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The Financial Question.

SPEECH

OF

HON. JOHN T. MORGAN,

OF ALABAMA.

IN THE SENATE OF THE UNITED STATES,

Wednesday, September 6, 1893.

JOINT COMMITTEE ON FINANCIAL QUESTIONS.

The Vice-President laid before the Senate the concurrent resolution submitted yesterday by Mr. MORGAN; which was read, as follows:

Concurrent resolution to raise a joint committee of the two Houses to consider questions of finance, etc.

Resolved by the Senate (the House of Representatives concurring), That a committee of the two Houses of Congress be raised, to consist of seven Senators, to be appointed by the President of the Senate, and seven Representatives, to be appointed by the Speaker of the House of Representatives, who together shall constitute a joint select committee on finance, the chairman of which shall be chosen by the committee, by ballot, and he shall appoint a clerk to said committee.

2. Said joint committee shall hold its sessions in the Capitol, and in such other places as a majority thereof shall direct, and may employ a stenographer, and such messengers as shall be found necessary, and shall have power to direct the administration of oaths and to send for papers and persons. Eleven members of said joint committee shall constitute a quorum to do business.

3. Said joint committee shall examine into the financial and monetary condition of the Government and people of the United States, with a view to devising means for the betterment thereof, and, to this end, shall have full jurisdiction to examine and report upon any financial or monetary question that concerns the people or the Government of the United States.

4. Said committee shall make a special examination of the following subjects, and report upon each, separately, in their recommendations to Congress, and may submit one bill or several bills to the respective Houses to carry their recommendations into effect, that is to say:

(1) The full or partial remonetization of legal-tender silver coins and the ratio of legal value that shall be established between such coins and coins of gold.

(2) The revision of the laws relating to legal tender, so as to prevent unjust discrimination in the legal-tender quality of any descriptions of money coined or issued by the United States, or for the redemption of which the Government is pledged.

(3) The repeal of the taxes upon the issues of State banks that circulate as money, and what restrictions upon the conduct of such banks are necessary for the public security and welfare, and are within the competency of Congress to provide.

(4) The actual cause of the present embarrassed condition of the people and the national banks, in reference to the character or the supply of circulating medium, and the consequent paralysis of trade and industry. And what further legislation is required to prevent the national banks from abusing their powers under the law, either by their separate dealings, or in combination, concert, or conspiracy with other banks or persons to the detriment of the Government or the people of the United States.

(5) Said joint committee may appoint subcommittees, to consist of not less than four members thereof, three members to constitute a quorum, who shall be empowered to sit in any place in the United States and to take testimony on oath to be administered by the designated chairman of such subcommittee, to be reported to the general committee. Such subcommittees shall be appointed under the resolution or order of the general committee, in such manner as they shall agree.

(6) The expenses incurred in the execution of the requirements of this concurrent resolution shall be borne in equal sums by the respective Houses of Congress, to be paid out of the contingent funds appropriated, or to be appropriated by Congress.

The VICE-PRESIDENT. The question is on agreeing to the resolution which has just been read.

Mr. MORGAN. Mr. President—

Mr. VOORHEES. What is the action desired by the Senator from Alabama?

Mr. MORGAN. I desire a vote on the resolution.

Mr. VOORHEES. A resolution of so much importance, it strikes me, ought not to be voted upon without reference to a committee and its examination. It involves a question of the greatest importance. I think it will have to be referred to the Committee on Contingent Expenses, any way—

Mr. MORGAN. No.

Mr. VOORHEES. And at the proper time I shall move the reference of the resolution to the Committee on Finance.

Mr. MORGAN. That will be a very proper motion, Mr. President, and whenever it is made we shall discuss it.

Before I submit the resolution to the Senate for reference, however, I desire to modify it by striking out the sixth clause of it.

Mr. VOORHEES. I give notice that the resolution can not be taken up now unless it displaces the regular order. The Senator from Texas [Mr. MILLS] has given notice of a speech to-day, the Senator from Nevada [Mr. STEWART] has the floor to conclude an unfinished speech, and I shall ask the Senate, in all fairness and candor, to continue the consideration of the pending business of the Senate, which is House bill No. 1.

Mr. MORGAN. Mr. President, I have been absent for some time from the Senate, unfortunately—

Mr. HARRIS. If the Senator from Alabama will allow me, I will suggest to him that he has a right to modify his resolution, and that he need not move to amend it.

Mr. MORGAN. I have already done that. I have modified it in the particular I have indicated.

The VICE-PRESIDENT. That has been done.

Mr. MORGAN. Then I wish to strike out "eleven," where it occurs in line 15, and insert "nine," so as to have a quorum consist of nine members instead of eleven.

The VICE-PRESIDENT. That modification will be made.

Mr. VOORHEES. I ask, and if necessary, I move, that the Senate proceed to the consideration of the regular order of business.

Mr. MORGAN. The Senator from Indiana ought to know that he can not take me off the floor by a motion of that kind. What I desire to do is to inquire of the Chair whether the rules of the Senate have been so far altered in my absence as that there is no longer a morning hour? If there is a morning hour, I have the right to occupy my position here now on the floor in the advocacy of a measure which comes up in the morning hour.

The VICE-PRESIDENT. The Chair will state to the Senator from Alabama that there has been no change in the rules.

Mr. MORGAN. Very good. Then I am in order, and the Senator can wait for his bill until 2 o'clock. That is the rule of the Senate at least.

Mr. VOORHEES. I desire simply to say that, while that is true, the Senator from Alabama, with exceeding delicacy, takes two Senators off the floor who have given notice of their desire to address the Senate. One of them, the Senator from Nevada [Mr. STEWART], is on the floor with an unfinished speech and the other with a notice given of an intention to speak. That is all I wish to say.

