful, to induce the people to believe that its repeal would result in the re-establishment of the normal condition of financial credit, restore confidence, and release the circulation now hoarded by the people. I will go a step further and admit that the delusion has been so successfully encouraged that I believe the people, to a very large extent, would feel relieved of the incubus which they suppose rests upon them should that act be repealed, and that through the ingenious manipulations of the same agencies by which this condition was brought about confidence would be again restored and the circulation of the country return to the active channels of trade.

The country is convinced that it is sick, when, in truth, its condition is simply that of a hypochondriac, and, as no legislative medicine can reach this abnormal condition, our only hope for the full restoration of the patient to a healthy frame of mind and active physical condition will be to yield, upon reasonable conditions, to his hallucination, and rely upon the faith that is in him to effect a cure.

Mr. President, as an humble member of the Democratic party who has been taught as a part of his political creed that gold and silver constituted the only legal-tender money authorized by the Constitution of his country; who represents in part a State that when, in 1873, the political crime of the century was consummated by the Federal Congress in the demonetization of silver, exercised its clear constitutional power by clothing the white metal with all the functions and powers of full legal-tender within the boundaries of its territory, the representatives of whose Democracy, in every State and Congressional convention, with an enthusiasm and unanimity that would brook no opposition, have again and again given the pledged faith of the party to the final restoration of silver as a standard of value, and who, personally, upon every stump, in every county of that State, in the two bitterly contested campaigns of the recent past, indorsed the principles announced in those platforms, and gave his promise to redeem the pledges, made in good faith by the representatives of an intelligent and earnest Democracy, cannot with honor entertain the suggestion that he should not only decline to vote for the full and complete rehabilitation of silver, as provided for by the platform adopted at Chicago, but that he should go a step further, and refuse to cast his vote for any amendment to the bill pending before the Senate that would recognize, even in the most limited form, silver coin as a standard of value.

Mr. President, the condition which faces us to-day, and which bears directly upon the instructions given me by the Democracy of West Virginia, may fairly and with truth be admitted to have somewhat changed from the condition which confronted the country at the time those instructions were given.

The action of the Indian government in closing her mints to the free coinage of silver, has suggested serious and grave doubts to my mind, and, for the first time, has caused me to question the ability of the United States, single-handed and alone, to open the mints of this country to the

free and unlimited coinage of that metal at any ratio, and to preserve and maintain the same on a parity with gold. Sufficient time has not yet elapsed since this action on the part of the government of India, and the effects which must flow from it have not sufficiently developed to justify a final conclusion as to its permanent effect upon silver, but if the purpose of that government, as has been publicly declared, is fully carried out, its effect upon this question, I fear, will be more far-reaching in its consequences and results than any act which has occurred during the last fifteen years.

For these reasons I have hesitated to advocate the free and unlimited coinage of silver by the United States, and I think it should be the controlling sentiment of those who believe and hope for the restoration of bimetalism that the measure now supported by its friends should be on the line of conservatism, and in character purely tentative, that the timid may not be repulsed, nor those who, upon principle, honestly seek to re-establish the double standard become separated and their energies dissipated by division.

Mr. President, we should not seek to deceive ourselves or mislead those who have placed confidence in the declaration of our platform and in the honor and integrity of our pledges. We face to-day a condition that demands of every true friend of silver the closest circumspection, and the most careful consideration of every measure which can in any way affect, temporarily or permanently, the use of silver as a money metal. We cannot afford to repeat the blunder that some of the friends of bimetalism fell into when they voted for the passage of the act of July 14, 1890. A step in the wrong direction at this time would be of incalculable injury to the white metal. We must act from the standpoint of the present and not of the past. Prejudices should not be permitted to influence our action, nor unreasoning hopes to control our judgment. The situation should be analyzed with the calmness of the unimpassioned lawmaker, and every obstruction to a fair and correct conclusion should be removed with the cool and nerveless scalpel of the surgeon.

We cannot and must not ignore the facts of history. In the consideration of this momentous question we cannot disregard the fact that since 1873 every commercial nation of importance has closed its mints to the free and unlimited coinage of silver; that the United States has been upon an absolute gold basis since 1879, and that gold has been the single standard of value in this country since 1873. It is impossible for us to indulge in the hope that we can restore silver at a single bound to the place it occupied in our monetary system prior to the crime of 1873, unless we are willing to adopt silver monometallism.

