

REMARKS

BY

DR. THOMAS DUNN ENGLISH,  
OF NEW JERSEY,

IN THE

HOUSE OF REPRESENTATIVES,

ON

BILL (H. R. NO. 1) REPEALING THE SO-CALLED  
"SHERMAN" ACT,

FRIDAY, AUGUST 18, 1893.



WASHINGTON.  
1893.



S P E E C H  
OF  
DR. THOMAS DUNN ENGLISH.

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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. ENGLISH of New Jersey said:

Mr. SPEAKER: I stand here in a position peculiar and perplexing. I do not quite agree with the parties on either side of the House. I do not agree with the unometallists of the gold stripe, nor with the unometallists of the silver stripe; for I am a bimetallist, and as such I shall vote for the repeal of the purchasing clause of the Sherman law.

I shall vote for the repeal, because the law is vicious of itself, based on a wrong principle, has defeated the object which its friends assumed it would attain, and is a bar to that international monetary agreement, which, in my judgment, in the condition that England has placed herself by her blundering Indian policy, will otherwise be brought about. Whenever that bar be removed, when the countries of the world agree upon a ratio between gold and silver, then we may safely coin, not the dollar of our fathers, which never was in any great amount, but the silver and gold of our fathers. But when I vote for the repeal of the law I do not vote for it for a moment holding that it will be a panacea for our ills, for its repeal will not restore that confidence which we lack if unaccompanied by other measures.

I have a great respect for the opinion of the President of the United States. I have read his message; but I have read it between the lines. I am satisfied that he is actually and really a bimetallist, whenever we can return to our old system without injury to the public and without debasing the dollar. I am not in the confidence of the President; I do not know him personally: I have no favors to ask of him, because in my district, happily, there are very few place-hunters; but I have confidence from his record in his sagacity and honor, and I think him sagacious enough to know that the mere repeal of this measure will not reach the causes of the present disaster; and I have such confidence in his honor that I believe at the proper time, so far as he is concerned, he will redeem every pledge of the platform, and these attacks made upon him in this House are ill-timed and unjust.

I have this to say: That not only is the purchasing clause of the Sherman act not the most potent factor in producing the present

commercial distress, but, on the contrary, it has been conservative, the only silver lining to the dark cloud, as I shall proceed to show in the few minutes I shall consume of the time of the House.

Look back into the history of this country. Remember that in 1815 we had a panic. We had a lull the next year, followed in 1817 by another and greater panic. Twenty years after, in 1835 and 1837, we had the same. Twenty years later, in 1855 and 1857, we had another. In 1873 it leaped two years, but twenty years after 1873 we have the same condition of things.

The remote occasions which we are apt to lose sight of in these panics are plain enough. They are to be found in the overtrading and overspeculating of the people, and we become optimists; and as Americans, rush into methods and channels of profit which the foreigner does not rush in, or approaches with great caution.

The result is disastrous. We fail to note the remote occasions but merely look at the causes: and you can easily see what are the causes of this disaster—the many causes. The purchasing clause was one, but among the other causes one seems to have been lost sight of in this House. In 1890 our friends, the enemy, created a new tariff policy by regrading the duties on imports. We were told that that would check importation, that it would build up a home market, that it would make American industries prosperous.

The people of the country did not think so, and what has happened has justified them. Mark you, in 1891 there was an increase of importations. That was natural enough. Importers were rushing in to secure the advantage of low duties. But in 1892 it seemed that what the friends of the tariff had claimed for it had come to pass, for in that year there were of imports only \$827,000,000, while there were of exports \$1,030,000,000. There was a balance of trade in our favor of \$203,000,000.

Now, that looked very charming, but in 1893 the importations rose to the enormous amount, unprecedented in our history, of \$941,000,000, and the exports shrunk so that there was a balance of trade against us of \$94,000,000, making a total in the two years of \$297,000,000, change. There is one of the causes of your present distress. But the immediate and the greatest cause lay in the action of the national banks.

In 1882 there were \$352,000,000 of national-bank currency. The banks began to contract, to put on the screws regularly year by year, and in 1892 they had contracted their currency \$185,000,000. Against that, fortunately, so far as the actual deficiency of currency was concerned, came in the only good result that ever could be credited to the Sherman law; it gave us one hundred and forty-five millions of currency, leaving the actual deficiency only forty millions.

Now, it was this contraction, going on steadily, which the people saw at first without consideration, then with careful thought, and finally with alarm, that produced the hoarding of money. That hoarding withdrew large amounts from the banks and placed them with the safe-deposit companies, and among the masses of the people savings were withdrawn from the banks and placed

between mattresses and behind looking-glasses and in other like places of concealment.

