

Silver.

SPEECH

OF

HON. JOHN M. PALMER,

OF ILLINOIS.

IN THE SENATE OF THE UNITED STATES,

Tuesday, August 22, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. PALMER said:

Mr. PRESIDENT: It has been said on this floor that every Democratic Senator present at the time voted against the passage of the act of July 14, 1890; the Chicago convention in terse and vigorous language denounced the measure and demanded its repeal, and the Presidential candidate, nominated by that convention and elected by the people of the United States, concludes his last message to Congress, saying:

I seriously recommend the prompt repeal of the act passed July 14, 1890, authorizing the purchase of silver bullion, and that other legislative action may put beyond all doubt or mistake the intention and the ability of the Government to fulfill all its pecuniary obligations in money universally recognized by all civilized countries.

Thus it will be seen the act of July 14, 1890, was opposed by all the Democratic Senators when it was passed, was denounced by the Democratic national convention in 1892, and the President, acting in the strictest accordance with the declaration of the convention, impressed with the measureless evils inflicted upon the country by the measure, has convened the Congress, in which the Democratic party has complete ascendancy, and urges upon that body the "prompt repeal of the provisions of the act passed July 14, 1890, authorizing the purchase of silver bullion."

This manifest concurrence of Democratic opinion would seem to justify the expectation of the country that the so-called "Sherman act," or at least its objectionable parts, would be repealed at once after the meeting of Congress and the business of the country relieved from evils so forcibly depicted by the President. The expectation of the early repeal of the provisions of the act that authorizes the purchase of silver bullion was, before the

meeting of Congress, so firmly fixed in the public mind that the people of the country, who are suffering the evils brought upon them by this vicious legislation, expected that Congress would act at the earliest moment for their relief.

They expected that a Democratic Congress would promptly respond in the spirit of the Democratic platform to the urgent recommendation of a Democratic President and repeal the law so destructive to the public interests and so generally and justly condemned by public opinion. I admit that it was feared by many and predicted by a few that Republican members of Congress, and especially Republican Senators, would in some way labor to embarrass Democrats in their efforts to repeal a measure passed by a Republican Congress and approved by a Republican President; and it was reported that certain Senators, who are considered by the country to be preëminently the champions of the silver interests, had "given out in speeches" that they would resort to all the parliamentary methods allowed by the peculiar rules of this body to delay final action upon the question of repeal. But it is gratifying to find that the conduct of some leading Republican Senators warrant the belief that the fears of the many and the predictions of the few were unfounded.

The junior Senator from Massachusetts, fresh from the other branch of Congress, where he had distinguished himself as a party leader, at an early day in this session proposed the absolute repeal of that part of the act of 1890 which provides for the purchase of silver bullion. The senior Senator from the same State, without defending the act, only justified its passage as necessary to the defeat of another measure which he regarded as far more objectionable, and the distinguished Senator from Ohio, whose name is connected with the act, explains his vote in its favor upon the same grounds, and both of these eminent leaders avow their readiness to vote for the repeal, and there are reasons for believing that a majority of the Republican Senators are ready to cooperate with them in the same end, and the Senators from the so-called silver States have shown no disposition to hinder or obstruct an early consideration of the recommendation of the President.

Mr. President, like the distinguished Senator from Missouri, to whose eloquent speech we listened a few days ago with so much pleasure, I supported the President, and urged others to do so, upon the distinct ground that in his letter accepting the nomination offered to him by the Democratic convention, he avowed his devotion to Democratic principles as defined by the party platform, and I maintain, in opposition to the criticisms of the Senator from Missouri, that the recommendations contained in the late message of the President are not only in accordance with the Chicago platform, but practically cover the whole financial policy outlined in the Chicago resolutions.

To make this point clear, I quote from the platform:

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 market, and in payment of

debts. and a demand that all paper currency shall be kept at par with and redeemable in such coin.

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

And for the same purpose, and to make the comparison easy, I again quote the recommendation of the message:

I seriously recommend the prompt repeal of the act passed July 14, 1890, authorizing the purchase of silver bullion, and that other legislative action may put beyond all doubt or mistake the intention and the ability of the Government to fulfill all its pecuniary obligations in money universally recognized by all civilized countries.

