

GOLD AND SILVER.

SPEECH

OF

HON. GEORGE F. HOAR,

OF MASSACHUSETTS,

IN THE

SENATE OF THE UNITED STATES,

TUESDAY, AUGUST 15, 1893.

WASHINGTON.
1893.

SPEECH
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PARITY OF GOLD AND SILVER.

Mr. HOAR. Mr. President, I desire to speak to the joint resolution of the Senator from Missouri [Mr. VEST], if the Chair will lay that measure before the Senate.

The PRESIDING OFFICER. The resolution of the Senator from Massachusetts [Mr. LODGE] will be temporarily laid aside and the joint resolution of the Senator from Missouri [Mr. VEST] will be taken up, if there be no objection.

Mr. HOAR. I ask that it be read.

The PRESIDING OFFICER. The joint resolution will be read.

The Secretary read the joint resolution (S. R. 4) to maintain the parity of gold and silver, as follows:

Resolved by the Senate and House of Representatives, etc., That the American people from tradition and interest favor bimetallicism and the free and unlimited coinage of both gold and silver, without discriminating against either metal; that it is also the established policy of the United States to maintain the parity of the two metals, so that the debt-paying and purchasing power of every dollar shall be at all times equal; that it is the duty of Congress to speedily enact such laws as will effectuate and maintain these objects.

Mr. PASCO. I should like to ask what becomes of the pending resolution offered by the Senator from Massachusetts [Mr. LODGE]. Is it the understanding that it goes over until to-morrow without further action?

The PRESIDING OFFICER. It goes over for the present, if there be no other Senator who desires to be heard upon it to-day.

Mr. PASCO. It will be understood that it goes over until to-morrow?

The PRESIDING OFFICER. There will be no action had upon it.

Mr. GALLINGER. I give notice that to-morrow I desire to address myself very briefly to the resolution submitted by the Senator from Massachusetts [Mr. LODGE] and the amendment to it offered by myself.

Mr. HOAR. Mr. President—

Mr. STEWART. I should like, before the Senator from Massachusetts proceeds, to give notice that I desire to speak a few minutes on the resolution of the Senator from Massachusetts [Mr. LODGE]. I wish to call attention to the object of the panic and why the panic was created. I will state just a few facts.

The PRESIDING OFFICER. The resolution is temporarily

laid aside, but may be called up when the Senator from Massachusetts [Mr. HOAR] has concluded his remarks.

Mr. HOAR. Mr. President, the American people have no reason to be ashamed of their legislative history. Our American constitutions, as well as the great measures which crowd and adorn our statute book, have very often been the product of times of excitement, of depression, and almost of despair. They have been enacted amid predictions of failure, amid taunts and expressions of contempt from foreign critics, and against powerful and angry opposition at home.

It has been the good fortune, as it has been the glory of the American people, that it has ever plucked the flower Safety from the nettle Danger; that it has made times of distress and commotion and evil its great opportunity. From the gloom of the Revolution, from the sorry story of the years which followed the peace of 1783—of feeble government, of disaster, of discontent, of broken faith, of depreciated currency, of stay laws, of suffering debtors, of cheated creditors, of lawlessness, of Shay's rebellion, and popular commotions North and South—came the State constitutions, the ordinance of 1787, the Constitution of the United States, the judiciary act, and the great legislation, State and national, which is at the foundation of all our institutions.

From the abject history of the Jefferson administration came the acquisition of Louisiana, the establishment of sailors' rights, and the great naval glories of the war of 1812. From the unutterable woe of the rebellion came the abolition of slavery, the permanent establishment of national authority, and the legislative achievements of the past thirty years.

I believe that from the present panic, if we will but rise to the occasion, we may yet get an equal blessing, a sound, secure, and stable currency. But we must deal with this great occasion as our fathers, in their time, dealt with like occasions. We must keep the panic out of the Senate Chamber.

In one respect the condition of the United States is peculiar. We settle our financial policy in accordance with the popular vote. The great mercantile nations of the world, in fact, and commonly in form, refer such things to experts. The administration in Great Britain consults the Governors of the Bank of England, the representatives of the chief mercantile houses, a few men who have become recognized authorities in financial circles, and acts upon their advice. Very few members of Parliament would think of thrusting their own judgment into a debate on a financial question against that of the men of their own party who are their recognized leaders on such subjects. I suppose this is still more true of France, of Germany, of Belgium, and of Holland.

But with us the finances of the country have been for a good while the football of parties and of factions. Every demagogue in public office, or seeking public office, every theorist desiring to get notoriety by extravagance, every anonymous and reckless scribbler who escapes contempt only by concealing his personality, every agitator who would marshal class against class, every anarchist who seeks to overthrow all social order, every brawler who would stir the passion of section against section, of labor

against capital, of debtor against creditor, of the poor against the rich, prates glibly about the currency, and uses some misrepresentation or sophistry about the currency as his weapon of mischief.

Yet nothing is more certain than that a disturbance of the currency is an advantage only to the classes who are so attacked, and brings nothing but evil and disaster to the classes to whom the appeal is made. As Daniel Webster said nearly sixty years ago:

He who tampers with the currency robs labor of its bread. He panders, indeed, to greedy capital, which is keen sighted and may shift for itself; but he beggars labor, which is honest, unsuspecting, and too busy with the present to calculate for the future. The prosperity of the working class lives, moves, and has its being in established credit, and a steady medium of payment. All sudden changes destroy it. Honest industry never comes in for any part of the spoils in that scramble which takes place when the currency of the country is disordered. Did wild schemes or projects ever benefit the industrious? Did irredeemable bank paper ever enrich the laborious? Did violent fluctuations ever do good to him who depends on his daily labor for his daily bread? Certainly never.

All these things may gratify the greediness for sudden gain or the rashness of daring speculation; but they can bring nothing but injury and distress to the homes of patient industry and honest labor. Who are they that profit by the present state of things? They are not the many, but the few. They are the speculators, brokers, dealers in money, and lenders of money at exorbitant interest. Small capitalists are crushed, and their means being dispersed, as usual, in various parts of the country, and this miserable policy having destroyed exchanges, they have no longer either money or credit. And all classes of labor partake, and must partake, in the same calamity.

Mr. President, there are subtleties in these financial questions surpassing the subtleties of metaphysics. No theologian, no schoolman, no doctor of the civil law, no writer on contingent remainders or resulting trusts or executory devises was ever called upon to deal with more hair-splitting distinctions and profound speculations, more logical puzzles baffling the human intelligence than can be found in the works of writers on finance in this or other generations. And yet it is not too much to say that there is no subject of legislation which so demands wise and dispassionate consideration, and whose clear understanding and correct resolution is so vital to all the best interests of society. As Alexander Hamilton declared in his famous report:

The general state of debtor and of creditor; of the relations and consequence of price; the essential interests of trade and industry; the value of all property; the whole income, both of the state and of individuals, are liable to be sensibly influenced, beneficially or otherwise, by the judicious or injudicious regulation on this interesting object.

Credit is the life-blood of trade. A sound currency is to the affairs of this life what a pure religion and a sound system of morals are to the affairs of the spiritual life. And we should beware of the men who seek to make of this great interest an instrument of personal or party advantage, or of exciting hatred or discontent, or disturbing social order, wherever such men may be found, whether in high places or low, whether speaking in the Senate Chamber or through the press, as we would beware of those men who have used the religious feelings of mankind as instruments for like purposes.

And, Mr. President, as, in dealing with the great religious problems which concern mankind a few strong instincts and a few plain rules—the lessons of experience—the authority of a

few safe guides, are found by the masses of mankind sufficient unto salvation: as all the law and the prophets are summed up in two simple commandments, easily to be understood, and easy to be practiced, so, I believe, the path of safety through the financial difficulties which surround us is in like manner to be discerned.

No man whom the American people have trusted with any share of political power is entitled to be respected who approaches the duty of this hour in any partisan or sectional spirit or inspired by the desire to reap partisan advantage from the public calamity. Our task is to discover and to remedy the great evil under which all classes and all parts of the country suffer. The workshops are closing, the banks are stopping payment, workmen are idle, the homes of the poor are threatened with want, and the property of the rich is in peril.