Speaking for myself, I am as earnestly opposed to a single standard of silver as I am to a single standard of gold. The wants and necessities of the world require the use of both on terms of perfect equality before the law as to their coinage and legal-tender functions.

Mr. President, in the doubts which I have expressed as to the ability of the United States Government to maintain free and unlimited coinage of silver at a parity with gold, at any ratio, I think I may say with perfect sincerity that the wish is not father to the thought. I as fully realize and as deeply deplore as any Senator here can what an accumulation of sorrow, privation, distress, and misery, and what a shrinkage of property

values must result from the demonetization of one-half of the metallic legal-tender money of the world.

I recoil from the contemplation of the disastrous effects which have in the past and will in the future follow the depreciation of values which will hereafter be measured by a standard that has appreciated by reason of the increasing demand for its use, and the failure of an increase in its production. Study and reflection have caused me to appreciate the material losses and the industrial crises through which other great nations have passed in seeking to establish a single gold standard by which to measure the value of exchanges, and I fear if the principle of gold monometallism is finally triumphant in this country, history will repeat itself, and we will be forced to pass through a period of depression the like of which has never been experienced on this continent.

Sir James Graham tersely and forcibly describes the effect upon the English people of the demonetization of silver in 1816, when he says :

"One class flourished, and that was triumphant—the class of annuitants—and the tax-ester rejoiced in the increased value of money, in the sacrifice of productive industry to unproductive wealth, in the victory of the drones over the bees."

It is estimated by Mr. Tidman that the action of Germany in 1872 and the United States in 1873 in demonetizing silver caused a shrinkage in the value of the exports of England of 20 per cent in four years.

Mr. Goshen said at the conference of 1878 that "the scramble to get rid of silver might provoke one of the gravest crises ever undergone by commerce," and Baron Rothschild in 1881 indorsed the views of statesmen and statisticians when he declared that—

"The suppression of silver would amount to a veritable destruction of values without any compensation."

If such have been the effects resulting from the action of two countries, and such the predictions in case of the suspension of silver coinage by silver nations, how will you measure the loss to the husbandman, the effect upon the productive energies of the people, the increase of burdens to the debtor, and the ultimate influence upon the wages of labor, when you realize the fact that, with but a few minor exceptions, every nation of Europe and the government of India have declared in favor of the single gold standard, leaving not a single nation of prominence or commercial importance upon the face of the globe that has not by law dishonored the white metal and denied to it the right of free coinage?

Aristotle truthfully says :

"Money hath its value in virtue of law, and hath not by nature; hence an alteration of the consensus between them that use it hath power to destroy the value which as money it possesseth to meet men's wants."

Mr. President, a study of the monetary changes which have been going on throughout the world must convince any reflecting mind that the policy of gold monometallism, which has now become almost universal, has, in many instances, been adopted through necessity and not from choice. The action of Germany compelled France and other nations of the Latin Union to follow in her footsteps, and their action in turn has compelled other nations, in self defense, to follow the path marked out for them by the selfishness of that class that now rules the destinies of nations. The thought I seek to convey is best expressed in the language

of the Italian delegate to the Paris conference, when he gave utterance to the reasons which would control his country in the adoption of a gold standard, He said:

"Because she [Italy] sees silver depreciated by the suspension of coinage in the Latin Union; by the gold monometallic legislation of Germany; because she is obliged by the most elementary prudence not to expose herself to serve as a reservoir of debased metal, and as the finance minister said in the Italian parliament, "to become the monetary India of Europe."

Statesmen of every nation have been appalled when contemplating the results which must flow from the universal adoption of gold monometallism. No less a financial authority than Mr. Goshen said at the conference of 1878:

"If all nations should resolve on the adoption of the gold standard, the question arose, would there be sufficient gold for the purpose without a tremendous crisis."

Did not his experience and reflection enable him to correctly foreshadow the results of the policy that the selfishness of a few powerful nations, including our own, has at last succeeded in accomplishing? The last few years have verified his prophecy, and we have been witnessing throughout the world the rising tide of monetary troubles and financial upheavals. The recent perturbations have been partially manufactured to order, but from the opinions expressed by the ablest writers, and from conclusions drawn from the teachings of history, I fear the American people are destined to pass through many scenes of individual misery and to experience many national perils before that "tremendous crisis" is past.

