

REPEAL OF THE SHERMAN LAW.

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REMARKS

OF

HON. WM. H. BRAWLEY,

OF SOUTH CAROLINA,

IN THE

HOUSE OF REPRESENTATIVES,

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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. BRAWLEY said:

Mr. SPEAKER: The history of legislation is the history of the repealing of bad laws. A list of the mistakes of legislators, of the evils produced or intensified by lawmaking unguided by adequate knowledge, of the statutes whose remote and indirect effects were the converse of those expected when they were enacted would abate the hopes of those fervid spirits who, believing in the plenary inspiration of majorities, would extend the limits of governmental interference: and it ought also, says Buckle, "to moderate the presumption of legislators and teach them that their best measures are but temporary expedients which it will be the business of a later and riper age to efface."

In the nature of the case this must be so, for politics is not an exact science, and in the rapidly shifting changes in our social and economic conditions, the best that we can do is to adapt temporary expedients to the exigencies that confront us.

The druggist's clerk who mistakes calomel for quinine and mixes a prescription which kills instead of cures is held guilty of manslaughter. Our mistakes are more leniently judged, and although they may bring no legal penalty, the consequences may be so serious and far-reaching that we can not devote too much care and thought to the consideration of every measure which is proposed to be put upon the statute book.

The immediate question now before us is whether we shall repeal the Sherman act. I have listened for two weeks to this

discussion and have not heard one word in its favor on either side of this Chamber. By universal admission it is conceded to have been a failure in all the purposes for which it was intended. No single voice has been raised in its defense, and although opinions differ as to the extent of the evils to be properly attributed to this act, there is no difference of opinion as to its injurious effects and as to the propriety of repealing it. Its putative father disowns it. It has no defender. Our party has in express terms demanded its repeal. The Republican party does not sustain it. The great business interests of the country believing it to be the main cause of their distress, appeal to us, and our President recommends that it be wiped from the statute book as a necessary step to the restoration of confidence in the fabric of our public credit. The remedy proposed seems so simple that it is amazing that there should be one moment's hesitation in applying it.

Its very simplicity is urged as an argument against its effectiveness. So it was with Naaman when, sorely afflicted with leprosy, he went to the house of Elisha. "Go and wash in Jordan seven times and thou shalt be clean." He was wroth, and said to the prophet, "Are not Abana and Pharpar Rivers of Damascus better than all the waters of Israel? May I not wash in them and be clean?" So he went away in a rage, but his servants said, "My father, if the prophet had bid thee do some great thing, wouldst thou not have done it?"

The repeal of the Sherman act may be no "great thing," but in the opinion of many it will be effectual to restore "confidence," that elusive thing, the loss of which has brought us to this pass. The very fact that people think so will in itself tend to work the cure, our disease being of the mind rather than of the body.

But our opponents say that they will oppose this repeal unless something favorable to silver is given in its stead, that they will use this act—misbegotten, hateful, and injurious—as a club to extort terms. One would think that the disastrous failure of all previous efforts in the supposed interest of silver would abate something of the confidence and silence the loquacity of its "friends," but writers on mental hallucinations tell us that there are certain forms of insanity where fixed delusions seize upon

the mind and generate a firmer belief than any sane person is capable of.

That silver may by some legislative alchemy be transmuted into gold at a fixed ratio is a notion vociferously expressed by gentlemen who seem to be in all other respects sane and whose honesty is beyond question. The steady recurrence of this phenomenon would seem to indicate that it is due to some permanent cause, and the fact that this belief is strongest in those parts of our country that are in a backward stage of industrial development has led to the opinion, in some quarters, that it is due to the desire of debtor communities to get rid of their obligations on easy terms. This is unjust and untrue.

The time allotted to me does not suffice to allow any satisfactory analysis of the causes of the prevailing discontent.

An obscure difficulty is a pervading evil, and the essential condition of its removal is to make it clear. Trained and experienced thinking on monetary subjects is something rare in all communities, and there are certain erroneous opinions floating like a vague mist in the intellectual air which obscure and distort the vision.