Mr. MORGAN. I shall be entirely delicate and respectful to every Senator in this body, Mr. President, when he is in order; but I am in order now, and no Senator has the right to the floor to supercede me speaking to a resolution which the President of the Senate has laid before the Senate. This body has jurisdiction of the resolution because it is in the morning hour and the President of the Senate has laid it before the Senate. Therefore I am not guilty of any indelicacy towards any Senator in trying to assert what are my rights under the rules of the Senate.

The Senator from Indiana has given notice of a motion to refer this matter to the Committee on Finance. If the joint select committee which I propose, Mr. President, were not expressly intended to supercede the functions of the Committee on Finance in both Houses that would be a very proper motion, but I do not expect that the Senate will refer to the Committee on Finance a measure which has for its purpose to supplement the powers of the Committee on Finance, because the action of that committee up to this time has not been in conformity with, and it does not entirely or properly cover the condition or the necessities of this country. That is not a friendly committee to any general plan of financial relief or reformation.

In my own conception of the situation, there being no human being responsible for this resolution but myself, I have thought that there was an attempt made here to cure a great breadth of financial trouble and evil and difficulty in the United States by the administration of a certain nostrum to cure a particular part of a complaint which the people of the United States re-

ognize as being a very serious one and having many different aspects.

An extensive combination of diseases needs a broader treatment than the measure reported by the Committees on Finance of the two Houses.

I have not observed a greater difference between any Senators, since I have been in this body, than exists apparently between those Senators who are in the advocacy here of the repeal of the silver-purchasing clause of what is called the Sherman act of 1890. In regard to what shall take place after that repeal has been accomplished they have no common purpose, no agreement, no accord. There seems to be a great wildness of conjecture, a great want of concert of action amongst the gentlemen, all of whom agree together to repeal that portion of that law, as to what shall take place after it has been repealed; and the object of this resolution is to place it in the hands of the two committees of the two Houses to determine what is to be done in the event the Senate shall concur or shall fail to concur with the House in its proposition to repeal the purchasing clause of the Sherman act.

Will any man undertake to say that there will be no necessity for further legislation after that law has passed, or after it has been defeated? Has any one hinted that that repeal is to be a cure of the financial difficulties of the people of the United States? Is it proposed to do anything more than to give a mere respite to action until the country can right itself up, or until the legislation of Congress, which is necessary to bring the country right, can be matured?

No one has suggested, I believe, as yet that this particular remedy is going to relieve the country of all the great evils that we are experiencing now and have been experiencing for the last few months, indeed for the last year.

Therefore, it is necessary not only to meet public expectation, but it is a necessary duty devolving upon legislators of the United States in Congress assembled that they shall take a broad, general, and complete view of all the difficulties which have been suggested in respect of the financial and monetary situation of the United States; that they shall in their wisdom fully and completely investigate the whole subject, and when they have understood it that they will bring forward either one bill or several bills for the purpose of rectifying all the troubles under which we are living, or else dying.

The differences that exist, Mr. President, are very marked in respect to the remedies which have been suggested. Some of those men who claim to be *par excellence* Democrats, who have enjoyed that honorable name for many years, and have fought many valiant battles under the flag of the great Democracy, think that one remedy, perhaps an all-sufficient remedy, to be applied to the situation after the repeal of the purchasing clause of the Sherman act has been carried through, is that which is so emphatically and clearly stated in the Democratic platform at Chicago, the repeal of the tax upon the issues of the State banks. There are other Democrats of just as good standing, and Republicans also of good standing in their own party, who believe that the next measure that ought to be adopted after the repeal of this purchasing clause will be the remonetization of silver. When I speak of the remonetization of silver, I mean to have it placed where it was in 1873.

There are both Democrats and Republicans on this floor and in the other House who believe not only that that is a necessary policy to be observed to secure financial smoothness and equality of financial operations, but that it is a constitutional right of the people to have the free coinage of silver—not of the people *en masse*, but of every individual man in the United States to have this, and upon the united basis of gold and silver coins to reestablish the system of banks chartered by the States.

When you commence to deal with matters which appertain to the constitutional rights of individual men in the United States you begin to trench upon a somewhat delicate ground, and it is necessary to be cautious and careful. At a more convenient time I hope to discuss this question.

So there are men who believe that the action of Congress in the demonetization of silver and the destruction of its constitutional and legal parity with gold has violated the Constitution of the United States, and that this country has no chance of recovery, no possible hope for a remedy, until that violation has been withdrawn and the evil which it has inflicted has been healed. There are men of that sort here, and they are neither few nor are they weak.

There are men here who believe that the common working, laboring classes of the people of the United States, of Great Britain, of France, of Germany, of Italy, of Austria, of Russia, and of every civilized power in this world, are obliged to have a silver currency in order to live; that they can not conduct their daily operations, their small industries, and feed their families without the aid of a silver currency. In most of the countries

of the world, and in the United States also—shame that it should be said—this silver currency is called a subsidiary currency. More than that, it is dwarfed in its metallic value. Two silver half dollars, or four quarters, or ten dimes do not contain as much silver bullion as a dollar of the fathers by $8\frac{1}{2}$ grains, I believe it is. That sort of money is supposed by a good many political economists and very sounding and resounding Democrats, who boast themselves of being just and liberal to the people of the United States, to say the least of it, to be good enough for them.

Our silver currency amounting to $412\frac{1}{2}$ grains to the dollar, nine parts fine, is under the law, except when it is superseded by a contract, a full legal tender for all debts, public and private. Your subsidiary coin, which the people must use every day in their transactions, or go hungry and naked, is a legal tender for \$10, and only for \$10. There are \$100,000 of subsidiary coin used in the United States in the daily transactions of the people to \$5,000 of full round silver dollars and gold coin, but that is considered good enough for the common people of the United States. Shovel off upon them four quarters for a dollar, two halves for a dollar, ten dimes for a dollar, which contain $8\frac{1}{2}$ grains less of silver than the dollar itself, and say, "With this you can pay a debt of \$10, but no more; while with gold you can pay a debt of any amount, and with any gold that has been coined. If it is below the standard of legal circulation, you can take it and weigh it out in the scales and make your creditor take it."