Nothing can be more emphatic or clear, as will appear by the platform, than its denunciation of the Republican legislation known as the "Sherman act of 1890," and the demand for its repeal is equally emphatic. It was denounced as so fraught with possibilities of danger that all its supporters as well as its author should be anxious for its repeal.

The President, as will be seen, recommends its prompt repeal. The platform further asserts, speaking to the whole Democratic party:

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.

And the President, without reiterating the language of the platform, affirms, in substance, that the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, and, in effect, recommends to Congress such 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 market and in the payment of debts, and that all paper currency shall be kept at par with and redeemable in such coin." And the President, without specific suggestions as to methods, after recommending the prompt repeal of the act passed July 14, 1890, urges "other legislative action (and he means undoubtedly in the line of the platform) that may put beyond all doubt or mistake the intention and the ability of the Government to fulfill all its pecuniary obligations in money universally recognized by all civilized countries."

It certainly requires no argument to prove that all civilized countries recognize the American dollar unit, of both gold and silver, when of equal intrinsic and exchangeable value and of equal power at all times in the markets and in the payment of debts, and all civilized countries recognize a paper currency at all times kept at par with and redeemable in such coin. As the convention specifically denounced the act of July 14, 1890, as fraught with future danger, the President might well specifically urge its prompt repeal now that the anticipated danger of evil results are realized, and the country may reasonably expect that a Democratic Congress will promptly respond to the Executive recommendation.

Nor can it be ground of just complaint by the supporters of the Chicago platform who are committed to the proposition that "the dollar unit of coinage, of both gold and silver, must be of equal intrinsic and exchangeable value, and of equal power at all times in the markets, and in the payment of debts:" that the President submits it to the wisdom of Congress to devise and

adopt "legislation that will put beyond all doubt or mistake the intention and the ability of the Government to fulfill all its pecuniary obligations in money universally recognized by all civilized countries."

But the Senator from Missouri says:

We are told that the repeal of the so-called Sherman act, or the purchasing clause, is all that is necessary at the present conjuncture, and that the clouds will be immediately lifted from the business and financial horizon, and the sun of prosperity again beam on every portion of our land.

It may be that there are some who believe that the repeal of the purchasing clause of the so-called Sherman act is all that is necessary at the present conjuncture—but it is obvious from the language of the message that the President is not one of those who so believe; that he regards the repeal of the purchasing clause as essentially necessary to the return of prosperity is manifest, not only from his specific recommendation that it be promptly repealed, but from the overwhelming proofs he furnishes that the dangers with which it was fraught are now realized, and though the President makes no specific reference to the coinage of silver, it can not fairly be urged by anything said by him in the message that he does not now, as he did in his letter accepting the nomination made at Chicago, hold to the use of both gold and silver as the standard money of the country, and the coinage of both gold and silver without discriminating against either metal, nor does it follow that, because he fails to say one word in regard to bimetallism, he would disapprove of legislation which would provide that the unit of coinage of both metals should be of equal intrinsic value at all times, in the markets, and in the payment of debts; and I will add the expression of opinion that the great majority of the American people would not only approve but would rapturously applaud legislation which would establish and maintain the bimetallism of the Chicago resolutions.

I do not now pause to inquire whether bimetallism as defined by the platform is attainable by either of the methods suggested in that paper, an "international agreement" or the safeguards of legislation, or by a combination of both; but I assume that no loyal adherent to the Chicago platform will consent to the coinage of either gold or silver, unless the dollar unit of coinage of both metals be of equal intrinsic and exchangeable value, and with the equal power of every dollar at all times in the markets and in payment of debts, for it is declared by the platform that this policy is especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and fluctuating currency.

Mr. President, the Senator from Missouri no doubt favors bimetallism and free coinage as defined in the Chicago platform, and I think I may venture to say that he holds 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, insisting, however, that the dollar unit of coinage of both metals shall be of equal intrinsic and exchangeable value, with the equal power of every dollar at all times in the markets and in payment of debts.