#### CERTAIN PREVALENT DELUSIONS.

The first delusion is that all the available money of the country is in the hands of a comparatively few rich men and that their interest is to contract its volume in order to enhance its value. This error arises from the confounding of capital with currency; and men reading of the enormous wealth of a few individuals are told by those whose interest is apparently advanced by such deceptions that there is a conspiracy on the part of these rich people to oppress them by making money scarce. The truth is, that the wealth of the Vanderbilts, the Astors, the Goulds, and the like, is in property and not in money, and that nearly all of the available loanable capital of the country is in savings banks, insurance and trust companies, and belongs to the frugal poor and to people of moderate means.

The second delusion is that the maintenance of the gold standard tends to make money dear and that a double standard or a lower standard would make money more abundant. The truth is that the question of the standard has no relevancy in

itself to the volume of the currency, and there is no quantitative relation between the volume of transactions and the standard that measures them. From 1834 to the suspension of specie payments in 1861 we had the gold standard, in effect, while the volume of currency was regulated by the States. The act of 1873 only enacted into law what was already a well recognized fact. As evidence of this we know that from the foundation of the Government up to that date only about eight millions of silver dollars had been put in circulation.

The third delusion is, that inasmuch as it appears that the gold and silver coinage of the world is about equal in volume, the discontinuance of purchases of silver would strike down one-half of the money of the world, thus doubling the wealth of the rich and doubling the debts of the poor. The truth is that the bill before us does not propose to drive out of circulation any of our silver coin. On the contrary, all of it is to be maintained with the pledge of the Government to keep it at par with gold—just as is the case in France, where a large amount of silver remains in circulation, notwithstanding the fact that for about fifteen years the coinage of five-franc pieces has ceased.

The fourth delusion is that England adopted the gold standard because she is a creditor nation, and that it is disadvantageous and unpatriotic for us to maintain such standard. Appeals to the "spirit of '76" have been unceasingly rung to resist this domination.

The truth is that England adopted the gold standard before the close of the last century, but in the stress of the Napoleonic wars she could not carry it into effect until 1816, when, so far from being a creditor nation, she was in the throes of a gigantic debt. The United States is the only rival for the larger commerce of the world that England has to fear, and she has more to gain than has any other nation from our abandonment of that standard of value which all the civilized people have accepted.

The fifth delusion, which finds the widest acceptance in the South, is that there is some occult relation between the price of silver, the product of the earth in Nevada and Colorado, and the price of cotton, the staple product of the South. Why cotton should be linked with silver rather than with gold, no one

can intelligently explain. We were told last year when the anti-emption bill was under discussion that the main cause of the low price of cotton was due to the dealing in futures, but the great rise in price during the later months of that year, and the intelligent discussion of that measure exploded that fallacy. It was shown by figures which were indisputable that the range of prices from 1850 to 1860 was on the average 10.35 cents per pound and the average prices from 1880 to 1890 were 10.24 cents per pound.

The great increase of production, mainly due to the extension of its cultivation over the vast fields of the South and to the increased use of commercial fertilizers, would sufficiently account for a great fall in prices. The cotton crop of 1860-'61 was less than 4,000,000 bales, the crop of 1890-'91 was over 9,000,000 bales, and as everybody knows the bales of to-day are much heavier than they were thirty years ago.

If prices were affected by the quantity of silver money in circulation they would be greatly higher now than thirty years ago, for there is nearly fifty times more silver dollars in the country now than then. If they were determined by the amount of currency in circulation, as would seem to be natural, prices should be higher now than in 1873, when the alleged "crime against silver" was committed, for the circulation per capita in 1873 was \$18.04, while in 1893 the circulation per capita is \$23.80.