That is the legal-tender quality of gold. The silver dollar of $412\frac{1}{2}$ grains you may pay your debt with, no matter what it amounts to, unless the contract is the other way. All the subsidiary coin that you furnish to the people with less bullion in it than there is in the silver dollar, where the functions of money are equivalent to the face of the coin, you shovel upon the people and say "That is good enough for you." And, in the jealousy of the holders of gold, even that is denied to the poorer classes in proper supply.

Democrats have been accustomed, since I was a boy, to declaiming against class legislation. You legislate for the wealthy classes of this country by putting in your acts legal-tender money, with a full quota of silver in it or gold in it, as the case may be, and when you come to legislate for "the common masses of the common people" you say, "Take your depleted half dollars and your quarters and your dimes that you have to buy your daily bread with and get for your wages. That is good enough for you." I do not like that class feature in the legislation of the Congress of the United States. I am very much in favor of a proposition that has been made here, and argued and debated, of making all the minor subsidiary coins of the United States carry fully as much silver metal as the dollar of $412\frac{1}{2}$ grains.

That is one of the things that we ought to be looking after. There is a point where we can rectify the rights of the people. There is the point where we can take care of the masses against the classes. There is a clean-cut proposition making it necessary for the action of some committee, and it ought not to be the Committees on Finance of the two Houses, for one House has passed over this great subject and sent to us, having apparently exhausted their powers of wisdom and contrivance, a bill that contains a single proposition, without looking through the whole field of legislative duty and providing for what the country so urgently needs and demands and what justice requires. That is a point that can be taken into consideration by this joint select committee of the two Houses, as it has not been by the standing committee of either House.

Another point may be taken into consideration by them, and ought to be and must be considered and settled before the financial system of the United States can even claim moderate respectability. That is, the legal-tender laws of the country.

Mr. PEPPER. By way of suggestion to the Senator from Alabama, I have the act of February 28, 1853, in my hand, in which it is provided that the weight of the half dollar, or piece of 50 cents, shall be 192 grains. If we double that we have 384 grains, which subtracted from the weight of the dollar, $412\frac{1}{2}$ grains, leaves a difference of $28\frac{1}{2}$ grains.

Mr. MORGAN. That is not pure silver?

Mr. PEPPER. No.

Mr. MORGAN. It is standard silver.

Mr. PEPPER. Standard silver.

Mr. MORGAN. I had reference to pure silver.

Mr. PEPPER. It is nine-tenths of that.

Mr. MORGAN. Nine-tenths. Now, we have quite a medley, quite a patch-work, quite a crazy-quilt performance, here in our statute books on the subject of legal-tender money. Under the Revised Statutes, section 3587—

The gold coins of the United States shall be a legal tender in all payments at their nominal value, when not below the standard weight and limit of tolerance provided by law for the single piece, and, when reduced in weight below such standard and tolerance, shall be a legal tender at a valuation in proportion to their actual weight.

That is what the legal-tender laws of the United States do for gold and gold coin. It is an advantage that is unseemly and unjust.

Under section 3587 of the Revised Statutes the minor coins of the United States are legal tender for 25 cents.

Under sections 3473, 3475, and 5182 of the Revised Statutes:

After any such association shall have caused its promise to pay such notes on demand to be signed by the president or vice-president and cashier thereof, in such manner as to make them obligatory promissory notes, payable on demand, at its place of business, such association is hereby authorized to issue and circulate the same as money; and the same shall be received at par in all parts of the United States in payment of taxes, excises, public lands, and all other dues to the United States, except for duties on imports; and also for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States, except interest on the public debt, and in redemption of the national currency.

Now, there is a limited, peculiar, legal-tender quality given to the national-bank notes differing from all other legal-tender qualities given to all other species and descriptions of money.

Silver dollars of the weight of 412½ grains troy, of standard silver * * * which coins together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise expressly stipulated in the contract.—(Revised Statutes, sections 3069, 3473, 3474, 3513, 3586; Statutes, volume 20, page 25.)

Silver dollars are subjected there expressly to the stipulation that may be made in the contract between the parties, whereby they may establish for themselves a legal-tender rate and a legal-tender law as they think, but no judge would ever think of executing it.

That the present silver coins of the United States of smaller denominations than \$1 shall hereafter be a legal tender in all sums not exceeding \$10 in full payment of all dues, public and private.—(Statutes, volume 21, page 8.)

The act of March 3, 1863, provides that—

Treasury notes issued under the authority of the acts of March 3, 1863, chapter 73, and June 30, 1864, chapter 172, shall be legal tender to the same extent as United States notes for their face value, excluding interest: *Provided*, That Treasury notes issued under the act last named shall not be a legal tender in payment or redemption of any notes issued by any bank, banking association, or banker calculated and intended to circulate as money. (Revised Statutes, section 3590; Statutes, volume 12, page 710; Statutes, volume 13, page 218.)

There is another entirely peculiar phase of legal-tender law applicable to a particular part of our currency.

Then we come to Treasury notes:

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and when so redeemed may be reissued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom, then held in the Treasury, purchased by such notes; and such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued; and such notes, when held by any national-banking association, may be counted as a part of its lawful reserve. That upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion. (Statutes, volume 26, page 239.)

That is the act of the 14th of July, 1890. Then comes the old foundation act, the legal-tender law, in regard to United States notes:

United States notes shall be lawful money and a legal tender in payment of all debts, public and private, within the United States, except for duties on imports and interest on the public debt. (Revised Statutes, section 3588; Statutes, volume 12, page 711.)

Here are nine different legal-tender laws applicable to the different kinds of money issued by the United States.