We may differ in opinion as to the responsibility. But I hope we may find substantial agreement as to the cure. If I can find any opportunity to help save the ship, I care not whether a Democrat or a Republican is in command. Whatever errors President Cleveland or those who follow him have committed in the past—whatever mistaken purposes they may have for the future—I am willing to act with them in the present, if by so doing I can help to restore my country to the safety and the prosperity which she enjoyed up to March 4, 1893.

I can conceive of no better evidence of the prosperity of a nation than that its people are universally well employed at a rate of wages, or other form of compensation, which yields to them the necessaries and comforts of life. Indeed, it is not so proper to speak of this state of things as an evidence of prosperity as to speak of it as the definition of prosperity. That was the condition of the American people, beyond any other known, in the autumn of 1892, and for a long period before. The President himself, in his late message, describes the situation:

With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise.

Not only did this condition of things exist, but by the confession of our eminent statisticians, free traders, and monometallists, as well as protectionists and bimetallicists, it was a condition of things which had been improving year by year. The purchasing power of wages had been increasing for twenty years, although the tendency at the same time had been to diminish the length of the day's work. The problem before us is to restore that condition of things. If there is any law on the statute book which has had the effect to disturb it, or if there be any threat or fear of new legislation which is to affect or disturb it, it is for us to change that law and to make that legislation impossible.

The misfortune of the American people, in regard to this currency question, is the spirit and temper in which it has been debated on both sides of this and the other House of Congress, and in the press. It is difficult to find upon either side an honest statement of the other's position or an honest answer to the other's argument. What bimetallicist, what advocate of the free coinage of silver at the old rate can recognize himself, or his opin-

ion, or anything he believes in and stands for, in the portraiture drawn by his antagonist? What man who believes either that we must submit to the standard of value established by the consent of the commercial world, or who even believes that the world's supply of gold is enough to meet its demands for a standard, or a currency, without sensible fluctuation or change of value, entertains any of the opinions or desires that are imputed to him by the press or by public speakers in certain sections of the country?

Mr. President, any man or party in the Eastern States who should desire to have the value or the purchasing power of the dollar increased in order that the value of debts, or that assured and permanent incomes might be increased, or in order that speculation in gold or in credits might be rendered more profitable, would be hurled from power and buried in infamy by the swift and righteous indignation of the whole people of those States. The prosperity, the power, the happiness, the rapid growth of the Northwest and the South are as dear to the people of New England as their own. What they want, what they desire and strive for, is not an appreciating standard of value but an unchanging standard of value, so far as the lot of humanity will admit.

The merchant, the manufacturer, the builder of railroads in the Eastern States is a constant and perpetual debtor. The wage earner, the depositor in savings banks, the holder of the policy of life insurance, the widow and orphan who are living on the spare savings of the husband and father in his lifetime are constant and perpetual creditors. They are alike interested that the obligation contracted to-day shall be precisely the same obligation, no greater and no less, when it is to be discharged, five or ten or twenty years hence, or whenever its annual or semi-annual interest is to be paid throughout that period. The present value of the dollar as a medium of present exchange can be ascertained with reasonable accuracy by the parties to any contract.

Appreciation and depreciation can be ascertained and provided for. But, to use the expressive phrase of Mr. Balfour, "money is the record of obligations extending over long periods of time." And it is an injury, it is destruction to any community which has risen in civilization above the pirate stage, when that record is liable to uncertainty or is the subject of speculation or gambling. If the people of the Northeast seem to the people of another part of the country to be contending for anything likely to bear hardly upon them, it is because they do not see or anticipate such a result, and not because they desire it or are indifferent to it.

So, Mr. President, on the other hand, I do not believe that any large number of the people of the Northwest desire the destruction of property, impairment of credit, or any injury whatever to the people of the Northeast. Their ambition is to acquire property, their hope is in the establishment and maintenance of credit. They always have depended, and for a long time in the future they must depend, for these things on a close alliance and an interchange of advantages with the people whose children they are, with the States whence they came, and with

communities from whose institutions they have modeled their own, and with whom in the great and glorious future they must live or bear no life. Chief among the resources of the West is its alliance with a wealthy and prosperous East. The wealth of the East must perish but for its alliance with a wealthy and prosperous West.

There are wild utterances everywhere. They are heard from Boston and New York and Chicago as often as from San Francisco or Denver. But they do not come chiefly from Americans, and they do not represent the prevalent spirit of any American community.

The people of the United States are divided on this question. The two sides are, in my judgment, equally honest and equally intelligent. One believes that the policy of the other leads to an increase of the burden of debt, to the contraction of the world's supply of currency, and to that worst form of fluctuation in the standard of value, the constant increase of the purchasing power of money, with its consequent fall of price and strangulation of business. Another portion of the people believe, with equal sincerity, that the free use of silver, at its old rate, by a single nation alone leads to the destruction of the obligation of existing debts, the impossibility of any secure credit for the future, and turns all fixed business into speculation and gambling.

Each party is equally honest and sincere, and the two parties desire, in my opinion, the same thing—a currency which shall be sufficiently abundant for all exchanges, domestic and foreign, and a standard of value which shall be as unchangeable through the years and generations as the wit of man can devise. The proprietors of silver mines not unnaturally desire to sell their product to the best advantage. But I do not think they or their advocates on this floor will claim that we shall adopt any policy with regard to the currency merely that they may sell their product at a profit. What they would say, I suppose, is that, believing as they do, the disuse of silver for the purpose of currency to be attended by consequences disastrous not only to the people of this country, but to all mankind, the fact that laborers and capitalists who are engaged in their special industries are likewise to be ruined by it, does not render it any more acceptable to them.

The great and fundamental difference between these two parties is the difference as to two questions of fact.

First. Is the existing stock of gold available for currency sufficient, with the yearly addition to that stock, to maintain prices at their present level and keep the burden of debt from growing heavier year by year in the future?

If it be, then the advocates of silver have no right to demand its consideration when we are regulating the currency, but must, like other producers, stand or fall by the general policies by which we encourage American industries.

But if it be not sufficient, if the cord of indebtedness is to tighten year by year around the neck of the debtor by the rapidly increasing value of the gold dollar, then the advocates of bimetallism are justified in demanding that every lawful resource of the Government shall be exhausted and every energy of the American people taxed to its utmost to prevent such a result.

Now, Mr. President, I can not find that the researches of our statisticians enable us as yet to decide this question to our reasonable satisfaction. The tables which are used by the bimetallicists show a constant increase in the value of gold since 1873. As compared with the forty-five principal commodities selected by Mr. Sauerbach, they show a constant increase in the purchasing power of gold as measured in those commodities, and show, on the other hand, a comparatively small falling off in the value of silver. On the other side, the monometallists point out that if you strike out from the list the articles whose production has been greatly cheapened by increased labor-saving appliances, or whose price in the market has been lessened by the vast recent saving in the cost of transportation, there has been very little fluctuation in gold.

I can not myself escape the apprehension that the bimetallicists are at least partially in the right. It may be that the appreciation of gold has not yet taken place to the extent of their belief. But there is a large stock of silver still in use in the United States and on the Continent. What has been done as to India, and what is to be done by us, have not yet had an effect which can be measured.

The second question is not so difficult. Is it possible for the United States to maintain a standard of value in separation or isolation from the rest of the civilized world?

Upon this question, if I could see any escape from the reasoning of the President in his message, I find no escape from the lesson of our recent experience. While I do not attribute our present disasters in any part to the legislation of 1890, I do attribute them, to a serious extent, to the failure of the present Executive to assure the country and the world that he would use the power given him to maintain the two metals at par. This, with the prevalent dread of what a distinguished member of this body described as "a war of extermination upon the protected industries of the country," accounts, in my judgment, for our existing condition.