These facts, which can not be disputed, ought to teach us to look to other causes than to the alleged demonetization of silver or to the alleged contraction of the currency for the lack of prosperity among our agricultural people, which unhappily is a fact beyond dispute. While it is true that a large body of our people are greatly benefited by having cheap food and cheap clothing and that our farmers can buy a larger amount of those things which conduce to comfort with their products even at present low prices than ever before, yet the fact stares us in the face that they are not prosperous, and that the low range of prices for agricultural produce is one of the elements of their misfortunes.

The question of prices is one of the most interesting and difficult of problems, and no general theory on the subject is satis-

factory. Until the commencement of the present financial disturbances the rate of interest on money has been abnormally low; wages have been high, agricultural products have been low, rents in cities have been high, all the products in which machinery and mere brute labor were important factors have brought low prices, while the products of intellectual effort have commanded higher rewards than ever before.

There has been no period in the history of the world when a great writer, a great painter, a great doctor, a great lawyer, a great preacher, a great engineer, a great inventor, could command such princely incomes for the product of his brain and hand. Nor are these very high prices confined exclusively to what may be called intellectual products. Fine butter, fine wine, fine fruits, in fact excellent things from the studio, from the workshop, or from the fields, all will bring to-day larger returns than ever before.

A few years ago a plain laboring man, a Frenchman, discovered that the low-lying lands around Charleston were well adapted to the cultivation of asparagus, which had not before been successfully cultivated in that latitude. He has lately retired with an ample fortune as the result of his acumen and industry. These illustrations are given for the purpose of showing that the standard of value or the volume of currency are not the only or chief factors in determining prices.

The sixth delusion is that there is a creditor class in this country seeking to oppress the debtor class. The common opinion is that this creditor class is in combination with the corporations for the purpose of reducing the remainder of the people to poverty and slavery. This belief rests upon pure ignorance, and prejudice which is the outgrowth of ignorance.

The truth is that the railroad corporations, the manufacturing and industrial corporations, are the largest borrowers of money. Their interest is that money should be abundant and easy to obtain at low rates of interest, and their interest, too, is that the farmer should have plenty of money to buy their goods and ship them and travel over their roads.

It is not my purpose to say anything in behalf of the money lender. I know that he is a very unpopular person, always

spoken evil of and held in great disfavor. It has been always so. In the drama, in novels, and in real life our admiration is rather for the fellow who spends money than for those who save it. The spendthrift is always the hero. It is true that when we want to borrow money the man who lends it is looked upon as a friend and benefactor; but when the money is gone and the evil hour of reckoning arrives he is the tyrant and the oppressor. Hateful as may be the man who saves, he is useful; therefore let him live in order that we may borrow from him. Demosthenes, in his oration against Phormio, says:

In the Athenian laws are many well-devised securities for the protection of the creditor, for commerce proceeds not from the borrowers, but from the lenders, without whom no vessel, no navigator, no traveler could depart from port.

I make no pretensions to be a financier or political economist, for my way of life has led me into other fields, and I have very little hope that I can add anything of value to this discussion. I therefore hesitated long before I concluded to take part in it, feeling that I could well apply to myself a story told of Napoleon. On one occasion, when a great battle was imminent, he was reviewing the Imperial Guard, and a soldier in the ranks, carried away by his enthusiasm, shouted, "Forward!" "It is not for you, young man," said the Emperor, "to cast the die of battles."

I have always felt that the business of making laws was a very serious one, and realize the unavoidable uncertainty which attends upon every measure of legislation, and I know that the multitudinous facts of all recorded experience tend to dispel the notion so vociferously expressed nowadays that all the sufferings of our people are removable, and that it is the duty of somebody to remove them. The hard-worked and overburdened people of our land are looking to us with eager faith. Their passions and desires have been inflamed. The builders of political air-castles have dilated upon the possibilities of relief, and have developed delusive expectations and groundless hopes. Men who have once tasted the flattery of knaves are ill-disposed to listen to those who, somewhat acquainted with the laws which govern human affairs, are habituated to consider their mandates and their limitations.