Now, I submit, Mr. President, that there never was such a medley of legislation upon one vital topic as that which now infests the statute books of the United States. If there was a ground of distrust of the value of the currency of the United States, of its actual money value, that ground would be firmer and stronger under the feet of the objector in respect to the legal-tender laws than any other part of the whole fabric of our patchwork of finance and monetary system. It is a crude, ill-digested, contradictory, elaborate, almost impossible-to-be-understood system of legal-tender laws, applying to all the various aspects of money that from time to time we have had occasion to put forth to meet the exigencies of our political and financial situation.

Ought that not to be remedied? Ought not any money issued by the United States or any money redeemable by the United States or any money coined by the United States (unless, perhaps, it is the minor coins made of nickel and copper) to be an equal legal tender for the payment of debts? If you have a legal-tender value attached to money at all, why is it that every dollar in the United States issued or coined by its authority is not of equal legal-tender value? Who, in framing a monetary system, would ever think of making this gross batch of inconsistencies and absurdities a part of that system? Until we get rid of that, discriminations are necessarily to be made, and will always be made, between the different classes of money issued by the authority of the Government of the United States.

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That is a very important subject for the consideration of the Congress of the United States, one that we can not pretermit. We can not forbear to act upon it without disappointing just expectations and without impeaching the wisdom, if not the integrity of our action upon this financial question.

Our national-bank system stands between the people of the United States and the Government as the almoner, I will call it, the distributor of the promises of the Government of the United States that stand for money. While it has been guarded with all the care and supervision that has been possible by the wise men who have dealt with it heretofore, it is still an utterly insufficient system for the protection of the people against just such calamities and troubles as we are emerging from to-day.

Now, is that the fault of the system itself? Have we a system that may be abused by the adroitness of financiers here and in Europe to such an extent as that the national banks may violate all of their duties to the people and to the Government with absolute impunity, and yet, as the honorable Senator from Texas [Mr. COKE] told you the other day, and the honorable Senator from Missouri [Mr. COCKRELL] told you also, require the people of the United States to pay interest upon every dollar of national-bank notes that goes into circulation? They furnish the credit; they furnish the representatives to enact the laws; the laws are enacted; and the laws impose upon the money the people handle every day, taxation and interest. The people have to bear all these burdens; the banks bear none of them; and while the people are in this condition, the banks at will and pleasure perform or violate their duties, according to their best interests, and not according to the obligations either of oaths or public duty. Is that the fault of the system, or is it the fault of the administration of the system? That there is a fault no man denies, no man can deny.

I will not this morning, Mr. President, undertake to go over what has been so well portrayed here by the Senator from Colorado [Mr. TELLER], from facts that he has brought in evidence before the Senate, and by the Senator from Missouri [Mr. COCKRELL] upon an equally strong statement of facts, to show the criminal responsibility of the national banks of the United States in their dealings with the people of this country in these latter days, and especially during the last five or six months. There is no necessity on this occasion for me to do that. I hope to speak of this at a later date. There is not a man who can read the promise on the face of a bank note in the United States who does not understand it. We may think that this subject is so clouded up that the common people of this country can not understand it, but they all understand it perfectly, and they have at last learned, at the expense of a terrible experience, that they are to be made the sufferers of every financial calamity that can be brought upon this land.

They are beginning to understand that their representatives in the Senate of the United States and in the other House, either because of their being tied up with political affiliations that they dare not break through, or because of their indisposition to take the responsibilities of their high and awful position, stand by and refuse to grant them relief. They even stand by and refuse to consider the subject of relieving them. The House committee has had this subject before it, and the Senate Committee on Finance also; and with all of this startling development of cruel disappointment to the people of the United States, bringing almost actual starvation into the houses of thousands and hundreds of thousands of good people, they have been standing by and witnessing the refusal of the banks to pay their depositors when they had the money in their vaults and did not deny it; refusing all discounts upon paper and securities, it made no difference how good they were; locking up all the avenues of trade and industry, so that no man could do more than feed his family, and a great many could not do that.

These Representatives have stood by and seen the whole of it, and they have been as dumb as statues upon the subject of the interests and rights of the people, and of their responsibilities to them. They come forward with one single proposition where there are many to be considered, and demand of us that we shall consider that, and only that; and after we have received from them this modicum of what they claim to be a temporary relief, and not a complete and thorough and satisfactory relief to the people, then we are compelled beseechingly to ask them if they will not, in their goodness and benevolence to the people, after a while take up these other subjects for consideration and lend a helping hand.

I can not do my duty unless I demand more of the Senate of the United States than that, and I do demand it. I demand it, sir, as a Democrat. More than that, I demand it as an American Senator. If any party tie stood in the way of my making this demand and enforcing it I would strike it from me with delight and go as an honest and a free man to the fearless representation of an honest and free people. I could not be bound

by such slight obligations to party ties while refusing to do my duty to a suffering constituency.

What are we to do about the rehabilitation of the State banks? There is not a wealthy man in the Senate who is in favor of it—not one. There is not a wealthy man in the United States I have ever heard of, who is in favor of it. If it depended upon their votes we would never get it, it would be an impossibility, notwithstanding that great pledge of the Democratic platform. Is that to be recalled? Is it to be swallowed whole? Is it to be ignored? Have we no responsibility of a party kind connected with the consideration of that question? Yet, Mr. President, if I were to offer such an amendment to the bill from the House pending here it would be voted down by the friends of the repeal of the Sherman act.

It would be voted down without hesitation. It would be voted down by them with the same unanimity of feeling that they would vote down the free coinage of silver, and so the rectification of the legal-tender laws would be voted down by them. If I should have the temerity to bring into the Senate a proposition that every dollar coined and issued by the United States Government should be an equal legal tender for the payment of debts, it would be voted down. So would any proposition to restrain the banks from destroying the industries of the people be discarded.

What we must do, if we do any thing at all for the sake of the people, is to do all that is in our power to consider the whole length and breadth of these great questions and determine them at one time and by one committee, and also in one session of Congress.

