

SPEECH

OF

HON. RICHARD BARTHOLDT
OF MISSOURI,

IN THE

HOUSE OF REPRESENTATIVES,

THURSDAY, AUGUST 24, 1893.



WASHINGTON.
1893.

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The House 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. BARTHOLDT said:

Mr. SPEAKER: When I entered this House it was my firm determination to merely vote and not to speak upon this question, not only because I am a new member, but because older and wiser heads would, I knew, state in abler arguments and more eloquent terms what I conceive to be the immediate needs of the country and our duty resulting therefrom. When I take the floor, after all, it is because under the method of procedure which the majority party has laid down for this House, no time will be saved by remaining silent; and second, because from the remarks of those of my distinguished colleagues from Missouri who have already spoken, wrong impressions might be gained as to the attitude of the people of our grand old State on this most important question.

It might be inferred from the speeches of my colleagues on the other side of this Chamber that the same sound sentiment which at one time successfully resisted Missouri's surrender to the Confederacy, was now advising a unanimous and unconditional surrender to the silver barons instead; that, in other words, the people of Missouri were a unit in favor of the free and unlimited coinage of silver at the present or some other ratio. This, Mr. Speaker, is not true. It is a reflection upon the sound judgment, upon the intelligence of our people. I readily understand how this false impression might have been created. Our State has fifteen Representatives upon the floor of this House. By an artful gerrymander 266,909 voters were entitled to send thirteen Representatives, while 227,480, or, counting the entire anti-Democratic vote, 265,740 votes, could only send two. Our side of Missouri has not been heard from, and I now propose that it shall. It is the progressive new Missouri that I shall speak for, not the one of ante-bellum days, but the grandest State of the Union, with its great manufacturing and commercial interests and its three millions of people whose welfare and very existence depend upon a sound and stable currency.

I am speaking for the great metropolis of the Mississippi Valley, St. Louis, and her extensive territory of gardens and farms, and her manifold commercial, industrial, agricultural, and rail-

road interests. These interests have spoken with no uncertain tone of voice as to what they expect us to do in the present emergency, but to the gentlemen on the other side who have thus far represented my State upon this floor they seem to have appealed in vain. These distinguished gentlemen continue to fiddle while Rome is burning.

Yes, we say, Rome is burning; when banks, factories, and business houses are closing, and thousands of laboring men are being locked out and deprived of their daily bread. But it is not a question as to the origin of the conflagration—we are all fairly familiar with the chain of causes and effects—the duty of the hour is to extinguish the flames. How shall we revive the hopes and restore the confidence of our people? That is the problem we are called upon to solve. To review from the standpoint of science and philosophy the monetary systems of the world will not solve it. To discuss, academically, the niceties and intricacies of the financial problem, will not solve it. To make unpatriotic distinctions between the East and the West, and to draw undemocratic lines between the interests of one class and those of another class, will not facilitate, but render more difficult the final solution.

What is needed is action, immediate and decisive action. The suffering people pray for and demand a certain medicine. Shall we stubbornly withhold it? There is not a member on this floor who is not morally convinced that a proposition to repeal the silver-purchasing clause of the so-called Sherman law, if submitted to a popular vote, would be carried by an overwhelming majority. I for one shall vote according to that conviction. It matters little, Mr. Speaker, whether this provision of the law is the only, the main, or any cause whatsoever of our financial and economic difficulties, whether or not its repeal will cause the immediate return of business prosperity, sunshine, and hope. If not financial experts we are, as public men, students of human nature, and as such we know that imagination is as powerful a factor to counteract panics as it is to cause them. If, at a cry of "fire" in a theater, the actor upon the stage succeeds in making the audience believe that there is no danger every person might probably be saved, while in cases where there really is no danger the most appalling calamity might result, when the fears of the spectators could not be allayed.

It is one of the saddest spectacles of history to witness the American people, the greatest, noblest, most self-made, and most courageous of all nations, lie prostrate, shivering from causeless fear, and thereby depriving thousands of work, of home, of happiness—and this in the midst of plenty, with abundant crops of wheat, and cotton, and corn, and with the natural resources of our great country barely scratched; with riches that will prove ample for millions to come—for ten times the present number of inhabitants. What will the future historian call this sudden fright, this unaccountable loss of heart, and hope, and courage, when manifested by a people that has twice conquered a continent, once from its oppressors and again by subjugating nature?