If there was ever a time when men should be tolerant with

each other's opinions it should be now, for this is an age of doubt and uncertainty. The whole world seems out of joint. In the material world the vast changes wrought by the new inventions, with the accompanying displacement of labor and dislocation of capital, have unsettled everything: while in the moral world the foundations of religious belief have been shaken, and throughout Christendom there is an anxious sense of impending change. What is to be the character of the subsidence of these moral and material revolutions it is not given to us to know.

One of the wisest of men said, many generations ago: "If we begin with certainties we shall end in doubts; but if we begin with doubts we shall end in certainties."

Remembering, then, that intensity of belief is no sign of truth, and that it prevails most strongly among those who differ most, let us confine ourselves to the attempt to provide a temporary relief for an impending evil.

Amid the cloud of conflicting opinions one fact stands out clear, and that is that under the operation of the Sherman law gold has been driven out of our currency as silver has been infused into it, and that what any sagacious man acquainted with monetary questions would naturally expect to happen has happened, and by reason of this operation we are brought perilously near to the silver standard. The gold in the Treasury upon which the whole superstructure of our currency rests has steadily been going down, and the only source from which it can be replenished—the customs duties—has dried up. The following table of the receipts at the New York custom-house for the dates named tells the story:

	Gold.	Silver.	United States notes.	Treasury notes.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
January, 1889.....	83.1	6.3	10.6	.....
January, 1890.....	92.6	2.9	4.6	.....
January, 1891.....	88.6	2.1	4.1	5.2
January, 1892.....	66.2	4.3	15.0	14.5
July, 1892.....	13.9	15.5	28.4	42.2
January, 1893.....	8.9	15.8	42.1	33.2
February, 1893.....	9.2	20.7	33.3	36.8
March, 1893.....	7.8	15.7	28.0	48.5
April, 1893.....	3.0	23.3	41.0	32.7
May, 1893.....	0.1	37.8	26.2	35.9
June (20 days).....	0.0	15.0	54.0	31.0

It is not surprising that, with the steady disappearance of gold receipts and the steady decline of the gold reserve, the public confidence in the ability of the Government to maintain gold payments has been shaken, and that this distrust in the integrity of our currency system should have spread in other directions.

That there is real danger that the country will slip from the gold to the silver standard, unless something is done to avoid it, is a fact so patent that no one here, so far as I have heard, has ventured to dispute it. We have listened to harangues against the money power, against England, against Wall street, against "gold-bugs," against everybody who is not supposed to be a "friend of silver," but the crucial question has not been touched.

We have had much declamation and more or less turgid rhetoric in favor of "bimetallism," but that is far and away from the real danger which impends, which is, that we are descending steadily from the gold to the silver standard—that we will have silver monometallism. Now, everybody knows, from the experience of other nations, that a great deal of silver remains in circulation when gold is the standard of value, while no gold remains in those countries where silver is the standard. If we should sink to the silver standard all of our gold will disappear and the currency will not only be contracted to that extent, which of itself would be an enormous evil in a country where it is claimed that the circulating medium is insufficient, but the still greater disaster would follow that the currency remaining would, in its purchasing power, shrivel up to accord with the intrinsic value of the silver dollar; the wages of labor, the deposits in savings banks, the policies of life insurance companies, would all be payable then in silver dollars, worth between fifty and sixty cents.

No words can exaggerate the magnitude of this calamity. The present troubles would be as a zephyr to a cyclone. Bimetallism is not, at this juncture, a practical question, for there is no proposition before the House which tends towards securing it. No one whose opinion is of any authority believes that bimetallism can be secured by the free coinage of silver in this country alone at the ratio of sixteen to one or of twenty to one.

There is a great confusion of ideas on this subject. To some,

bimetallism means simply the use of both gold and silver in the currency. In that sense every country which has a gold standard is bimetallic, for all of them have more or less of silver, and in that sense everybody favors it; but bimetallism proper means a fixed relation established and maintained by law whereby both gold and silver may be coined without discrimination at a certain fixed ratio. In this sense, there is no nation to-day, either civilized or uncivilized, which is bimetallic. There is no reason inherent in the metal itself why the price of silver should be uniform any more than the price of copper or the price of iron.