If this committee is properly constituted it would consist of representative men from every political party in this country. It would consist of seven members of the House and seven members of the Senate. Amongst that membership of seven there would be ample room for all the parties who are represented on this floor, the Populists, the free-coinage Democrats, the anti-silver Democrats, the free-coinage Republicans, and the anti-silver Republicans. They could all have a full and fair representation upon that committee in both Houses, and when they have met together for the purpose of considering the measures that are necessary for the welfare of the people of the United States we would find no mere party assemblage there.

We would find an assemblage of every interest represented on the floors of the two Houses. A just representation of the people of the United States, and every man would have his voice, could bring forward his facts and his views and make his report, and when the reports came into the two Houses the House and the Senate would have nothing to do but to adopt that report which will best coincide with its views of the requirements of the general situation and the welfare of the whole country.

Now, if we want to get at this question in a nonpartisan spirit—and almost every gentleman who has discussed this question in either House, I observe, has attempted to have the country believe that he approached it in an entirely free and nonpartisan spirit—if we want to get at this question in a nonpartisan spirit, let us have a committee upon which all of these respective interests are directly and distinctly represented. After such an examination of this great and comprehensive subject, it will be the duty of all parties to acquiesce in the wishes of the majority and to aid in carrying their plan of finance into full execution.

Then the people of the United States will have confidence in your patriotism and your impartiality. Then they will say you are conferring in a friendly spirit with all the people and all their representatives, and you are trying to bring them into harmony of action upon this great question of finance. You are trying in good faith to relieve the people.

Is there any reason why that should not be done? It ought not to disappoint the expectation or wound the pride of the Committee on Finance in the Senate or in the House that this should be done, for the reason, if there were no better reason, that you can not get concert of action between the two Houses otherwise than by the action of a joint committee. These two Committees of Finance, although they are Democratic in majority both in the House and in the Senate, are not in concert of action in every particular.

There has been but one point upon which they could meet. There has been but one point that they were willing to discuss or could afford to discuss. They have either ignored or else they have refused to consider every other proposition except the single one of coalescing with the honorable Senator from Ohio [Mr. SHERMAN] in destroying the act which he was so proud of here, and for several sessions after it had been enacted. That is as far as they can get.

Well, that does not go far enough to suit me as a Democrat. I never recognized the honorable Senator from Ohio as my file-leader as a Democrat. There were some other Democrats in the United States whom I preferred to affiliate with in former

times. I will name one of them—Allen G. Thurman. Allen G. Thurman was always a free-coinage Democrat. I believe he has not lived until he has been forgotten as a Democrat. His teachings and his honorable labors in behalf of Democracy, as well as free coinage, will survive in the memory of men the history of 90 per cent of the members on this floor to-day, or who have been here in the last thirty or forty years. When you speak about great and good and consistent men who are Democrats I may proudly refer you to Allen G. Thurman, the Old Roman; not the modern Roman, who is represented in the person of the Chairman of the Committee on Finance.

I took up the Washington Post this morning, which I always read with satisfaction, because it is a bright paper, and it usually holds the front row, I may say, upon the news that is current through the United States. I find the following special to the Post:

NEW YORK, September 5.

The last trace of acute stringency in the money market disappeared to-day, there being no premium on cash. The banks are now paying out cash freely. The steamships Umbria, La Champagne, and Saale brought about \$1,500,000 in gold.

The whole amount of the profits of the dealers in currency while the premium lasted aggregates \$1,000,000, the statement of the representative of one firm being that their profits were \$600,000. The profits of the remaining brokers are easy of estimate. The firm making the largest established a lead from the beginning, though forced by two banks to withdraw their accounts. The third bank accepted their account only on condition that currency should never be demanded of them. This and other discouragements offered by the banks intimidated many from engaging in the business, else the aggregate of profit might have been larger and the banks themselves forced to buy currency. The railway and express corporations helped the banks out by refusing to sell their cash receipts, and the premium on currency thus ended to-day and sooner than would otherwise have been the case.

The premium will not return in half a century. Banks say that the conditions producing the scarcity were unusual, and will never occur again in ordinary circumstances.

The most valuable of the influences against a premium is the growth of the sentiment against the sale of currency in hard times. The banks have been supported during the struggle to keep the premium down by the leading mercantile and stock houses.

Those who have had to buy the money have been principally large employers of labor, and the immediate effect of the dropping of the premium will be that more factories will start up, and concerns that have failed will not have to postpone resumption of business longer than is absolutely necessary.

Bankers at the uptown resorts said this evening that they had for the first time in five weeks been paying merchants and business men currency on demand and in whatever denominations were desired. Their customers were delighted, and the bankers assured them that henceforth they may expect to get currency of whatever denomination they asked for on their checks.

What has produced that marvelous relaxation, that sudden brightening up of the zenith and the horizon around the monetary world? What has so inspired these gentlemen as that they at last give their consent that the people of the United States shall have the use of their own money; that the depositors shall actually have their drafts honored when they are sent to the banks, and that "gilt-edge paper" may be discounted in the banks? What has produced this marvelous toning up of the confidence of the banking institutions in the United States? Is it the passage through the other House of the bill to repeal the Sherman act? It has not passed the Senate yet. We are invited to pass it. We are urged to pass it. We are commanded to pass it. We are threatened if we do not pass it. Our Democracy is questioned if we hesitate to pass it; but there seems to be quite a disposition on the part of the Senate to look into the subject before they pass it; they want to examine into it. These gentlemen who have become so confident in the monetary situation in the United States are not counting with absolute confidence upon the action of the Senate. No, sir; it is a different thing.

Four or five months ago this movement was commenced. It was commenced in Great Britain. It was commenced by a determination in Great Britain that the monetary system of the United States should be brought down to the English basis. Money had been loaned here upon bonds and securities of various kinds, put up as collateral, and if they could make money scarce in the British markets and hard to obtain, of course the collaterals would go down in value and would have to be sold. They made the cinch upon the monetary world in Great Britain and Germany, but chiefly in Great Britain. They got these securities on the down grade. The bears were triumphant. The speculators in lower prices had the rule of the money market, and the control of the bond market, and the margin market, and everything connected with the pledge of stocks as security for loans; and down and down went the securities that had been pledged in Great Britain for the loan of money.