When the value of labor, as measured by the price of the product, is reduced one-half by reason of the appreciation of the standard which measures its value, we will be confronted by a national danger far greater than that through which we are now passing. The issue then presented will not be whether the money of the Constitution shall be established by law as the standard of value, but the sufferings and miseries entailed upon the producing classes of the country, by the reduction in the value of their labor, will arouse a great public sentiment, that, looking only to immediate relief, without counting the sufferings that the future may entail, will demand the issue of paper based upon an insufficient reserve that will gorge the channels of trade, and which will finally result in the financial and industrial collapse which inevitably follows a redundancy of irredeemable paper.

Sir, I do not seek to be an alarmist, but when the hour is reached that the wages of labor are reduced and the shrinkage in the value of property has been forced to the lowest notch by this cruel and inhuman policy, the results which I have suggested are as certain to follow as day is to follow night. Then those who have worshipped at the shrine of gold monometallism will at last realize the dangers that threaten the national prosperity and individual happiness of our people which will not be averted by the boast that we possess a land of boundless resources inhabited by a people of unparalleled business enterprise and energy.

Mr. President, assuming the premise to be true that the great commercial nations of the world, including the United States, are to-day committed to a single gold standard, every hour of study or reflection

which I have devoted to the consideration of this momentous question strengthens my conviction that it would be as unwise as it would be impossible for the United States, at this time, to attempt to establish free and unlimited coinage of silver at any ratio, and at the same time preserve the parity between the two metals. Gold and silver, although stamped with the sovereign seal of the nation, are governed and controlled by the same principles that influence other commodities. It is as impossible, by statutory enactment, to alter the laws of trade as applicable to either as it is to prevent water from seeking its level.

The truth of this principle has been illustrated throughout our own monetary history. If, therefore, we establish a ratio for silver greater than the value of the bullion as a commodity, every spare ounce of the world's supply would, by the inevitable laws of trade, seek a market where the price was highest, until the accumulations not of a year or a hundred years, but of centuries, would be turned into this country. If a ratio was established less than the commercial value of the bullion, under the same law, every ounce of silver would seek the market where its price was the highest.

Believing that this law has no exception, whatever amount of coinage shall be determined upon as equaling the domestic demand, should be maintained at the present ratio. We cannot legislate for the present from the standpoint of the past. The monetary systems of the world have changed; the demand for the white metal is lessening annually. Should we adopt free and unlimited coinage at a ratio that would draw the surplus silver to our mints, there are no channels through which it could pass from this country, except to South and Central America, China, and Japan. Would they absorb enough to prevent a glut in the home market, which would so effectually depreciate the price as to destroy silver as a standard of value? With an increased production and a continual decrease in the demand, would it be wise for the true friends of bimetallism to seek at this time to place silver in the position it occupied in our monetary system prior to 1873?

Mr. President, I can see no solution of this problem except in international bimetallism. The stability of silver, which has been overthrown by vicious and selfish legislation, can only be restored in this way. I still hope that at no distant future the nations of the world will be compelled, if not from choice, certainly from necessity, by a public sentiment that will find its origin in the present financial disturbances, resulting from the contraction of the metallic basis of credit and the miseries and sufferings which will mark the pathway of monetary and economic derangements, to yield to the views of this country in the establishment of an international ratio for the coinage of both metals on terms of equality.

England has always been, and is to-day, a stumbling-block to the inauguration of international bimetallism, but England has to face to-day a condition that has never before existed. It was comparatively easy for her to maintain a good monometallic standard when all the other great nations of the world were measuring the value of their exchanges either by the bimetallic or silver standard, but now, sir, when, through her example, the statesmen of other countries, not appreciating the wisdom of Lord Beaconsfield when he said "her gold standard is not the cause of her commercial prosperity, but the consequence of her commercial prosperity,"

have followed her example, it will be very difficult for her to corner and hold a sufficient gold reserve to meet the demands of her business interests.

Competition, to a degree she has never experienced, will result from all the great and powerful nations entering into the markets of the world, in a "wild scramble for the yellow metal," the supply of which will be found totally inadequate to meet the demands of all and necessities of each, and as the volume of business increases and the commerce of the world expands this competition will be rendered even more desperate and bitter. Her s'avesmen and leaders of public thought will then, as they are now beginning to, realize that an annual production of \$130,000,000 of gold will not furnish sufficient metallic currency, even if all of it was mined, to meet the demands of mankind in the marvelous expansion of the volume of trade.