Wherever and whenever bimetallism, properly so called, has existed, it has been due to the artificial regulations and manipulations of governments; and so long as there was comparative stability in the production and price of the two metals, the greater part of the world adhered to the bimetallic system, and this adherence tended to preserve comparative steadiness in the price of the two metals; but this stability in price, being due mainly to the action of governments, ceased when this practice ceased, and will not revive, and from the nature of things can not revive, until that practice revives, and it is this bimetallism that the Democratic party pledged itself to in its platform as I conceive that platform.

According to this pledge, we as Democrats are bound to make honest efforts to secure a bimetallic system, either through international agreement or by such "safeguards of legislation" as will secure that end. Our honor and our interest demands that we make an honest effort to secure this end, and I am much mistaken and shall be greatly disappointed if some well-digested plan is not proposed before the expiration of our term of service. When it is proposed it should be considered without passion and without prejudice. I do not conceal from myself the enormous difficulty in the way of its accomplishment, for the trend of events in the last twenty years has been against it, for it is precisely during this period that there has been such great economic changes that we may be said to live in a new world, and the appearances are that this new industrial world prefers silver to gold.

The exact date when the world began to discard silver for gold

can not be fixed with absolute precision. Like all evolutionary processes, it was gradual in its operation. It is difficult to mark the exact line of demarcation which separates the animal from the vegetable world. There are many animals, amid the lower forms and types, that are apparently as devoid of volition and free movement as the higher plants, and so far as regards organic structure and mode of life, there is no absolute criterion which marks off the animal kingdom from the vegetable kingdom. The simple cell of contractile protoplasm affords the starting point equally for all organisms, vegetable and animal.

Equal debt paying power was for many years the quality of silver and gold alike; it was the only quality common to each, but just as surely as there has been a constant stream of tendency from the lower to the higher forms, so surely has the economic world been seeking after gold, the higher metal, and discarding silver. Our friends on the other side are constantly harping on the "scramble for gold" among the nations, and they predict great evils therefrom. The nations seek it because they want it. They want it because it is the "money of the world." We hear of no "scramble" for silver, and this is a bad omen for the cause of bimetallism. The most civilized nations do not "scramble" for it because they do not want it. Why should we seek to load ourselves down with that which other nations discard?

Are we not as good as they, and entitled to the best? It is our pride and our boast that we have the best of everything else; why, then, should we not have the best money? Nobody disputes that gold is the best money—best for our men of business, because we are no longer an isolated people; the ancient modifying circumstances which separated us from the great commonwealth of nations have fallen away and we are among them as equals and as rivals for the world's commerce, and gold is the money of the world. It is best for the laboring man, for it is the wages of his toil.

We needs must love the highest when we see it  
Not Launceiot nor another.

In the old days there was no question about it among our fathers. The gold standard was discussed and accepted as a proper monetary measure. Those who favored it were not vilipended as

traitors to their country. There were no "silver kings" in those days who made life a burden with their harangues. Finding our people in the South and West suffering from real grievances, arising from causes which, although they lie upon the surface, are little comprehended, for we are a simple people, not much versed in monetary science, they have by constant iteration, by sophistries and falsehoods, propagated delusions which have so taken possession of their minds that they honestly believe that the alleged demonetization is the prime cause of all their troubles. Many of those who ought to know better were dupes at first and are now impostors, for finding the silver cult so firmly established they prefer to be its priests, and to perpetuate ignorance, lest they should be discredited when the people awaked to the truth.

Or I should rather call it a fetish worship than a religion, for it has its analogue among the savage tribes. Bastian, the German anthropologist, tells us that in Guinea a sick native who causes the fetish to lie by not recovering promptly is put to death, and anyone who is so audacious as to question the power of the fetish is sacrificed. And now any of us who speak disrespectfully of this political fetish are reviled and threatened with political extinction.