That is what has produced the currency famine under which we are suffering to-day, and it is for that reason that the farmers of the West and the South—and I do not blame them for getting wild when they think of it—have lost millions of dollars by the fall of prices, being unable to get currency to move their crops to the seaboard until the prices became so low and beggarly that John Bull began to come in with his gold. Mr. Speaker, what we want are remedies for these evils, practical remedies.

Now that you have thousands and thousands of men out of work, with hunger threatening them and their families, now that you hear the cry of "bread or blood," and when you know that it is based on real suffering and is no mere braggadocio on the part of these desperate men, you have got to resort to some other measures besides the repeal of this law. With it, supplementarily or conjunctively, you have to do it. I am no doctor of finance. There are a great many gentlemen in the country who write D. F. after their names, but I am not ambitious of doing that, because I have sometimes found that the letters do not stand with the populace for "doctor of finance," but are taken to mean two other words which I should not care to have applied to me. [Laughter.]

But, while we have two physicians quarreling over the patient, while the whole country is in the condition of a sick man who is moribund, while Dr. Gold Bug, on the one side, says that the only way to relieve the patient from his sufferings is to administer the gold cure, and Dr. Free Coinage, on the other side, tells us that he never will recover unless he gets large doses of silver—while this controversy between the doctors is going on the patient is dying, or at least his strength is sinking; he needs tonics, and I think that under the circumstances an irregular practitioner may be pardoned for coming in with nostrums. [Laughter]. Therefore, if I may have the privilege, I will suggest what I would do had I the power of controlling the legislation of this House.

In the first place I would not repeal absolutely the tax on the State banks, as has been suggested, I see, in the other House of Congress, but I would make this provision. In my own State of New Jersey, and I believe in New York and other States, recently in Georgia and North Carolina, laws have been enacted by which no bank can issue notes without providing a basis for their redemption in bonds, approved by the governor and the financial officers of the State. From that New Jersey law the national-bank system was borrowed, and it is as good a law to-day as it was then.

Therefore had I the power I would pass a law providing that when banks of any State gave sufficient security for their currency, so as to avoid the danger of inflicting wild-cat or red-dog upon us any more: that when they provided such security to the satisfaction of the Comptroller of the Currency, and it was duly certified and approved by him, the Secretary of the Treasury should be empowered and directed to cause to be paid a rebate of 85 per cent of the 10 per cent tax, thus placing the State banks on a level as to taxation with the national banks.

I would do that in order to hold a rod over the national banks, who are now making the Treasury work night and day in order that there may be brought back some of the money they have withdrawn from circulation. Furthermore, I would have all the bullion in the Treasury that was not there to meet absolute obligations, coined—not into dollars (whose legal-tender power I would not disturb), but into half-dollars of the present weight and fineness. For mark you, there are currencies and currencies.

The currency of everyday life, the currency of trade, is a currency mainly of tokens. Its intrinsic value is of very little consequence. To-day two half-dollars do not contain as much silver as one standard dollar, but do you know any man outside of a lunatic asylum, did you ever find a man anywhere, who when you offered him two half-dollars in purchase of goods would say to you, "My dear sir, there is too little silver in these; give me a standard dollar." These coins come into your hands and they go just as the filthy, disease-breeding notes do; nobody looks at them. How many of you have circulated counterfeited notes without knowing it? I have no doubt I have been within range of the penitentiary unwittingly a dozen times in my life. [Laughter.] But I would also prohibit the issue of any Treasury note or other noninterest-bearing obligation under the denomination of five dollars.

With these measures you would at once bring relief in the way of currency, and you would give confidence by the repeal of this purchasing power. Of course we want in this country, as in every country, a system by which we can regulate the currency according to the needs of the people—expand it as desired and contract it if necessary. I do not know of any better mode of solving that problem than that which was first suggested, I believe, by the late President Garfield, and which has been adopted. I understand, by a distinguished member of this House; that is, that the holder of a United States bond shall be authorized to take it to the Treasury and receive United States notes for it, the interest ceasing from that moment, and when he has no more occasion for the money shall be allowed to come back and buy his bond at the same rate at which he sold it. I think this would be a very excellent thing conjunctively or as a supplement to the other measures.

But I tell you plainly—and you know I have not indulged in crimination or recrimination, because I think with the present distress around us anything of that kind is a very bad thing to do—something like Nero fiddling while Rome was burning—I say plainly that if in the present temper of the public you adjourn this Congress without the repeal of the purchasing clause or repealing it, without supplementary legislation to relieve the wants and distresses of the public and to restore confidence, I tell you plainly you will hear from the people in thunder tones. [Applause.]