I have been, ever since I was old enough to have an opinion on the subject, a bimetallicist. I think that is true of all the American people down to 1873, with a very few exceptions. But it has been the bimetallicism of Alexander Hamilton, of Washington and his Cabinet, of the framers of the Constitution, of the members of the First Congress, and of the Constitution of the United States. It always recognized and took for granted that the money standard of the world's dealings must be settled by the usage of commercial nations. It recognized also that if there were a change in the relative value of the two metals the more valuable metal must, in the end, prevail. I do not understand that there is any purpose anywhere to discard the use of silver. It is still, and always must be, a large instrument in the commerce of daily life in all countries. Even when the use of silver is directly confined to that of subsidiary coinage, it is not insignificant or unimportant. We have about \$50,000,000 of subsidiary coinage, but every dime of that coinage passes from hand to hand a hundred times where the gold dollar would so pass once.

The lesson of all experience points to the use of gold and silver

to effect exchanges and to measure values for the commerce of mankind. From the foundation of the world they have performed this great office. They are known as the precious metals in the universal language of civilized men. They are adapted and they alone are adapted, by permanence, by their capacity for being coined and stamped for the convenience with which they may be kept and transported, to perform this service for mankind. They are the only complements of each other. If the weight and size of silver, in proportion to its value, be too great for use in large transactions, the size of gold, in proportion to its value, is too small for safety and convenience in the smaller and commoner transactions of life.

Silver circulates everywhere to-day, and will circulate everywhere until time shall be no more, as the money of the common people, whatever may be the action of the Government.

In the countries where gold is the only recognized lawful standard of value, silver is still the instrument of the commerce of man's daily life. Sometimes one has risen for a few years, perhaps for a generation, in value as compared with its companion, and sometimes the other. Sometimes mistaken financial policies, sometimes popular excitement, sometimes the schemes of designing speculators, may have depreciated or exalted one at the expense of the other. But this august and regal pair—the queenly silver and the royal gold—have maintained throughout all ages, and through all time will maintain their companionship and their supremacy. If you undertake to settle this question by driving either from the country, you will have no peace until it is restored. The principle which recognizes both has its foundation in nature, and in the experience of man.

Naturam expellas furca:
Iterum iterumque redibit.

You may drive out nature with your legislative fork, but again and again she comes running back. This doctrine is recognized in the Constitution. "No State shall make anything but gold and silver coin a tender." "No State shall coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debts."

That the words "money" and "gold and silver" were regarded as equivalents in constitutional meaning is shown by the fact that the Constitution makes a separate provision as to bills of credit and does not include them in the sentence which applies to money. It is not gold or silver that a State may make a legal tender, but gold and silver, the legal value of which, by another clause of the Constitution, is to be determined by Congress.

Chief Justice Ellsworth and his associate, who represented Connecticut in the constitutional convention, in their report to their constituents of the proceedings of the convention, say that the new Constitution provides that no State "shall make anything but money a legal tender for the payment of debts," showing that, in their judgment, the word "money" and the words "gold and silver" are identical or equivalents.

Alexander Hamilton considered this question in his great report on the mint and the coinage. He gave fullest weight to the arguments of the monometallists. He admitted that the money

unit had up to that time virtually attached to gold rather than to silver. But with the fullest concurrence of President Washington and the statesmen of his time, he declared for the principle of bimetallism. His arguments have not lost their original force. They have not been answered in any discussion. The people of the United States, when the tempest has passed, will settle down and be reconciled to the solution of this great problem in which Washington and his Cabinet joined. They never will be permanently reconciled to any other.

To annul the use of either of the metals as money is to abridge the quantity of circulating medium, and is liable to all the objections which arise from the comparison of the benefits of a full with the evils of a scanty circulation.—*Hamilton's Report, Lodge's Edition, page 243.*

Daniel Webster declared more than once, and with great emphasis, that the Constitution requires the coinage of both metals; and it would be a disobedience to our constitutional duty were Congress to discard either.

Mr. President, all our great financial authorities of both parties, from the framers of the Constitution, from Alexander Hamilton, and Jefferson, and Webster, and Calhoun, and Benton, and Chase, and Fessenden, Federalists and Republicans, Whigs and Democrats, down to the disturbed period which followed the war, have agreed upon this policy. There were differences which divided political parties. Whether Congress should authorize a paper currency, under careful safeguards, redeemable in coin, or should leave that to State discretion, or to private enterprise, was a question which divided parties and made and unmade Presidents and administrations. But down to the year 1863 it never was heard in this country that the legal tender and the standard of value should be anything but gold and silver; nor was it ever claimed until 1873 that both gold and silver could not be relied upon to perform this service.

I have no doubt that the Committee on Coinage, who reported and enacted the statute of 1873, were actuated solely by a conscientious desire for the public good. I would give no countenance to the miserable slander that they were acting in the interest of capitalists or monopolists or of creditors; or that they desired to conceal what they were doing from the American people, or from anybody. They selected for their single standard what was then the cheaper metal, a metal not only then the cheaper, but of which a large and constantly increasing supply was confidently expected. The scheme was proposed in the report of the Director of the Mint, was recommended by the Secretary of the Treasury in his report, was printed in the House of Representatives thirteen times, was called to the attention of chambers of commerce, was the subject of deliberate discussion in some of them, and was well known to leading financiers.

The Senate first voted to request the President to open a correspondence with other countries in relation to the unit of value. That correspondence took place. Then the Director of the Mint proposed, in his report, to adopt a single gold standard. Then the Secretary of the Treasury urged the measure in his report to Congress. Then the matter was referred by Mr. Hooper of the House, to public bodies for their opinions.

I have the pamphlet report made to the New York Chamber of

Commerce by Mr. Ruggles on the subject. It was well known to leading financiers. I saw some resolutions the other day, passed in Chicago, in regard to Mr. Ernest Seyd, and I think the honorable Senator from Nevada (Mr. STEWART) denounced him on this floor as an agent who came over here for the bankers of England to get Mr. Hooper to do this mischief. Am I mistaken?

Mr. STEWART. He was here on two occasions. He spent the winter here.

Mr. HOAR. Mr. Ernest Seyd was an authority on all practical mechanical measures connected with coin. Mr. Hooper wrote to England asking his assistance in the matter. Mr. Seyd wrote him quite a long letter early in the year 1872, and he then came here. I have his letter to Mr. Hooper, making the final discussion upon the bill which Mr. Hooper submitted; and after suggesting in that letter various practical reforms, which are of little or no importance in this connection, Mr. Seyd goes on with an able and elaborate argument against monometallism, and says the great fault he finds with Hooper's bill is that he undertakes to bring this country to the gold standard, which he thinks would be destructive, and against which he had written a book at home; and he urges upon him the free coinage of silver at the rate of 400 grains to the dollar.

Mr. STEWART. We never had any doubt that his public writings were to that effect.

Mr. HOAR. I am speaking about the letter, which I think I will bring down to show my friend from Nevada, and which is at my rooms at this moment. Mr. Seyd wrote it to Mr. Hooper after the bill was framed, most earnestly and laboriously urging him not to adopt monometallism and recommending that the standard of silver be 400 grains instead of 415.

Mr. GRAY. Mr. President—

The PRESIDING OFFICER (Mr. PASCO in the chair). Does the Senator from Massachusetts yield to the Senator from Delaware?

Mr. HOAR. Certainly.

Mr. GRAY. If the Senator from Massachusetts will permit me, I should like to ask, in view of the exceedingly interesting statement he has just made in regard to Mr. Seyd, whether there is anything that would prevent his putting that letter in the RECORD as part of his speech?

Mr. HOAR. I will state very frankly that I wrote to Mr. Hooper's son-in-law, asking him if he had any correspondence on this subject, and stated in the letter that I should treat what he sent me as confidential unless it were otherwise agreed; and although I have given that assurance I feel sure that there will be no objection to the publication. I have ventured to make this statement, and I expect to obtain leave to have the entire letter printed before long.

Mr. STEWART. I should like to see the letter in proof as part of the evidence showing what business he had here at the time.