Has this same people been vanquished by the power of money, has the "almighty dollar" wiped out our virtues and manly qualities, and wound around our limbs the chains of abject slavery?

It is time for the American people to disprove such imputations. Yes, after all, the people themselves will prove their best doctor. A dollar changes hands ten and twenty times a day, and when the dollar is withheld from circulation, as is the case now, results as we now see are inevitable, no matter what the total volume of money is. If that volume were twice as much as at present, then \$2 would be withheld where one is now, and the result would be the same.

But, Mr. Speaker, this hoarding of money is, I claim, as unpatriotic, aye, as disloyal an act as to engage in active hostility against the Government. Each citizen, it is true, has an abstract right to do what he pleases with his money, but he enjoys this right only by sufferance of all other citizens and of the Government. This state of civilized society, disputed by none and recognized by all, imposes certain duties, and the very first of these duties is faith in and loyalty towards the Government. Now, I ask, are those who are permitting themselves to be haunted by groundless fears, and who keep, terror stricken, what they possess in the firm grasp of their hands, are they fulfilling this most sacred duty? Do they not rather ignore and violate it by their fear and distrust?

Let us never forget that the possession of worldly goods is, after all, only a trust which changes hands from generation to generation, and whose administration must be characterized by an absolute faith in the ability of the Government to protect it. If, then, the people will help themselves, by taking new heart and hope, they will not only fulfill a duty toward their country and Government, but they will thereby obtain more efficient and more substantial relief than could be afforded by any action of ours. However, we have to deal with human nature as it is, and not as it should be, consequently a start, an impetus, seems to be necessary to revive the hopes and restore the confidence of our people. Because of the almost child-like faith of the masses in what they consider the marvelous effects of legislation, I believe the repeal of the silver-purchasing act to be the means of such an impetus. This we are being told almost daily by merchants, manufacturers, and business men from all over the country. Are their opinions entitled to respectful consideration, or do we understand better than they what is their own business? The President, I am free to admit, has given the proper answer to these questions.

St. Louis justly enjoys the reputation of being, in a financial sense, one of the soundest and most solid cities in the country, and for this reason, Mr. Speaker, her people and the people of my district, which comprises two of the greatest and most well-to-do counties of the United States, have probably suffered less from the present crisis than other parts of the country; but since our common interests can not be injured in any one part without jeopardizing them generally, our business men, our farmers and laboring men, join in the general demand for relief and ask for the speedy repeal of the law which compels the Secretary of the Treasury to take in silver with one hand and pay out gold for it with the other. They ask, furthermore, as a measure of temporary relief, permission for the national banks to issue currency up to the full value of the United States bonds deposited by them with the Government.

Such a proposition, I think, can safely be enacted into law. It occupies neutral ground, as far as the gold and silver forces are concerned, and it would somewhat relieve the money stringency by adding about \$20,000,000 to the volume of circulation. Up to this moment I have not yet heard one valid reason why the circulation secured by our bonds should be confined to 90 per cent of their value. But in this case, too, the old proverb quoted by the President holds good, that "he gives twice who gives quickly." Congress alone stands in the way of the relief indicated, and for every hour of delay its majority is responsible. To save time I would suggest that the Wilson bill be amended by incorporating in it the proposition above referred to.

After the repeal of the Sherman act the question of a thorough revision of our financial system will be in order, and it should be met with a truly national spirit and a sense of patriotism, of fairness towards all. No pets or hobbies should interfere with a candid discussion and with such a disposition of the question as will serve the best interests of all parts of our common country. To comfort our friends on the other side we are even willing to say with the President that "this matter rises above the plane of party politics," but we must insist that the weapon of sectionalism shall not be used in this friendly combat. It has already been used, with moderation here, but with the most fanatical zeal outside of this Hall. The governor of Colorado has amended his harangue, but even in Kansas they talk of a movement "to bring the people of the West and South into such united action as will protect and foster interests naturally allied."

This talk is sacrilege, pure and simple. Not only the people of the West and South, but of the whole country, should be united to foster the common interests of the Republic, for every part of the country is certain to be affected by the misfortunes and to share in the prosperity of any particular section. In spite of all this talk, I venture the prediction that the issue of secession is decided for all time to come; that over Wall street as well as over the silver mines will forever float the Stars and Stripes, and those who touch the sword will perish by the sword.

Our friends from the silver States, to whose speeches I have carefully listened for a full week, seem to be comprehensive mainly of one thing—the demonetization of silver as a result of the repeal of the law of 1890.