England, once convinced that her national interests, including in that term her vast colonial possessions, demanded the adoption of the double standard, would at once remove the only objection to the accomplishment of international bimetalism. The financial fabric erected by the gold monometallists in Australasia has been shattered to its foundation before the tempest which this policy has evoked, and the economic and industrial systems builded upon it, in their prostration furnish a warning that will tend to crystallize public sentiment in England in favor of the use of silver as a standard of value, and from the experience of other nations it is fair to presume that this sentiment will be strengthened by the result of the experiment in the demonetization of silver in India.

Sir, it will be impossible for the nations of the world, except from motives the basest and most selfish, to permanently dishonor either of these metals. An advancing civilization and the wants and necessities of mankind will demand the restoration of silver upon an equality with gold. No financial system will be able to meet the demands of the marvelous expansion of trade that does not rest upon both metals. A distinguished writer, in referring to the elimination of either, has happily described the effect in the following language:

"Take any one of the selected types of money. Is it the wings of commerce? One wing has been cut off, and yet complaint is made that the bird will not fly. Is it the vehicle in which commerce is conveyed? One wheel is off, and yet we grumble that the chariot drives heavily. Is it the breath of commerce? The oxygen in it has been withdrawn, and is it matter for astonishment that the air becomes stifling?"

Mr. President, I shall vote for the repeal of the purchasing clause of the act of 1890, not for the reason that I believe it is the cause of the prostration of our business industries and our financial stringency, nor that it has induced a want of confidence on the part of the people in the integrity and stability of our financial system, but for three good and sufficient reasons:

First. The authority and direction it confers upon the Secretary of the Treasury to enter the markets and purchase 4,500,000 ounces of silver monthly, without any limit as to the time when this accumulation of bullion shall cease, presents a constant menace, and tends to depress the price of silver bullion. The act is founded upon a false theory as to the proper functions of government in its relations to money, and furnishes a vicious precedent for the future.

Second. In the execution of its provisions, especially in the storing of the bullion and the issue of Treasury notes, it has been the fruitful source of the strongest arguments against the use of silver as a part of our monetary system.

Third. The people believe, however erroneously, that the disturbances through which we are passing are mainly due to this act, and like any other "faith cure," its repeal (which is proper in any event) will assist in restoring confidence, the want of which is the chief obstacle to the restoration of business activity.

Mr. President, although I shall vote to repeal the purchasing clause of the act of 1890, I certainly hope I may not be called upon to do so without having first secured an amendment to the bill now pending before the Senate, which will, by law, and not by a mere declaration, give notice to the world that this Government will exercise all its powers, employ all its resources, and throw the

weight of its influence in favor of the re-establishment of silver on an equality with gold as a standard of value. It may not be the part of wisdom to attempt to establish that result at this time, under the conditions affecting the white metal throughout the world, but provision should at least be made by an amendment for additional coinage of full legal-tender silver dollars at the present ratio to an amount that would be rapidly absorbed in the business transactions of this country, the aggregate amount, including that already coined and the silver bullion in the Treasury, which should be directed to be coined, not to be less than \$800,000,000, the coinage required to be not less than \$3,000,000 per month until it reaches the aggregate limit. The most conservative should not fear the passage and execution of such a law. The limit being established it would constitute no menace to financial stability, and the capacity of the country, with its immense business interests, to absorb that amount, after the withdrawal of notes of less denomination than \$10, none who are familiar with business demands can question. I hope at the proper time to submit such an amendment, upon which the sense of the Senate may be taken.

Mr. President, although I have expressed with perfect frankness and sincerity the opinions I now hold as to the course which it seems to me best to pursue in the interest of future bimetalism, yet I have such confidence in the wisdom and patriotism of those who have been friendly to the double standard that I shall not hesitate to exercise my judgment, and vote as I may deem best for the public interests upon any amendments that may be submitted during the consideration of this bill.

Mr. President, history is replete with instances in which "man's inhumanity to man" has made "countless thousands mourn," but a widespread public sentiment, awakening to injustice and oppression, has always redressed in time the crimes, blunders, and follies of preceding years. Surrounded as we are by the complications of the present and the uncertainties of the future, we can but hope that we will see, at no distant day a conference of the nations, each member animated and impelled by motives of the purest national and universal patriotism, called to settle for all time, on a just and equitable basis, the re-establishment of silver in the place of honor to which it is entitled, and to that end must be directed our best energies, inspired by the unwavering faith that such a consummation will be a blessing bounded only by the confines of civilization.

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