Mr. HOAR. Mr. Hooper wrote to a gentleman named Alfred Latham, who, I think, was then or had been recently the Director of the Bank of England. Mr. Latham wrote back a letter in which he commends Mr. Seyd, and says he first showed Mr.

Hooper's letter to Mr. Seyd, who is the great authority on that matter, except that Mr. Latham thinks that Mr. Seyd is in error in regard to the matter of monometallism. Thereupon this correspondence takes place. This is not a very important matter, but it shows the wild and excited state of mind which worthy gentlemen (some gentlemen, I am afraid, not very far from where I am speaking at this moment) get into in regard to the conduct and motives of those with whom they differ.

Mr. STEWART. If the Senator from Massachusetts alluded to me, I say frankly—

Mr. HOAR. I alluded to the Senator particularly.

Mr. STEWART. I say frankly I believe the bill was by design kept from the Senate.

Mr. HOAR. The Senator voted for it.

Mr. STEWART. I deny that.

Mr. HOAR. I do not want to go into any argument of that kind, but the Senator voted for it himself. It was printed thirteen times.

Mr. STEWART. I deny that.

Mr. HOAR. He did not vote against it.

Mr. STEWART. There was no vote upon it at all. I shall show right here, if the Senator will give me time, that nobody voted for it.

Mr. HOAR. But, nevertheless, it is true that it attracted little general notice. Mr. Hooper, the chairman of the committee, stated clearly to the House the effect of the bill and complained that he could not get the House to listen. Other members of the committee made the same statement.

Now, Mr. President, I suppose the fact is that all mankind, with the exception of a few experts, were very little instructed in regard to that measure.

Mr. STEWART. Has the Senator a reference to the speech of Mr. Hooper?

Mr. HOAR. No; but it has been quoted in debate more than once.

Mr. STEWART. If the Senator has the reference I should like to see it. I have looked over the RECORD and have not found it.

Mr. HOAR. I have read it within three weeks.

Mr. STEWART. I should like to see it.

Mr. HOAR. I do not believe that, in itself, it has ever seriously injured the finances of the country, or that it has had any considerable effect upon the price of labor or upon other prices.

We were not having specie at all and had not any specie circulation for three or four years after that time, and in 1878 in came the Bland act restoring silver and providing for a larger coinage of silver every year than we had had before in the whole seventy-three years of the century put together. I say this in justice to an old colleague [Mr. Hooper], but it has been the occasion and pretext for an agitation which has excited certain communities in this country, and the excitement which it has occasioned has been wholly to their harm.

Now, Mr. President, to return, both the great political parties in this country were of this way of thinking down to the last national election. It is needless to add that in the pledges of all

other parties the retention of gold even to bear its part in a bi-metallic system has no place. I read the Republican platform and the Democratic platform of 1892.

Mr. PEPPER. I wish simply to state to the Senate in answer to the suggestion of the Senator from Massachusetts, that so far as the Populists are concerned, we demand the retention of gold and silver and ask that whatever deficit there is to meet the business needs of the people shall be supplied with paper.

Mr. HOAR. I shall not detain the Senate very long by reading these platforms.

Here is the Republican platform of 1892:

Silver—The American people, from tradition and interest, favor bimetallism, 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 the purchasing and debt-paying power of the dollar, whether of silver, gold, or paper, shall be at all times equal. The interests of the producers of the country, its farmers and its workmen, demand that every dollar, paper or coin, issued by the Government shall be as good as any other.

I now read from the Democratic platform of 1892:

Silver— * * * 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 of every dollar at all times in the markets and in payments 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 for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

This declaration of the Democratic party is, in substance, the same with that made by them in 1883 and in 1884. In all these years the present President has expressed his full and hearty approbation of the platform adopted by the convention whose nomination he accepted.

[Democratic platform of 1880.]

Honest money, consisting of gold and silver and paper convertible into coin on demand.

[1881.]

We believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss.

[1888.]

Reaffirms the platform of 1884.

Grover Cleveland says, in his letter of acceptance, August 18, 1884:

I have carefully considered the platform adopted by the convention, and cordially approve of the same.

But the great question, of course, is the question of ratio. Here, too, we must follow—whoever may be disappointed and whatever the cost—

First, the principle laid down by our earlier authorities;

Second, the precedents of our legislation.

Alexander Hamilton declared that if the two metals, at any time, were separated the more valuable metal must be the standard for the reason that the fluctuations would be the more likely to attach to the inferior metal. No respectable American

authority, until the recent discussions, can be found to the contrary. We can not establish a contrary policy to-day without entailing upon the country infinite mischief, and disregarding the opinion of the whole commercial world and without a separation from all the leading nations of the world in this matter of the standard. I hold that this is a thing almost as impossible as attempting to exempt our portion of the planet from the operation of the law of gravitation itself.

Everything points to an enlargement of intercourse and to closer relations in the future. The ocean voyage between the two hemispheres has been reduced from an average of thirty days to less than six days, and the time is at hand, in the opinion of the best naval architects, when ocean lines will make their ordinary voyage within a hundred hours. One-half of the population of the United States are within speaking distance of Washington by telephone. The time is undoubtedly at hand when the Atlantic will be no impediment to audible communication between the two continents.

Besides, the precedents of our own legislation, down to the time when the opinion of this country was divided upon this question, all point to the same result. If silver were queen, gold was king.

There is nothing which points to any considerable rise in silver in the near future, unless there may be some brief and temporary diminution of the product. If it come, however difficult, there must be a new revision of the relation between the two metals. That can only take place by the common consent of commercial nations, and it will be idle and hopeless to expect it otherwise.

Believing, therefore, with Hamilton, that the bimetallic standard is that upon which alone this country can permanently and safely rest, and believing also, with Hamilton, that whenever the two metals separate the standard must be conformed to the more valuable, I am in favor of at once putting a stop to the purchase of silver for coinage. Otherwise it seems to me clear that our gold will take its departure, and we shall be left in that most wretched of conditions, a nation with a single monometallic standard composed of an inferior metal, constantly fluctuating and rapidly degenerating—a condition from which every wealthy commercial nation in the world, now including India, has escaped.

Another course may be suggested which might, under circumstances different from those which now surround us, prove practicable and desirable. That is, to coin a legal-tender silver dollar of a weight sufficient to make it equal in value to the gold dollar; make the gold and silver dollars receivable for all debts, public and private; make them interchangeable at the Treasury at the will of the holder; pledge the credit of the Government to maintain this relation, and provide that if at any time the bullion value of the silver dollar should fall to a point more than 2 or 3 per cent below the gold dollar the coinage of silver shall cease until the ratio be restored. This plan will go far to answer the arguments of those persons who think the stock of gold in the world insufficient to supply the world's need of a currency and dread falling prices, increased burden of debts, and strangled business. But I fear we can not adopt it now.

First, it would not be accepted by the special representatives of the producers of silver, without whose concurrence it can not be adopted.

But, second and chiefly, because we have on our hands four hundred and twenty million of standard silver dollars, of which three hundred and eighty million are in circulation, either as coin or by the certificates which represent them, not now taking into account upward of fifty million of subsidiary coin. If this policy were to be adopted now, we must either attempt to maintain, side by side, two standard silver dollars of different weight or we must call in and recoin our existing silver currency at a cost to the Treasury of a sum which might not improbably equal 50 per cent of the entire value of our silver coinage. We must, therefore, abandon for the time being an attempt to make our present silver product useful for currency and remit that question to the future. It will be all we can do to support our present stock of silver coin without depreciation.

Mr. President, no man can regret more than I do any temporary distress which may fall upon those young communities which have lately taken their places in the sisterhood of American States. I would go, as I have heretofore gone, to the very limit of public safety, in my regard for their special condition. But they must not expect—I do not believe that their representatives here will seriously claim—that we should be affected, in regulating the currency, by a desire to promote the sale of a particular product. If I recollect rightly, the representatives in this Chamber of the six new States were divided evenly on the question of the free coinage of silver.

Mr. TELLER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Colorado?

