

S I L V E R .

REMARKS

OF

HON. CHAS. S. HARTMAN,
OF MONTANA,

AGAINST THE UNCONDITIONAL REPEAL OF
THE SHERMAN LAW,

IN THE

HOUSE OF REPRESENTATIVES,

Thursday, August 24, 1893.

WASHINGTON.
1893.

SPEECH
OF
HON. C. S. HARTMAN.

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. HARTMAN said:

Mr. SPEAKER: In this time I can not hope to discuss at any great length the pending question upon its merits; but I desire, with the permission of the Republican members of the House, to discuss the result of the vote upon the pending question upon the politics of the country.

Mr. Speaker, there is a custom which prevails in this House, which has almost ripened into a rule, that a new member is not expected to consume the time of the House until he has been here at least some months, but the State from which I hail is a State which but a few months ago had as bright an industrial future before it as any one of the United States, but whose industrial system to-day partakes at least of its full share of the depression and financial fear which pervades the entire country.

The present deplorable condition of the business of the country should invite a full and free discussion of all propositions for its relief, for each day adds to the already enormous record of business disaster and distrust another chapter of bank suspensions, of assignments and business failures, of mills and factories closed, of mining operations suspended, and of thousands and tens of thousands of employes thereby deprived of the means of obtaining the very necessaries of life. Each State has its full quota of idle men, and the disaster is national. Commercial paralysis seems to have afflicted our people, and financial dis-

trust has degraded the exchange of our country into mere paper collections of a doubtful character.

Up to two months ago the exchange issued by our banks was received as cash and placed to the credit of the depositor, while now it is treated to the same scrutiny and sent through the same channel as a draft upon a private individual, with the chances that it will not be honored when presented. In the last three months real estate values in the entire country have decreased; the values of stocks, of farm products, of the products of our mines, indeed, of almost every commodity, have declined, in many instances have reached the lowest point in history, and we are told that all this disastrous record is the direct and immediate result of the purchasing clause of the Sherman law; but as I have read and reread that assertion, and looked and listened for the reasons assigned in support of it, I find that the principal argument used to sustain it is that the purchasing clause is driving our gold from the country, and the fear of our reaching an exclusively silver basis naturally follows.

But if this be true it would indeed be interesting to learn why it is that under the same law that drives gold out in May and June it is permitted to return in August, and, further, I should like to know why it is, if when gold returns in August, that our commercial ills are not, at least in some slight degree, alleviated?

If it is vitally essential to the nation's welfare that our supply of gold be maintained or increased (if you please), I submit that the desired end can be attained by our Government adopting these two policies:

First. Provide that all custom duties must be paid in gold.

Second. So adjust your schedule of import duties as to leave the balance of trade in favor of this nation. When this is done you have not only maintained but have increased your supply of gold, and the argument that the honor of our nation in its dealings with other nations must be maintained is answered.

If that purchasing clause of the Sherman law is in itself so fruitful of bad results, why is it that the crash of two months ago did not come three years ago when the law was first enacted? Why is it that our country continued to prosper during all the

period of time that the Sherman law was in existence, from the 14th day of July, 1890, until two months ago, when crisis in our financial history came, if the Sherman law is responsible for the condition of the country? Why is it so?

The Sherman law does not in the least degree contribute to the general unrest, uncertainty, and lack of confidence which pervades every section of the United States. It has simply been made a scapegoat of by two classes of people, first, the mono-metallists, the single gold-standard men, who seek every opportunity to degrade silver; second, by the Administration, for the double purpose of aiding the gold-standard men in their crusade against silver and at the same time to have some bugaboo to hold up to the public gaze and lampoon as a public foe to divert attention from the true cause of existing conditions.

I do not believe that these conditions are traceable to any single cause, but to a combination of many causes, and I do believe that the two causes above all others is the apprehension of the business interests of the country that the existing tariff legislation is to be uprooted and the free-trade policies of the Democratic party enacted in its stead, and the further fear of adverse legislation to silver under the recommendation of the Administration. Men whose capital is invested in those industries toward which it has been the policy of the Government to extend the fostering hand of protection are fearful that the party now in power may keep the pledges they have made in their national platform, and by so doing the bars are let down and competition with those who are engaged in like industries in other countries where labor is cheap must follow.