These securities, it is said, were sent home for sale, and they were sold, and they were bought, and as soon as these men got hold of enough of them to make themselves rich, as soon as they had secured the market in their own hands and could buy them almost at their own prices, then they relaxed the money market and said to the people, "We have confidence now; we will relax the money market and prices will go up; ease and comfort will come into the monetary situation; bonds will rise, and we will reap a tremendous harvest out of this situation."

That is how it happened; and the wise gentlemen who fancy that they understand all about finances and financial operations can not deny these statements. Neither can they state any other ground for the terrible conflict and depression that we have passed through than that I have just stated.

The money of the United States, Mr. President, is not used for the purpose of developing agriculture, or mining, or the interests of forestry, or even of shipping and navigation, and scarcely for railroads. The great bulk of the money of the United States that is employed in Wall street is handled by the gamblers in stocks. They get the first call on the money market. They go there with their bonds, their securities piled up, and pledge them as collateral for the purpose of getting money to buy more with, and to speculate upon them, for that is the whole routine of their life and their business—speculation, and nothing else. When a merchant in good standing, I care not how good he may be, or a manufacturer with large industries under his control of the greatest possible advantage to the country and all the way from 1,000 to 10,000 employes and operatives to be taken care of, goes to one of these banking institutions and asks for a loan upon any kind of mortgage or pledge that he can possibly put up, they will not let him have it.

Now, there is a reason for that, and a good banking reason. The man who handles stocks can always throw them upon the market, and his money is borrowed upon call. It is a call debt. When the market shows that the stock which is put up as security is depreciating, and is likely to go below the proper margin for the payment of the amount loaned, the banker has not anything to do but to take it and put it upon the market and sell it and realize. A merchant goes to one of these banks that has had perhaps a million dollars loaned upon call, fortified by stocks as a collateral security, and asks for a loan. "What length of time do you want?" "Why, I want thirty days (or sixty days or ninety days) time. I am obliged to have some credit. I can furnish you ample security, of good indorsers, but I am obliged to have some credit." The answer is: "We can not take your paper at all, for the reason that we can make more money upon our call loans. We can handle our money two or three times over in a month, perhaps; at all events, it is always ready when we demand it, and if it is not paid we can go into the stock market and sell securities and realize." So that the great mass of the money of the country is employed continually in supplying funds for stock gamblers.

This thing reaches across the ocean, and there must be points where there are accumulations of capital sufficient to supply this great demand for money. Where are they? Go and unlock the vaults of the Rothschilds' treasury, and you will find one of them; unlock the Seligman vaults, and you will find another; unlock the vaults of four or five of the great banking houses of Europe, and you will find them all. They are all there.

The fountain sources of the supply of money are there. They control the money, not of individuals merely, but of governments; they control the whole financial system of Europe, and our banks go there to borrow money to lend to the stock gamblers, and not to lend to the people. So when there comes a tightness in the money market of Europe we find that the first effect is to place these bonds and securities upon the market at the loss of the stock gamblers, and we find that the next effect is that no commercial or industrial man can get a shilling on any paper that he can offer; no credit that he had been a lifetime building up is worth a cent to him; nothing is worth anything to him, because the power of the banks is controlled almost exclusively by the gamblers. That is why the people can not get in contact with their own institutions and their own money. That congestion is passing away, it seems. They have bought their stocks at great depreciation, and now they begin to want to realize, and money is let loose and prices rise. Prices rose 10 per cent in a week on stocks sold in the markets in New York.

Mr. HOAR. I should like to ask the Senator from Alabama, with his leave, if his statement of facts as to the course of the business of the national banks as to their preference in loans is made as the result of his observation of the national banks of his own State? Is that their course of business, so far as he is informed?

Mr. MORGAN. My observation, Mr. President, of course has been confined to the national banks of my own State pretty much, but the national banks of Washington also do the same thing, and I have some acquaintance with what they do. I know that a merchant can not go here in Washington city and get his bill discounted, no matter how good he makes it on the security of indorsements, and get the money for the purpose of carrying on his business. He can not make a loan in a national bank in Washington, but a man who can go and put up certain stocks for security can do so.

Mr. HOAR. If the Senator will permit me, I do not think it would be proper to rise to controvert his statement of fact about what comes within his personal observation, but I think I can say,

as a man who has had some large experience in business affairs in my own State and large observation as a professional man, that that statement is not true of the banks of Massachusetts or New England. The class of speculators described by the Senator are the terror of the national banks. They never like their paper, and they get rid of it and reject it when they can. The business of the banks is almost exclusively confined to discounting the business paper of manufacturers and merchants at moderate rates, and these banks have been paying dividends of late years of about 5 or 6 per cent only. The panics, which the banks are charged with getting up, light upon the banks with more severity than on any other kind of capital invested in business.

Mr. MORGAN. Does the Senator from Massachusetts know how many savings banks in his State have demanded thirty days' notice from depositors?

Mr. HOAR. I do not, but I suppose they all do when they are expecting a run.

Mr. MORGAN. Every one. They demand time; they will not pay, and they can not pay. Their resources are locked up.

Mr. HOAR. That is entirely another question, which I will not interrupt the Senator to go into at this time, but I shall discuss it at the proper time.

Mr. MORGAN. It is not by any means another question. It is a part of the same troubles. The savings banks in Massachusetts and in all of New England have been remarkable for their punctuality in their dealings, and for their meeting all the demands brought upon them by the poor people who put their money in their charge; and now, even those honest New Englanders, who have handled the money of the people with so much care, so much circumspection heretofore, are forced by conditions which they can not possibly obviate or correct to demand thirty days' time when a poor fellow who has a deposit of \$5 in the savings bank goes there to get his money to buy bread for his family.