Mr. HOAR. I do.

Mr. TELLER. The Senator from Massachusetts says he does not think the representatives of the silver States would insist on that. I wish to ask the Senator if he does not know the representatives have repeatedly declared that they would not insist on it?

Mr. HOAR. Well, I said a little more than that I did not think they would insist on it. I said I did not think they would seriously claim—and I will do justice to the Senator from Colorado, although I do not recollect any occasion in his life when he ever did justice to me—I will do justice to the Senator from Colorado and say he never has put this silver argument upon the grounds which are imputed to him by his Eastern critics. He has never, in my hearing, from the beginning of our financial discussions, stated that his people have a right to sell to the Government a product in the creation of which they are deeply interested, and that we must conform our currency policy accordingly.

Mr. TELLER. I have never claimed that.

Mr. HOAR. I do not think such a policy would, in the end, be of advantage to the silver-producing States themselves. I believe that if this country should be put on what is called a silver basis, and our home supply of coinage could be furnished by Colorado and the other silver States—I believe if the whole world could be put on a silver basis, and these silver States could furnish all

the silver, it would be an unmixed evil to them. No nation, no State ever got permanent strength or prosperity from its wealth of the precious metals. There always has been, and there always will be, an element of chance, not to say gambling, in that product. Spain and Mexico and Peru tell their own story. The true prosperity of California began when the great profits of her yield of gold ceased and other industries appeared. I was specially gratified by the note of courage in an utterance attributed to the senior Senator from Colorado, in which he told his people not to be down-hearted—they could be a powerful State without silver. I am not sure that it would not have been better, both for Nevada and for the country, if there were not a mine within her borders.

I believe that the idle silver miners of Colorado will find some other employment than shedding blood, and some better leader than their present governor.

I am told that Colorado produced in 1892, fifty-five millions of coal, sixty millions of farm products, thirty-four millions' worth of cattle, and that her manufactures were seventy-five millions, while her silver product was about twenty-three millions. Two hundred and twenty-four millions of these products, the demand for which no legislation can affect, is a pretty good showing for a State not yet twenty years old. Of the wealth she produces even now, her silver product is not a tenth.

I do not think we shall gain much by discussing here the responsibility for the condition of things that exist in this country. It is our duty to agree, if we can, upon a remedy. We shall probably, all of us, have something to say to the people when they are asked to determine to what leaders they shall give their confidence hereafter. But I voted, after the best consideration of the subject of which I was capable, for the much-abused statute of 1890. I have seen no reason to change my opinion of the wisdom of that vote in the light of subsequent experience. That law has been most bitterly attacked. I desire to leave on record somewhere, and the records of the Senate seem to me the fittest place, the reason which governed my action.

The law of February 28, 1878, commonly known as the Bland bill, as it passed the House of Representatives, provided for the free coinage of silver without limit, at the rate of 412½ grains to the dollar. The owner of the silver bullion, under the operation of that bill as it passed the House, could have taken it to the mint and received a legal-tender dollar, coined and stamped, for every 412½ grains of silver. This not only would have enabled the owner of the silver to make a large profit, as the process of its degeneration went on, but it would have been an issue of fiat money, pure and simple, so far as the difference went between the bullion value of the silver dollar and of the gold dollar.

The Senate amended the House bill by limiting the amount to be purchased to a sum which was not to be less than two million and not more than four million dollars' worth a month, at the discretion of the Secretary. The Secretary was to purchase the bullion at its market value and coin from it all the 412½-grain dollars it would make. The bill so amended passed both Houses

over, the veto of President Hayes. But the fiat money remained, and for twelve years had been accumulating in the Treasury.

For that issue of fiat money the act of 1890 substituted the purchase of silver at the rate of 4,500,000 ounces a month. But it declared it the duty of the Secretary of the Treasury to maintain its parity with gold, to do which it would become his duty to use all the powers committed to him by the resumption act of 1875.

Mr. STEWART. I ask if that is in the law?

Mr. HOAR. That is his duty, and he has the power.

Mr. STEWART. To declare that that is the policy?

Mr. HOAR. Yes, sir; if that is the policy in passing the law it is the duty of the public officer who executes the law to carry out the policy.

Mr. STEWART. Then there are other provisions in the statute which directed specifically what he should do for the purpose of carrying out the law.

Mr. HOAR. I understand that. There are other provisions in it, and there are a good many other reserved powers in the statute of 1890 which have not been very publicly discussed, and which it may be necessary hereafter to discuss; but I am speaking now of this provision.

Mr. STEWART. I will discuss that hereafter.

Mr. HOAR. In other words, instead of the fiat money of the Bland bill, every dollar of the property and the utmost limit of the credit of the people of this country were pledged to the maintenance of our silver currency on an equality with gold.

It is true that the amount of silver to be purchased was increased by the act of 1890 from the limit of from two to four million dollars' worth a month—at the discretion of the Secretary of the Treasury—to a fixed amount of 4,500,000 ounces a month, without discretion; to be purchased, however, at its market value, so that the profit of the transaction inured to the Treasury.

It is true also that since the Bland bill was enacted but two millions' worth a month had been in fact purchased. But that condition of things could only continue so long as there should be a Republican Secretary of the Treasury, or a Democratic Secretary differing wholly from his party. In the not unlikely accession of the Democratic party to power we had every reason to expect that silver would be purchased to the largest monthly limit permitted by law.

This was not only the opinion of Democrats who might be termed extremists, but of the leaders of the party in Congress, with perhaps half a dozen exceptions. Certainly no man represented, then or now, what would be called the moderate and conservative opinion of his political associates more than the present Secretary of the Treasury. He had, and deserved, their full confidence, as he had and deserved the friendly regard of all who have been his associates in the public service. If the personal inclination of his party had been followed, without considerations of special availability in one or two States, he would have been preferred to Mr. Cleveland as a candidate for the Presidency itself. It was natural and almost inevitable that, in the case of Democratic success, Mr. Carlisle should be called to the Treasury,

and should be clothed with the discretion given by the Bland bill.

Now Mr. Carlisle had voted for the free coinage of silver, of which he was an avowed advocate, although he desired that the profit should go to the Government and not to the owner of the bullion. In his very able speech in favor of the Bland bill, as it finally passed the House, delivered in the House of Representatives February 21, 1878, he gives his opinion on this subject, and especially his opinion as to the proper exercise of this discretion by the Secretary of the Treasury. He says:

My position upon the subject is briefly this: I am opposed to free coinage of either gold or silver, but in favor of unlimited coinage of both metals upon terms of exact equality. No discrimination should be made in favor of one metal and against the other; nor should any discrimination be made in favor of the holders of either gold or silver bullion and against the great body of the people who own other kinds of property.

He goes on to denounce Mr. Sherman, then Secretary of the Treasury, as well known to be hostile to the purposes of the Bland bill, and to denounce the resumption act of 1875 as a destructive scheme. He says:

The Senate has declared by a large vote that the coinage should be limited to a sum not less than \$2,000,000 per month. If the execution of this measure could be entrusted to a public officer whose opinions upon the subject were in accord with those of the great majority of the American people, and whose sympathies were with the struggling masses who produce the wealth and pay the taxes of the country, rather than with the idle holders of idle capital, the provisions alluded to would be of little consequence, because he would coin the maximum instead of the minimum amount allowed by the amendment.

Let me not be understood for a moment as desiring to cast any imputation either upon the integrity or the wisdom of the present Secretary of the Treasury. I suppose that he has changed his opinion as to what would be a wise exercise of his discretion under the Bland bill, even if he were vested with it. But I suppose that, in common with a large number of his countrymen, his change of opinion has been brought about naturally and honestly, as well as inevitably, by a change of situation. The argument which might have convinced as honest a public officer as Mr. Carlisle in 1878, appears very differently in 1893. In 1878 all parties in the United States expected to continue the coinage of silver. The question was whether it should be limited or unlimited. There was no reason to doubt that if the consent of Great Britain could be had, every other European Government would gladly open its mints again to silver. Many great and conservative British financiers then thought that the way to protect India was not to put her on a gold basis, but that England herself should resume the coinage of silver at a proper ratio.