If I am correct in this statement of the views of the Senator

from Missouri I most cordially concur with him, and am ready to follow his lead in promoting legislation which will secure that result to the country. Mr. President, the purchasing clause of the Sherman law does not aid the free coinage of silver. I make this statement upon the authority of the distinguished Senator from Missouri, and if anything more was needed to establish the truth of that assertion, it will be developed by the origin, object, and history of the law, and by a reference to the facts which illustrate its influence upon the financial situation of the country.

The act of July 14, 1890, originated in the councils of the Republican party: its object and purpose was to defeat the free coinage of silver upon the then existing ratio. That object and purpose is avowed by the Senator from Ohio, its putative author, and whose name it bears, and his avowal is confirmed by the distinguished Senator from Massachusetts whose means of knowledge are equal to those possessed by the Senator from Ohio himself, but there can be no doubt but that the measure was favored by Senators from the silver-producing States for the reason that it provided for the monthly coinage of two millions of silver dollars until the 1st day of July, 1891, and made perpetual provision for the monthly purchase of four and a half millions of ounces of silver bullion. They abandoned the free coinage of silver, which seems to have been within their reach, for the sake of a market for a large proportion of the silver product of the United States for the preceding year.

Whatever may have been the object of the authors of the act, or the combination of interests that secured its passage, it is the belief of its authors that its passage defeated the measure of free coinage, which was then impending, and I believe that its effect has been to render the coinage of silver upon the bimetallic plan of the Chicago platform exceedingly difficult, if not impossible. Bimetallic coinage is not possible while the purchasing clause of the act of July 14, 1890, remains in force and is executed by the Secretary of the Treasury.

The only power possessed by Congress with respect to the purchase of gold or silver or other metals results from the grant of power to "coin money, regulate the value thereof, and of foreign coins." In the exercise of this power Congress may provide for the purchase of any of the metals used for coinage purposes in whatever form they may be found. Millions of avoirdupois pounds of silver bullion which we can not coin upon a ratio yet ascertained or established, and which from its volume is a menace to the silver market, and is so worthless as a fund for the redemption of the Treasury notes issued for its purchase that though they are nominally payable in gold or silver coin at the discretion of the Secretary of the Treasury, and made by law a legal tender for all debts, public and private, except when otherwise expressly stipulated in the contract, and are receivable for customs, taxes, and all public dues, and when held by any national banking association may be counted as a part of its lawful reserve, their parity has only been maintained by the established fixed belief in the public mind that no Secretary of the Treasury would dare exercise his discretion to redeem them in silver coin; and yet Senators who voted against the act of 1890,

and were then fully impressed with the dangers to the business interests of the country with which it was fraught, and who adhered to the Chicago platform, now refuse to vote for its unconditional repeal.

The reasons given by Senators for their refusal to vote for the repeal are quite as surprising as the refusal itself. The Senator from Missouri, in his speech from which I have already quoted, and the Senator from Arkansas, who uses nearly the same language, and speaking of the act in question said:

I am willing to repeal it, but I am not willing to give up the whole silver question with the repeal.

And after an interruption he added:

I meant to say that, until there is some assurance that we are not to go to a gold standard and we are not giving up the last monument of silver and leave it without any legislation, we do not propose to take a step which leads to monometallism.

Mr. President, how can the repeal of the act amount to giving up the whole silver question? To whom does the Senator look for an assurance that we are not to go to the gold standard, and who has authority to give to the Senator such an assurance, and in what sense can the Sherman act be called the last monument of silver: and if a monument of silver, what is its value; and as it deals with silver (which until its passage was a money metal) as a mere commodity, how can its repeal be a step which leads to or is in the direction of monometallism?

The passage of the act of July 14, 1890, gave up the whole silver question, as it expressly provided that the coinage of the standard silver dollars should cease on the first day of July, 1891, and that silver bullion should be bought in the open markets without making any specific provisions for its coinage. Under its operation the price of silver advanced to the average ratio to gold of 19.76 in 1890, but it was so ineffectual that in 1893 the ratio to gold increased to the disadvantage of silver to 28.52.

Mr. President, the country is now at the gold standard. There is no use in attempting to disguise this fact. Silver, the only rival of gold as a money metal, was made by the act before us, and is regarded in the world of commerce and trade, as a mere commodity, to be priced in gold. Silver coin now performs but a mere subsidiary office, and can never reach a higher plane of usefulness until the dollar unit of silver be made of equal intrinsic and exchangeable value to the dollar of gold, and be impressed with equal power in the markets and in the payment of debts. In order to this end the act of July 14, 1890, which at once operates to increase the glut of silver and the already over-charged Treasury, and disturbs the silver market by subjecting it to unnatural conditions, must be repealed.