Such and so curious are the anfractuosities of the human mind.

It is loudly proclaimed that the public opinion of this country is overwhelmingly in favor of the free coinage of silver, and that it is now aroused and will sweep out of power the party or the man who opposes it. An enlightened public opinion is irresistible. It would be foolish to disregard it. That opinion in this country undoubtedly favors a bimetallic system, to be secured by international agreement, or by the safeguards of legislation. It does not favor the abandonment of that standard of value which has prevailed in this country for more than a half century and which prevails to-day among all the civilized nations, and the substitution in its stead of an inferior, an uncertain, and a fluctuating standard.

That there is an uninstructed public opinion that clamors for free coinage at any hazard; that men, blinded by extremes of misery, are ready for any desperate measures that promise relief,

and that self-seeking demagogues are stimulating their passions to such a degree that their reason is, for the time, in abeyance is, unhappily, too true, and it is not without some peril that men resist these demands when the public mind is in a fever and ferment. But it is only the base and timid that are frightened by the threats that have been uttered here.

Majorities are not always right. It was the voice of the majority that cried "Crucify Him! Crucify Him! Give us Barab-bas!" It was the majority that sent Aristides into exile and gave Socrates hemlock for his supper.

It is the minority, according to Him, who are the salt of the earth and who go in at the straight gate of wisdom and goodness.

My people are a borrowing people. They need capital to unlock the stores of nature, to develop to the highest degree their agricultural resources, to build factories, and to multiply all those industrial pursuits which in this day are the apparatus of civilization. The capital they need must come from the older communities. To obtain it we can not afford to juggle with the currency. Least of all can we afford to separate ourselves from the great nations where the greater part of our products find a market.

There is among those nations large accumulations of capital seeking investment. There is an international loan fund that goes wherever it is wanted, as mobile as beads of quicksilver. It belongs to no particular country. It went to Argentine, to Egypt, to Australia. It is going now to the heart of Africa. It will go wherever there is the best promise of profit. But frightened now by repeated and disastrous experiences it demands, above all things else, security. Any possibility of repayment in money of less value than that which was loaned will drive it from us. It would fly as men are flying to-day from plague-stricken Brunswick.

My people are by tradition and habit an honest people. They want no man's money without an equivalent.

They have suffered as few people have from the oppressions, the unjust discriminations, and the intolerable exactions of this Government, but their crowning misfortune would be the imposition of an unsound, a fluctuating, and a vitiated currency.

I know that there is a strong opinion among them opposed to the views that I entertain, and that my course here means either retirement from public life or another hard and bitter contest, and I am weary of conflicts.

But the duty seems to me so plain that I can not hesitate to save them if I can, in spite of themselves, trusting to time to moderate their harsh judgment of me. In the consciousness of such ultimate vindication I can, in my feebleness, adopt the language of the mighty Luther: "If there were as many devils in Worms as there are tiles upon the housetops I would go on," and when I render them my account I will say, as he did before the council: "Here I stand! I can not do otherwise. God help me. Amen!"

If I needed any other inspiration to right conduct than my own self-respect, I would find it in the example of our great leader. While other men were weakly yielding to what seemed a popular movement toward free coinage, he has always set his face against it. Rich in saving common sense, he has pointed out its follies and its dangers. Amid the stream of fluctuating opinions and conflicting views he has remained steadfast, immovable. When others cowered before the storm he stood "four-square to all the winds that blow." As Barnard Bee held his broken columns at Manassas by pointing to our immortal soldier—"See how Jackson stands like a stone wall"—so he has been the rallying-point for all the conservative forces of the country.

Holding duty to his country as higher than party or personal fortunes, the awakened judgment and conscience of his party has called him to its leadership, and his country, trusting the man, has heaped rich honors on the patriot.

So let his great example stand, that the faint-hearted among our public men may learn that truth and courage are often the highest statesmanship, and that our young men may know that—

Because right is right, to follow right  
Were wisdom in the scorn of consequence.

[Loud and continued applause.]