All such industries must be rearranged to fit a new basis; reduction of expense in all lines and in all departments must be made to enable our people to successfully carry on such competition. From this fear, and with the decline of silver by reason of the relentless crusade against it, almost every class of property has largely decreased in value, until at last the Democratic dreams of cheapness have been realized. We have cheap wheat, cheap wool, cheap silver, cheap men, everything cheap but gold; and those who agree with the Administration, and who support

the bill introduced by the gentleman from West Virginia, are going to assist in intensifying and perpetuating this magnificent era of cheapness in the products and labor of this country, and in making still dearer the money of the country in which our debts and obligations must be paid.

Debts have been contracted on the faith of existing laws; upon the faith of the continued issuance of certificates upon the bullion deposited in the Treasury and the consequent replenishment of the currency, and by the unconditional repeal of the Sherman law the volume of the currency will be no longer increased, the value of money will continue to grow with the increase of business, and the debtor will find himself paying his debt in much dearer money than he received when his debt was contracted.

With a free-coinage bill at the established ratio of 16 to 1, the demand for gold will be lessened and of silver increased. The increased use and value of silver will decrease the necessity for gold and the two metals will meet half way. But it is urged by the gold-standard advocates that the parity between the two metals can not be maintained, and that the parity between the metals would be destroyed if the Treasury notes should be redeemed in silver.

But the experience of France proves that this proposition is not correct, for France maintains more than \$200,000,000—more of silver money than we have—at parity with her gold money by electing to redeem her \$700,000,000 of legal-tender notes as frequently in silver as in gold.

But when the Administration sees fit, as it has done, by electing to pay "gold coin" exclusively for Treasury notes to administer the life out of the law, and when it sees fit, as it has done, to partially suspend the operation of the law which the President tacitly admits in his message is mandatory, it is not difficult to see that the Administration hopes to maintain the parity between the two metals at the ratio of one of gold to none of silver.

But they say it is a dishonest dollar. That it is a 60-cent dollar. It is despised and spat upon by the gold-standard men, and yet it will buy just as much merchandise as their gold dollar. And this same dishonest dollar, this fraud and cheat in the

financial world, as well as the Treasury notes, no longer ago than the 22d of August, in this year of grace, were selling at a premium of $2\frac{1}{2}$ per cent, while gold coin in transit from Europe was selling at a premium over clearing-house checks of only three-fourths of 1 per cent.

Gentlemen may assert and reassert the dishonesty of silver money, but they can not overturn these facts.

Mr. William P. St. John, president of the Mercantile National Bank of New York, expressed these views upon the President's message, which are worthy of the consideration of the members of this House:

According to the message, the assembling of Congress is in order that "present evils may be mitigated and dangers threatening the future may be averted."

The present evils attributed by the President to the operation of the so-called Sherman law. The evils to be averted are not even hinted at, unless we are to believe them every one involved in this same law.

The President confirms the impression that the Secretary of the Treasury is commanded to purchase monthly 4,500,000 ounces of silver bullion. How then, does his Administration presume to purchase only 2,225,000 ounces during July? And why is there so little present promise of his purchasing 4,500,000 ounces during August?

MINT DIRECTOR'S ANSWER.

The Mint Director's answer is that silver is not offered him at the market price; in other words, that what is offered him is offered above the market price. But observe that silver offered him is for delivery in Philadelphia for cash next day. The silver offered him and rejected at the price has, on every steamer day during all July, elected to go to London and elsewhere through London, although distant by nine days, with freight, insurance, and interest to be taken into the adverse account.

The President proclaims that all but a very small quantity of this silver bullion remains uncoined and without usefulness in the Treasury.

To this I answer—

First. That the silver bullion served when purchased to create the Treasury notes that are circulating as our money.

Second. It is the fault of the administration of the law that the bullion remains uncoined. It seems to me egregious folly to let it so remain when at this very moment an official circular announces that silver certificates can not now be issued for deposits of gold because there are no silver dollars on hand with which to redeem the silver certificates if issued. The law requires the outstanding issue of silver certificates to be identical in amount with the silver dollars in the Treasury.