But in face of the fact that we now have more silver than gold in this country, namely, \$515,000,000 as against \$604,000,000, every dollar of which will, even after the repeal of the Sherman act, be kept at par with gold, these fears seem, for the present at least, groundless. And this silver will not, like gold, leave the country, it will stay right with us. Experts teach us that the friends of silver have more to hope and to expect when our present policy of silver purchases is stopped than even from free coinage; for such coinage would not last long under the circumstances. We can not defy the world. Free coinage would, instead of establishing bimetalism, inevitably result in monometallism, but on a silver basis, while a change in front on our part now would eventually compel Europe to again open negotiations with us and to make concessions in the direction of the establishment of an international ratio between gold and silver.

Upon this event alone our bimetallicists must rest their hopes. Without disaster to ourselves we can not defy the world by dictating and maintaining a financial policy which is at variance with the monetary system of all other great nations, with the sole exception of France. And France it is that is constantly being referred to by the gentlemen on the other side as furnishing a shining example of financial wisdom. They do not mention the fact, however, that the French silver is kept at par with gold by the powerful aid of the Bank of France, the stock of gold in the bank being so large that the people are satisfied the silver will not be allowed to lose its artificial value. Then bear in mind that silver coinage was stopped in France eighteen years ago.

According to a report of the condition of the Bank of France it has in its vaults 259,000,000 of 5-franc coins. That leaves outstanding in the hands of the people only \$458,000,000 worth. The notes of the bank, which are liable to be presented at any time for redemption, amount to \$642,000,000. Therefore the total amount of notes and silver to be looked after amounts in round numbers to \$1,100,000,000. To protect that sum the bank had a gold reserve of \$317,000,000, or nearly 29 per cent. The United States, on the other hand, has to protect its eight hundred and twenty-seven million of notes and silver with a gold reserve of only about 12 per cent. It is easy to see the greater safety of French methods. As for the silver in the vaults of the French bank, it is no more a reserve than is that in the vaults of our Treasury; for when notes are presented for redemption, if the bank were to insist on forcing silver on the holders they would be alarmed, just as they would be here.

But, Mr. Speaker, even a change of ratio, if resorted to to revive free coinage, appears to be impracticable. An estimate of the Secretary of the Treasury shows that such a change (from the present ratio of 16 to 1 to 20 to 1) would cost the Government exactly \$112,866,321. This is the expense for the new bullion for the enlargement of the dollar, for abrasion and melting, for recoinage, for copper and transportation. Are the people ready to expend this tremendous amount for what is at best an experiment which can not succeed without the cooperation of the rest of the world? I should think not. But the true relation between gold and silver is now even 28 to 1, and with the adoption of this ratio the loss to the people would be correspondingly higher, namely about \$250,000,000.

So far as the legislation of the United States was regarded as a means of supporting the value of silver, it must be admitted to be a failure. In February, 1878, the market ratio was 17.38 to 1; in July, 1890, it was 19.16 to 1; and since then it has fallen to 28 and 30 to 1. In face of these facts, further attempts of this kind are unworthy the common sense and dignity of a great nation. These facts show better than words the impotence of legislation by one State to control the value of the metal affected by the action of the rest of the world. This fall in silver, moreover, without any corresponding fall in the prices of commodities and staple goods, makes clear what may have been before doubtful, the departure of silver from a position where it can influence general prices. Also, neither in 1876 nor in 1890, when silver fluctuated so greatly, did prices follow silver. In short, it has become evi-

dent that the world's prices of to-day are not quoted in silver, nor are they dependent upon the value of silver—a situation which has been brought about slowly but steadily in the last twenty years.

Prices can not be regulated by legislative action, and they can never be fixed by the mere quantity of metallic money in the country. They depend much more upon conditions of credit and banking, a fact which will be better understood when we remember that about 95 per cent of all the commercial transactions in the United States are effected without the exchange of actual coin.

If by free coinage a single cent would be added to the price of wheat or a single dime to the weekly wages of our workingmen, I would vote for free silver; but this not being the case, I shall support that measure which will secure to each citizen the full value of what he has—the bill to repeal the silver-purchase act. It is the first necessary step to secure honest money, a sound currency, the stability of trade, and the employment of labor, and to restore the faith and confidence of our people. [Applause.]

During the delivery of the foregoing remarks, when five minutes had expired.