Mr. HOAR. If my honorable friend will pardon me I think I know something of that also. What reputation I can give as a voucher for the statement I give, that the poor fellow whom the Senator describes will always get, does now get, and has through this panic got his money.

The thirty days' notice is a mere protection against a run, a panic, an excitement, an utterly unfounded delusion, but during all this time, as a rule in our savings banks, persons wanting their money to pay their taxes, to support their families, or to meet obligations which they had contracted depending on the savings bank deposit to meet them, have got their money.

The Senator is aware that the banks can only take to the amount of \$1,500 from any one person in Massachusetts.

Mr. GRAY. With the permission of the Senator from Alabama, may I ask the Senator from Massachusetts a question?

Mr. MORGAN. I am in hopes that the Senator from Delaware and the Senator from Massachusetts will both come in and debate this resolution, for the reason that I want it carefully examined before it is acted upon.

Mr. HOAR. The Senator should remember that my last statement was made in reply to his question.

Mr. MORGAN. I want this resolution adopted because the Senator from Massachusetts and myself, without either of us desiring to make an incorrect impression in the slightest degree, find ourselves at cross points, at loggerheads, on a very important state of facts; and I want the proposed committee to examine into the facts and give us the truth, and let us see who is right and who is wrong.

Mr. GRAY. May I make a single observation in line of what the Senator is saying?

Mr. MORGAN. Yes.

Mr. GRAY. If I understand it—I do not know how it may be in Massachusetts—all of the savings banks of which I have any knowledge have it as a rule, it is one of their by-laws, that when a deposit is made it is made subject to the understanding or contract that thirty days, or some specified number of days, notice shall be given before the deposit is withdrawn.

Mr. MORGAN. Of course, Mr. President, that is the way it is done.

Mr. GRAY. It is part of the contract with the depositor.

Mr. MORGAN. Otherwise they would be put into bankruptcy, or perhaps their officers would be put into the penitentiary for not having complied with their obligations to pay the money, and so they have a reservation of thirty days; but when do they ever use that right?

Mr. GRAY. Only in times like these.

Mr. MORGAN. Yes, in times like these. It is because these times exist that the necessity has been forced upon the banks to claim thirty days before paying the deposits of these poor bread-winners.

Mr. HOAR. Ninety days.

Mr. MORGAN. I want to investigate. I want the country in-

formed, and I want the country relieved in respect to these matters, not that I have any particular pet measure which I am advocating here or anywhere else, but I want the Congress of the United States to look into the whole subject and do everything that can be done for the purpose of rectifying these evils.

I thought, Mr. President, that I would read some extracts from the letter of the president of a national bank in Alabama to me upon the subject of the depression which exists in that State amongst the laboring people. It is not necessary that I should read the letter at large, and I find also that one sheet of it is missing. I thought I had it here.

This gentleman goes on to state that in those splendid iron industries in Alabama, which have been so prosperous and have done so much good to the people there and to the United States and to the world, the payment of wages of laborers is made daily or weekly in meat and bread. They do not ask any money; they do not expect to get it; they are working for a bare subsistence—enough to support them and their families. Men who could ordinarily get their \$2.50 to \$5 a day are working in the mines and in the iron establishments in Alabama upon a contract that they will receive from the companies enough meat and bread to feed their families. They can not get any money, and could not get any.

The people of the State of Alabama, through their newspapers, are sending up supplications and prayers to, heaven, and also to the national banks for some relaxation of the stringency of money matters. Once in a while a paper will come out in triumph and glee and say, "We are to have money to buy cotton;" and that carries a cheerful thought to the hearts of these poor laboring people of my State—money to buy cotton, as if the world did not need that staple as much almost as it does food; cotton, which has always commanded gold as well as currency whenever it might be landed at a railroad depot or on a steamboat, or on any place where it is accessible to navigation, from the time of its foundation as one of the leading industries of the United States; cotton, which has been crowned as a king in some of the days of this present generation, is a poor pitiful beggar wanting to know whether there is to be money to buy cotton.

Who has the control of the money so that the people who raise cotton for the clothing of the human family can not find a market for it, can not find money to sell it for? Who has got the money locked up? Who has got the control of it? Do you not know who has it? Has anybody ever suggested a doubt or a question that the money was locked up in the hands of banks and of bankers, that they have got the control of all the monetary system and the entire finances of the people of the United States? More than that, they bring their pressure to bear in this instance, as they have frequently before, just at the time when the wheat, cotton, and corn crops are maturing. Corn and wheat and cotton are at prices now which are discredit to the Congress of the United States, which are a disgrace and a shame to these bodies, because we have not stood by our people and enabled them to have a sound currency for the purpose of carrying their crops to the markets of the world.

Wheat down even below 50 cents a bushel, cotton 5 to 5½ cents a pound, corn at less than 30 cents a bushel, and all because the banks and bankers have got the money locked up in their vaults and treasuries and will not let the people have it, while they are taxing them to pay interest on it, and we stand idly by here and dream of party success and party allegiance and party fidelity, and see our people starve and go naked, and never raise a hand or a voice to undertake to care for them. I am not of such, thank Almighty God. [Manifestations of applause.]

I could go on, Mr. President, and show from the papers I have before me—but I shall not now refer to them—other very important facts to prove the necessity of our taking hold of this subject in a strong and earnest way.

Now, I have no pet policy or purpose about it. I am willing to go with and abide by my people after they have had a full hearing and after a free conference upon any system of measures which will make our people secure henceforth against these outrages and wrongs from which we are just now escaping. I care not whether it may be called a Republican, a Democratic, or a Populist measure—it makes no difference. If it will give the relief to the people, in accordance with the Constitution of the United States, which they have a right to demand at our hands, I will unite with whoever it is that brings that measure forward if it commends itself to my judgment. I am not going to be illiberal or stringent about it, either. I am not going to inquire whether somebody outside of this Chamber wants it done or does not want it done. I am not going to ask persons who have no legislative power whatsoever to form joint commissions to investigate this question. I feel upon this question the responsibilities of a representative of my State and people; I feel the necessity of action. I desire broad, catholic, orthodox action in

respect of this question, consistently with the Constitution of the United States, and that is all I desire.