It is no secret that some of the cabinet of Lord Salisbury and that Mr. Goschen himself inclined to this view and were ready to adopt it as the policy of the Government, if the consent of the business men of London, with anything near unanimity, could have been had. This opinion has within a few days been reaffirmed by Mr. Balfour. I have never agreed with the opinions expressed in favor of the free coinage of silver by Mr. Carlisle, and those who then thought with him; but justice to them requires it to be admitted that the question was a very different

one when the policy of the commercial world, outside of this country, was still undecided, from what it is now when that policy is settled.

This then was the condition of things under the bill for which the Sherman bill was a substitute. The Bland bill of 1878 required the addition to our silver coinage of \$2,000,000 worth a month, not redeemable in gold, and legal tender for all obligations, public or private. The Secretary of the Treasury was bound to the purchase of at least \$2,000,000 worth a month, and to coin from it all the dollars it would make. But he was at liberty in his discretion to purchase and coin \$4,000,000 worth a month.

If we had a Secretary entertaining the then opinion of Mr. Carlisle, who favored and voted for free coinage of silver, and who favored the passage of the Bland bill over the veto of President Hayes, we were to have \$4,000,000 worth a month, or \$48,000,000 worth a year. Now this, so far as the difference between gold and silver was concerned, was fiat money pure and simple.

What would have come if this law had been continued? If we had had a Democratic Administration—if that Administration represented the opinion of nine-tenths of the Democratic party—we were to have forty-eight million dollars' worth of fiat money a year. To what condition would this have brought us, inevitably and swiftly, even if the smaller quantity alone were coined? I will let Mr. Cleveland himself answer this question.

He declares in his message, December 8, 1885:—

This operation will result in the substitution of silver for all the gold the Government owns applicable to its general purposes:

That the—

hoarding of gold has already begun;

That—

the two coins will part company; * * * then will be apparent the difference between the real value of the silver dollar and a dollar in gold; * * * gold, still the standard of value, and necessary in our dealings with other countries, will be at a premium over silver; * * * rich speculators will sell their hoarded gold to their neighbors who need it to liquidate their foreign debts, at a ruinous premium over silver, and the laboring men and women of the land, most defenseless of all, will find that the dollar received for the wage of their toil has shrunk in its purchasing power.

That disaster has not already overtaken us furnishes no proof that danger does not wait upon a continuation of the present silver coinage. We have been saved by the most careful management and unusual expedients, by a combination of fortunate conditions, and by a confident expectation that the course of the Government in regard to silver coinage would be speedily changed by the action of Congress.

In his letter to A. J. Warner and others, members of the Forty-eighth Congress, February 24, 1885, Mr. Cleveland says:

Gold would be withdrawn to its hoarding places, and an unprecedented contraction in the actual volume of our currency would speedily take place. Saddest of all, in every workshop, mill, factory, store, and on every railroad and farm, the wages of labor, already depressed, would suffer still further depression by a scaling down of the purchasing power of every so-called dollar paid into the hand of toil. From these impending calamities it is surely a most patriotic and grateful duty of the representatives of the people to deliver them.

Mr. President, the representatives of the people did deliver them. With no help from Mr. Cleveland or his political supporters, the Republican party arrested the swift progress of the danger which threatened us, and removed a large part,

though not the whole, of the evil of the Bland bill. The act of July 14, 1890, while it for a short time increased the amount of silver which the Secretary of the Treasury might purchase and coin, declared the "established policy of the United States to maintain the two metals at a parity with each other."

By the statute approved January 14, 1875, the act to provide for the resumption of specie payments, the Secretary of the Treasury is authorized to use any surplus revenues not otherwise appropriated, and to issue, sell, and dispose of, at not less than par, any bonds of the United States described in the act of Congress of July 14, 1870. Those bonds were: A bond bearing 4 per cent interest, running for thirty years; a bond bearing 4½ per cent interest, running fifteen years; a bond bearing 5 per cent interest, running ten years.

So that the act of 1890 substituted for the issue of twenty-four million gold dollars' worth of fiat-silver money yearly the present purchase of silver, with the whole faith and resources of the Government pledged to maintain its equality with gold.

It is said that we had in the Treasury June 30, 1893, \$362,000,000 of silver in coin and \$118,000,000 in bars; and this is true. But of this four hundred and eighty millions, three hundred and forty millions, or thereabouts, is in practical circulation in the form of silver certificates.

We had, at the same time, in the Treasury, \$110,000,000 of gold in coin, and seventy-eight millions in bars. Of this one hundred and eighty-eight millions, ninety-four millions, or about 50 per cent, was in practical circulation in the form of gold certificates.

While the gold certificates in circulation amount to only one-half or thereabouts of the gold in the Treasury, the silver certificates in circulation are about two-thirds of the silver in the Treasury. We have one hundred and fifty millions of silver certificates in circulation against ninety-four millions in circulation of gold certificates.

I suppose it will not be claimed that, so far as the silver is in practical circulation, the most convenient form of that circulation is not the deposit of the bullion, or coin, in the Treasury, and the transfer from hand to hand of its paper representative. I suppose that if all the silver now in the Treasury should be replaced by an equal value in gold dollars, and the silver destroyed or sent out of the country, as large a proportion of the gold as the amount of the silver certificates bear to the entire mass of silver would circulate in the form of gold certificates.

Under the statute of the United States, which differs in that respect from that of some States, the repeal of an act which itself repeals a former act does not revive such former act. So in voting to repeal the act of 1890, or any part of it, we do not revive the legislation from which Mr. Cleveland anticipated such mischievous consequences in the near future. Were the Bland bill now to be revived I, for one, should not consent to repeal the law of 1890, and to vest in Mr. Carlisle the discretion which he is so solemnly pledged to exercise, of purchasing silver and issuing fiat dollars of 412½ grains at the rate of 4,000,000 gold dollars' worth, or at present rate 7,371,428 silver dollars a month.

This discretion it will be remembered, was vested by law

wholly in the Secretary and is beyond the control of the President himself.

Mr. COCKRELL. Will the Senator from Massachusetts yield for just one word of explanation?

Mr. HOAR. Certainly.

Mr. COCKRELL. I simply wish to ask the Senator why he calls the standard silver dollar, now commanding a premium in gold in the city of New York in the hands of the bankers there, a fiat dollar?

Mr. HOAR. It is a fiat dollar for so much of it as is not worth the dollar for which it passes. Of course a fiat dollar may pass at an equality and sometimes at a premium, but it is none the less a fiat dollar in the ordinary definition of the word.

But, Mr. President, there was another reason equally controlling:

One party, the Democratic party, almost unanimously—aided by Republicans enough to make a majority of both Houses of Congress—were well known to be in favor of the free, unlimited coinage of silver at the rate of 412½ grains to the dollar. There were a few exceptions in the Democratic party. But that the friends of free coinage of silver represented its settled opinion and its deliberate purpose is shown by the fact that at its advent to power the Secretary of the Treasury and every Democratic member of the Committee on Finance of the Senate, with a single exception, is a person who was then of that way of thinking.

Now, Mr. President, it is notorious—no honest man who remembers the history of that time will deny—that the alternative presented to us was the passage through both Houses of Congress of a bill for the free coinage of silver or the adoption of the measure of 1890—a measure far better than the existing law which it repealed, on the one hand, and infinitely better than the new law with which we were menaced, on the other. It is true that President Harrison undoubtedly would have vetoed a bill for the free coinage of silver. But it is also true that the passage of such a measure through both Houses of Congress—arrested only by the opinion of the Executive—would have caused infinite mischief in its effect upon the public credit, both abroad and at home.

Mr. TELLER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Colorado?

Mr. HOAR. Certainly.

Mr. TELLER. I should like to ask the Senator from Massachusetts if he has forgotten that the House of Representatives had voted down a free-coinage bill?