Mr. President, I do not despair of bimetalism as defined in the Chicago platform, but I do believe that in the present state of the silver market it is beyond the power of any finite mind to fix a ratio of silver to gold that will produce that result. The market value of silver bullion is in a state of chronic fluctuation; it is affected by constantly disturbing conditions, of which the continued operations of the act of July 14 is one of the most potent. The country is committed to the present ratio, not only by law, but by the fact that there is a stock of silver coin in the

United States estimated on the 1st day of January, 1893, at \$492,903,266, all of which would be practically converted into bullion by an alteration of the ratio, for it would be necessary to recoin the silver coin in the Treasury and to redeem that in the possession of the people.

I repeat that it is impossible now, by any agency that has been suggested, to find and fix upon a ratio which will afford or produce the essential conditions of bimetallism, which is that the dollar unit of coinage of both metals possess equal intrinsic and exchangeable value, and the dollar of both metals to possess equal power at all times in the markets and in the payment of debts. The coinage of silver upon any other ratio than one which would certainly produce bimetallism would be but to introduce a new element of uncertainty and confusion, which would not only continue but aggravate the condition of financial distress which has not only ruined the silver-producing States, but threatens all the industries of the country.

Mr. President, the country is now upon a gold basis, and the values of all property and of all commodities, including as well silver as all the products of the farms and of the factories, are now fixed and regulated by gold.

Mr. President, ours is a country of marvelous resource. It is increasing in population and wealth and power with a rapidity unexampled in the history of nations: and at present, in my opinion, there are but two lines of policies which can offer the least possible hope for escape from our present situation of embarrassment and distress.

One of these lines of policy is to repeal the purchasing clause of the Sherman act, and then by legislative action put beyond all doubt or mistake the intention of the Government to fulfill all its pecuniary obligations in money universally recognized by all civilized countries. This course should be consonant with the character of the great, manly American people. We are not, as might be inferred from some of the speeches made upon this floor, timid mendicants, trembling in the presence of the financial power of England. We are, or will be when we recover our natural courage, the rivals not only of the little island so often mentioned, but of the greater Britain which includes so large a portion of the globe.

Mr. President, with commerce unshackled by useless restrictions and a mercantile marine which an unshackled commerce will create, the United States will meet our English rivals in every port and demand and obtain its fair share of the money recognized by all civilized nations.

I once saw my country torn by contending armies; one portion of it desolated by war, and its industrial system overthrown; the other, which represented the existing Government, often defeated and on the very verge of bankruptcy, but never yielding to despair. When it was threatened, by the England who is now so much dreaded, with armed intervention and possible dismemberment, still I never faltered in my hope of restored unity, increased national strength, and of a measure of national prosperity unequalled in our previous national life.

I do not now doubt the firmness and courage of my countrymen. They will not consent to take refuge from the financial

power of England by the adoption of a mere timid, interterritorial system of coinage, established and enforced by a ruthless law, which, disregarding intrinsic values, isolates them from the world and its commerce, which they hope at no distant day to dominate and control, and will deprive them of the lead in enlightened civilization which they may now fairly claim to hold.

The American people will not now adopt the cast-off systems of India and of the least civilized peoples of the world, and no middle ground is possible.

The gold standard is upon us; bimetallism, as defined by the Chicago platform, is still possible, after all obstructions to its adoption are removed. But we can not now enter upon the doubtful experiment of new ratios. We can relieve the business of the country by resolutely repealing the Sherman act, and in that way withdraw the Treasury from the silver market. We should adhere to the present ratio, and by laws judiciously framed encourage the use of silver coin, and then calmly watch the influence of events upon the relative values of the two metals, ready to take advantage of circumstances, with the hope that by the use of effective means the country will at no distant day reach the point when both gold and silver can be coined and used without discrimination between them, and the dollar unit of both metals be of equal intrinsic and exchangeable value, and at all times possess equal power in the markets and in the payment of debts.