If you want to take the tax off the State-bank system, and that is the judgment of Congress as being one of the useful remedies or one of the best remedies which can be adopted, do so. If you want to remonetize silver as a means of restoring confidence and as a means of giving to the people a basis of credit and power of redemption, do that. I should be delighted if you were to do it. If you want to strike both gold and silver to death, if necessary, do it, if it is for the welfare of the people; but let us, Mr. President, hold the reins over our own institutions and our own establishments; let America furnish to Americans the proper currency to circulate in their business, let us not be dependent upon Great Britain or Germany or France for anything in respect of our currency. We have the material here to build up a system of finance better than any that exists in this world.

We already predicate a system of finance which requires us to redeem \$800,000,000 of circulating paper on less than \$100,000,000 in gold, and we sustain it without difficulty. What supplies the great vacuum between \$100,000,000 of gold in the Treasury and \$800,000,000 of paper in circulation in the hands of the people, for the redemption of every dollar of which the United States is responsible? What supplies it? The credit of the people. Their taxpaying power, their labor, their toil, their economy, their suffering, their patriotism supplies all that great breadth of disparity between \$100,000,000 of gold in the Treasury and \$800,000,000 of paper to be redeemed.

I say, let us help those people to bear these burdens; let us give them, as far as it is possible to do so, all the relief that we can. While we are here in Congress, while this question is up, while it is absorbing the public attention, while it is engaging the utmost efforts of everybody connected with government, while it is making demands upon our time, upon our talents, upon our energies, our industry, and our honesty and courage, of the most supreme character, let us not refuse to take the whole subject into consideration, and so deal with it and dispose of it that this country and our noble toilers shall have a monetary system suited to our greatness.

Mr. President, I could broaden this view of the question, if I had time to do so and felt that I was warranted in doing so, upon one idea or line of thought, which I shall merely suggest. The States of the western hemisphere from Mexico and Central America down, including all of South America, have a monetary system which is somewhat akin to ours—pretty close kin—based chiefly upon silver. They have also free republics and constitutional governments, which are copied after ours; they have sympathies in common with us; they are becoming more and more great producing peoples; their contributions to the commerce of the world are becoming exceedingly important. Those contributions ought to be interchanged in New York, and not in London.

There is enough of financial wealth and power in the western hemisphere to make of New York a city greater, within a comparatively short period of time, than London is in its financial and commercial power. If we will, in the effort to adjust our financial system, accommodate it to the interests and conditions of the people in South America, we can draw them right to our homes, with all their trade and credit. They are suffering as we are, perhaps in a worse degree, from the same causes; they have not got the credit that we have, and if a great joint committee of the two Houses would also take that subject into consideration and act upon it there would be brought into the Treasury of the United States and into the reach of the people an amount of wealth and power that we little dream of. That is one of the matters which this great committee ought to consider. It has not been considered heretofore, or, if so, in such a perfunctory manner that nothing has come of it. The subject has been slurred over.

Within what length of time, Mr. President, could this committee prepare itself to act upon all the leading propositions which I have suggested, or others, if you please, and report either separate bills or one bill to cover the whole question? I can take the honorable Senator from Missouri [Mr. COCKRELL], whose seat is now occupied by my colleague [Mr. PUGH], and put him at the head of a committee of that kind, and in twenty days he would have all the facts before this body which would be necessary for the purpose of having the subject perfectly understood and acted upon with wisdom, caution, and security. There would be no trouble about that.

By the time that in decency and in order the debate in this body would end upon the proposition which is now before it by the passage of the bill of the House as amended by the Committee on Finance of the Senate, the Senator from Missouri in charge of a committee of 14 members of both Houses—I designate him merely because his qualities and characteristics, his energy and his power entitle him to be designated—the Senator from

Missouri could take such a committee as that, and, under his leadership, be prepared, within thirty days, to submit a plan which would cover the whole field of financial and monetary legislation in which we ought to engage.

I am entirely unambitious in this matter, and if the Senate of the United States should raise this committee, I give notice now that I would not accept a position on it, my notice being predicated upon the fact that I can look around me and see half a dozen Senators, both Democrats and Republicans, who are better fitted for such work than I am.

I want, Mr. President, that our people shall come together; I want that the finances of the people of the United States shall not be knocked about, like a weaver's shuttle, between politicians while they are suffering and starving; I want that they shall have relief, and that the politicians shall not stand in their way. I am as much a politician as any of them; but when I get upon a question of this sort, I am willing to surrender my politics for the welfare and interests of the people. So I announce that if the Senate should pass the resolution in the form I have it, or in any form whatsoever, I will not be a member of that committee. I want to stand upon ground where I can recommend this

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measure to the consideration at least of the Senate of the United States entirely aside from all party and personal considerations.

Now, is there any reason why we should not do this? Can any man, from pride of opinion or otherwise, rise in his place and object to having a great joint committee act on this subject? Have we not on many occasions when our country was imperiled, when the people were suffering, raised great joint committees to consider questions like this, before whom everybody could be heard and in whose body almost every feature of opinion in the Senate and House of Representatives was distinctly represented? That is all I ask you to do. It makes no difference whether the bill which is now before the Senate shall pass or shall not pass, the duties of this committee would be just as vital in the one event as in the other. The committee would be ready with its investigation, ready with its report, to take up this subject after the pending bill had passed or failed to pass, and enter upon the consideration of the broader view of the duty of the Congress of the United States toward the people. Then hope would revive in the hearts of the people, and we should inspire them with confidence, so much needed, in the justice of their own Government.

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