Mr. HOAR. I understand it—

Mr. TELLER. And that when the chairman of the conference committee reported the bill, he called our attention to the fact that the other House had determined not to have free coinage?

Mr. HOAR. I understand that very well, but it was because of this compromise law of 1890.

Mr. TELLER. No compromise had been made.

Mr. HOAR. The House of Representatives would have passed a bill for the free coinage of silver by a very considerable ma-

majority, in my judgment if we had rejected the conference report.

Mr. STEWART. The Senator from Ohio [Mr. SHERMAN] stated—

Mr. HOAR. I know all about that.

Mr. STEWART. He stated that it was impossible to get a free-coinage bill, and therefore the conference agreed upon this measure.

Mr. HOAR. I do not so understand it. He did not say so. He said they had voted against it.

Mr. STEWART. That is the fact about it.

Mr. HOAR. The Senator does not question my statement that I voted for the law of 1890 under that belief?

Mr. STEWART. Oh, no.

Mr. HOAR. Now, you tell us that the main cause of the present difficulty is that foreigners will not keep our securities so long as they are afraid they will be paid in depreciated silver, although the whole credit of the Government of the United States is pledged to make every silver coin as good as gold coin anywhere. What do you think would have been the effect on our credit of the continuance of the coinage of silver dollars under the Bland bill, there being neither obligation nor authority resting upon the Government to exchange these silver dollars for gold dollars, and the purpose of the American people being learned only from the fact that under its existing law it was coining \$24,000,000 worth of fiat money annually, to grow to \$48,000,000 worth whenever a Secretary of the Treasury agreeing with Mr. Carlisle should come into power; and that there was a Congress, both of whose Houses were purposing to substitute for that an unlimited coinage of depreciated silver whenever they could get rid of the constitutional restraint imposed only by an individual will?

There has never been a day since the resumption of specie payments until long since the present Administration came into power when, if you had taken a thousand dollars in gold and a thousand dollars in silver into any national bank in the country, the bank would have given a dollar for its choice between the two as a deposit. It may be that a bank—one of whose customers was paying a large body of workmen their wages on a pay day—might have given something for the silver for convenience of making change. The silver currency of the country was maintained practically on an equality with gold.

I believe that if President Cleveland in his inaugural address had declared that every authority vested in him, or in the Treasury Department, would be used to keep every dollar of our currency as good as every other, and had been left at liberty by the pledges of the platform on which he was elected to add assurances that there should be no change made in the protective system which should not take effect far enough ahead to allow existing industries to adapt themselves to the new condition of things, the calamity which is upon us would not have come.

The purchase of silver under the act of 1890, in my judgment, is a wasteful and extravagant expenditure of the public money. It never could have been excused, but as an escape from the fiat money of the Bland bill, and from the threat of an absolute free coinage of silver. But we could have maintained our national

credit and the integrity of our national currency in spite of it, without disaster or panic, but for the advent of President Cleveland to power.

Mr. DUBOIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. HOAR. Certainly.

Mr. DUBOIS. I should like very much if the Senator from Massachusetts would make a little clearer his statement in regard to the danger of free coinage at that time. I was a member of the other House then and recall the fact very distinctly. I think we could not pass a free-coinage bill through the House, and I understand that the Senator himself says that President Harrison would have vetoed a free-coinage bill. I should like to have the Senator make it a little clearer why the act of 1890 was passed to save us from free coinage.

Mr. HOAR. I have made it as clear as I know how. I will repeat in substance what I said. Undoubtedly Mr. Harrison would have vetoed the bill for the free coinage of silver. There is no doubt about that whatever; but they tell us—and that is the point I am making and I repeat it—the monometallists or whatever, President Cleveland in his message says, that the panic was caused by the fact that foreign nations are afraid we are going to pay them in depreciated silver currency, which, whatever may be its credit here, whatever it may be maintained at here, they can not take home with them and pass for their dollar's worth, and that is what has caused our trouble.

My proposition is that, if foreign nations take that view of the present law, what would they have taken of the Bland bill? I am going to show in a moment that you could have coined a good many more dollars under it than under the Sherman law. What would be the effect on the credit of the American people? If they are frightened by an existing condition of things which maintains silver on a parity with gold, what sort of fright would they have had when you put out \$24,000,000 or \$18,000,000 worth of silver with no obligation to keep it even with gold, and that only as an alternative to a condition of things in which both Houses of Congress wanted the free coinage of silver and could not get it over the President's veto. That is the point.

It may be well, before leaving this subject, to point out exactly the extent of the difference in the matter of purchasing silver under the operations of the much-reviled law of 1890 and that of which it took the place. Taking the average price of silver from the time when the Bland bill was repealed and the law of 1890 took its place, down to the first day of August, 1893, at the rate of \$2,000,000 worth a month—the smallest amount which the law made it the duty of the Secretary to acquire—it appears that only \$23,000,000 more of silver has been purchased under the Sherman law than would have been uttered if the Bland bill had continued in force.

At an expenditure of \$23,000,000, therefore, this country escaped from the evil which President Cleveland anticipated as coming upon us in the near future, and which he so vividly and eloquently portrayed: escaped the certain addition of upwards of thirty-seven millions a year, or upwards of one hundred and

ten millions in three years of fiat silver currency, and the not impossible addition of twice that amount; and escaped, also, the danger of having both Houses declare for the unlimited coinage of silver. We have also to set against this expenditure the actual value of the bullion received for this twenty-three million so expended.

But this is not all. If the other limit in the discretion of the Treasury Department had been reached—in accord with nearly the unanimous desire of the Democratic party—we should have had about \$112,000,000 more of the fiat money, and the balance would have been \$89,000,000 in favor of the law of 1890.

Taking the price of silver as it was on the first of the current month (70 cents an ounce), \$2,000,000 worth, coined into dollars, would have produced \$3,685,714, while 4,500,000 ounces of silver at the same price cost only \$3,150,000; showing that the purchase of silver under the Sherman law, at the present prices, is more than a half million dollars a month less than would be coined under the Bland bill.

Mr. MCPHERSON. That is the minimum?

Mr. HOAR. That is the minimum. I have made two tables here to show that very clearly.

The following shows the operation of the Bland bill and the Sherman law compared:

	Minimum.	Maximum.	Absolutely.
Monthly purchases of silver under Bland bill, at 83 cents (estimated average) an ounce, coined into dollars, would have produced, since Sherman law was enacted:			
One month	\$3, 108, 433	86, 216, 866	-----
Three years	111, 903, 588	223, 807, 176	-----
Four million five hundred thousand ounces silver, at 83 cents, cost:			
One month	-----	-----	\$3, 735, 000
Three years	-----	-----	134, 460, 000
A monthly purchase of silver under Bland bill, at present price of silver (70 cents), coined into dollars would produce:			
One month	3, 685, 714	7, 371, 428	-----
Four million five hundred thousand ounces silver, at present price (70 cents), would cost	-----	-----	3, 150, 000
Monthly indebtedness under Sherman law less than it would be under Bland bill, at present price of silver	535, 714	4, 221, 428	-----
Average monthly excess of the amount of silver certificates over market value of the silver (or silver dollars they represented) when coined, which would have been issued under Bland bill since Sherman law was enacted (silver at 83 cents an ounce):			
One month	1, 108, 433	2, 216, 866	-----
Three years	39, 903, 588	79, 807, 176	-----
Monthly excess at present price of silver	1, 685, 714	3, 371, 428	-----

NOTE.—(1) Under Sherman law the coined dollars (and certifi-

lates) represent the market value of the silver, when coined, and no more.

(2) Under the Sherman law the entire credit of the Government is pledged to keep silver at a parity with gold. Under the Bland law there was no such obligation.

Or to restate the comparison a little more compactly:

	One month.	Three years.
UNDER SHERMAN LAW.		
4,500,000 ounces of silver, at 83 cents (average).....	\$3,735,000	\$134,460,000
UNDER BLAND BILL.		
\$2,000,000 worth of silver a month, at 83 cents.....	2,000,000	72,000,000
Excess represented by certificates (and the coined dollars).....	1,108,433	39,903,588
Against Sherman law.....	3,108,433	111,903,588
\$2,000,000 worth of silver, at 70 cents (approximately rate of last purchase).....	628,567	22,556,412
Excess when coined.....	2,000,000	
	1,685,714	
4,500,000 ounces of silver, at 70 cents.....		3,685,714
		8,150,000
In favor of Sherman law at present time.....		535,714

NOTE.—Three hundred and seventy-one and one-fourth grains pure silver (amount in one silver dollar) being by law worth a dollar in gold, 1 ounce of silver (480 grains) is worth \$1.29, making the Bland dollar at par when silver is \$1.29 per ounce.

We are told by our Democratic friends of sound money in the Eastern States, we are told by the newspapers who are the special organs and supporters of the President that it is our duty in this day of our country's trouble to forget party and to cooperate with the President in renewing public confidence and restoring a sound currency. They tell us we must say nothing and do nothing that will weaken his authority or impair his just influence. They tell us we ought to stand by him in all honest efforts and all lawful and healthy measures. The advice is good. We will take it. When he cries to the Republican party to lend a hand to get him and the country out of the morass in which he and the country are sinking, we will do it. We will neither taunt nor upbraid him till he is safe on dry land out of the swamp, and not then unless he tries to plunge the country into another.

Now let them deal with us in the same way. Let them deal out to us the same measure of justice they ask for him. The weight of this burden is upon the shoulders of Congress where the responsibility for all legislation rests. The President's duties, as he said when he accepted his first nomination, are chiefly executive. He has sent in his message, and his constitutional relation to that whole subject is over until we send him a bill.

Now let him and his organs do justice to the men who have fought this battle. When he or they have occasion to discuss our action in enacting the law of 1890, let them repeat to the

people what he said about the condition of things from which that bill extricated the country. When they say that the increase of our silver under the Sherman act hurts our credit abroad, let them tell the people that we should be now purchasing \$500,000 worth a month more if the law which it repealed were in force. When they say that our securities are sent home because foreign investors are afraid we shall come to pay them in silver, let them in honesty and decency tell the people how foreign investors would, in their judgment, have felt if, instead of the pledge of the honor and all the resources of the American people to maintain the silver dollar at a parity with gold, no such obligation existed anywhere, and both Houses of Congress had declared themselves in favor of the free coinage of silver into dollars, worth from 60 to 70 cents in gold, and the measure had been kept from becoming law only by the interposition of a single will.

Now, Mr. President, I have but a word or two more to say in regard to the necessity which seems to me to be upon us, and which I regret as much as any man in the country, of temporarily suspending the coinage of silver under the Sherman law. Gentlemen must remember, Senators representing the especial silver interest must remember, what we have got and what we are to have in the way of silver coinage in this country for a long time to come. The stock of gold on the 1st day of January, 1893, in this country of coin was \$597,961,390, and the bullion in the Mint \$81,826,630 more, making together \$679,788,020. At the same time we had a stock of silver amounting to \$501,378,706, and bullion at its cost value \$99,824,220 more, making \$601,202,926.

But if this bullion be coined into dollars under the present arrangement, the money value of the silver bullion to be coined would make in dollars \$183,961,740. If you deduct its cost, \$99,824,220, and add the \$84,137,520 balance, you are to have, as against a stock of gold coins, in this country \$579,788,020, and a stock of silver coin and to be coined of \$685,340,446. The present gold coinage is only about \$30,000,000 a year. Nobody supposes that our silver will leave the country or be melted up at that rate of value in dollars. So it will take two and one-half years to have a stock of gold in this country, of gold coin, equal to the existing stock of silver coin. When you remember that there were but \$3,000,000 of silver coined by this country down to the year 1873, I do not think our silver friends are quite warranted in calling us gold bugs, and threatening to wade up to their horses' bridles in blood, when the policy which is proposed maintains for them \$685,000,000 of silver, \$70,000,000 more than the stock of gold coin in this country, and equality even between the two coins will not arrive for two and one-half years.

There is a great difference between a declaration by this country, in time of panic, of a purpose to establish and adhere to an exclusively gold standard of value and an exclusively gold currency as a medium of exchange, and the declaration that we will adopt the policy to which all the commercial nations of the world have come, until by their consent a bimetallic standard can be adopted. At present, and for a long time to come, our supply of silver in circulation and in the Treasury must largely exceed our supply of gold. Advocates of silver, or bimetallic,

can not complain unless they take the ground that we shall establish a currency of our own in order to maintain a market for their product—an avowal which I think no Senator on this floor will have the courage to make.

No candid advocate of silver currency can affirm that the people of the United States have not gone to the extreme limit of public safety in the struggle to maintain silver in connection with gold as the monetary standard. We have purchased this metal and coined it and given it a legal-tender power beyond its value for fifteen years. We have, at the expense of the people, purchased it in large quantities beyond any public necessity and beyond any desire of the people to use it as money. During all this time it has been constantly on the decline. Even India has abandoned it. Certainly the experiment has been fully tried and the Government has gone to the extent of its resources in obedience to their desire.

I suppose, Mr. President, that with the coinage of the silver dollar stopped this country could maintain without difficulty our present volume of silver currency on an equality with gold. Some of our friends are apt to point with dismay to the mass of silver coin in the Treasury. But every coin in the Treasury that is represented by a silver certificate is in practical circulation in the most convenient way. I do not believe that the great commercial nations of the world will long submit to be deprived of the great advantage which seems to me to come from the use of both the precious metals. I look still for an international agreement upon this subject. If that shall come, the relation of the two metals to each other will be carefully reconsidered.

But I believe one can be—I will not say established by law, but I will say—ascertained by experience which, when recognized by law and by the common consent of mankind, can be maintained without substantial change for generations to come. From such a condition of things the communities upon whom the present crisis bears the hardest will reap, in my opinion, the most abundant harvest. They will cease to depend on a single product, fluctuating in price, with its ever-present temptation to gambling and speculation.

I am not unmindful of the opinion of some of the wisest and best financiers that the supply of gold is sufficient for the world's wants for a metallic currency and a standard of value. I do not agree with them; but it may be that the product of gold will increase, at least, to the world's needs in that respect, if not sufficient now. This opinion may, in the end, prevail. I do not think anybody who can be trusted has settled yet what are the wants of the world's business, or has any very clear idea on the subject or knows very accurately what is likely to be the world's product of gold.

Within twenty years silver has been discarded as a measure of value in every country of importance but Mexico. It is not a measure of value in the United States, and has not been since 1834. There is no human probability that it will ever be restored to that function unless some time in the future the supply of gold shall become subject to great fluctuation and the supply of silver become steady. We can not provide for such contingencies and

it is needless to speculate about them. But I am utterly opposed to a declaration that we will never use silver again as currency, or will never again coin it for a legal tender.

To make such a declaration by Congress, or to adopt such a policy, would, in my opinion, arm every agitator and anarchist and socialist with an almost irresistible weapon. They would say that by the perpetual adoption of a single standard the world's burden of debt would be constantly growing heavier, and that the prices of the world's product would gradually and constantly be falling. In support of their contention they would point, not only to the opinions of the fathers, but to the recent utterances of nearly every public man of all parties; of candidates for the Presidency; of nominating conventions; and, with scarcely an exception, of every person clothed, or likely soon to be clothed with legislative authority. They would point to the fact that even in England the representatives of the last Tory administration inclined more and more to the bimetallic standard, properly adjusted, and to the policy of giving silver a share in the function assigned to the precious metals. I suppose they adhere to that view now. I do not believe that a policy of eternal monometallism, adopted in a time of panic, could stand.

It is enough for the present occasion to say that there should be no further coinage of silver, except by the unanimous consent of commercial nations. Upon that policy, if we adopt it voluntarily, we can stand. If we decline to adopt it voluntarily, we shall be compelled to it, alike by the loss of trade and by the necessities of all classes; chiefly, however, of the laboring men of the country, who can not live without a stable currency and a steady credit.