Third. In a voice which every hamlet hears before the sun set, this very moment would have seemed to be propitious to allay alarm instead of instigating it. The practical conditions existing at this moment are that while gold coin in transit from Europe commands a premium over checks payable in the clearing house of three-fourths of 1 per cent, these Treasury notes automatically created by this Sherman law, and silver certificates, as well

as the stigmatized 56-cent coin itself for which these silver certificates can be obtained, are selling indiscriminately at a premium of 2½ per cent in Wall street.

The President bemoans our recent exodus of gold. That exodus had ceased already several weeks ago. Subsequently and right up to an engagement in London this very day more than \$15,000,000 of gold have chosen to return to us. I doubt not more and more will follow during the many months in which the Sherman law will still be unrepealed.

But it has been urged upon this floor that the basis of the value of the metals that are produced in this country depends upon the cost of production of that metal, and that because there has been a great reduction in the cost of production of silver since 1873 as compared to the present time, that therefore the price of silver has been reduced in proportion to the cost of production of the same.

In the first place, the statements that have been made here that the cost of production now is about one-third of what it was in 1873 are erroneous; but admitting for the sake of argument that they are true, and that the cost of production of silver has been reduced as stated by those who have announced the fact, by reason of improved machinery and the skill of inventive genius, and let us see where it leads to.

There has been the same improvement in the machinery necessary to mill and save gold as there has been in the machinery used in the reduction, milling, and saving of silver; and therefore, to strictly apply the arguments of the gentlemen who have been making these statements upon this floor, the price of gold has been proportionately reduced, and if their figures are correct, then gold is only worth one-third as much now as it was in 1873.

There is another very important question, which those who by their votes propose to put us on a single gold standard seem to forget when they assert that there is sufficient gold at the present time to maintain the volume of business, and that there will be sufficient increase in the supply of gold to maintain the increased volume of business, and that fact is this: that one-third of the gold produced in the United States to-day is produced at the same time and from the same mines as silver and in conjunction with silver. And further, this gold is produced

from mines which are not sufficiently valuable for gold alone to justify their being worked, and therefore if we are forced upon a single gold standard, and silver mining is made impossible by reason of adverse legislation or otherwise, the future product of gold in the United States will be decreased one-third.

I am willing to admit that there are some gentlemen on this floor who are perfectly willing to take the step, with the knowledge that the supply of gold will be reduced one-third. It is only natural that those who possess the supply of gold now in the United States should be perfectly willing that no more should be produced, for in that way the value of their possessions would be greatly enhanced.

It is with much hesitation and with every deference to the other members of the House that I say I can not understand why any Republican member of this House should deem it his duty to support the Administration in the furtherance of its proposed silver policy. On the contrary, every reason is against such a course. The declarations of the party in the past justify me in this statement. In the national platform of 1888 our party declared, "The Republican party is in favor of the use of both gold and silver as money, and condemns the policy of the Democratic administration in its efforts to demonetize silver." This itself should be sufficient.

It seems to me that no Republican should hesitate a moment in his choice between standing by the declaration of his party or indorsing the policy of the Administration of the opposition party. The silver Republicans of the United States had a right to rely upon that declaration of the national platform. We considered that it was made in good faith, and we still so consider. We stood by the declaration of the platform in all its issues. We stood shoulder to shoulder with you upon the tariff policies of the party. You wanted us, you needed us, and we gave you all we had to give.

Now, the crucial test has come. We believe in reciprocity. You have asked for our support and votes upon the policies of the Republican party, which, while affecting the entire country, are more directly felt by the manufacturing districts in the

East, and we gave them to you, and now we ask your support for that part of the declared policy of the party which, while it is a matter of general interest throughout the United States, has a direct effect upon the interests of the people of the Mississippi and Western States, and I have a right to ask you as Republicans here, what are you going to do about it?

Silver was good enough to indorse in the national platforms of 1888 and 1892, and you indorsed it, and we accepted that indorsement in good faith. Are you going to make it good? I am jointly interested with other gentlemen upon this floor in maintaining the parity between the two metals, and I am also jointly interested in maintaining the parity between the declarations of the Republican party upon its tariff plank and upon the silver plank. We ask that if the tariff declaration is to be worth 100 cents on the dollar that the silver declaration of the party shall be equally valuable here to-day.

Are you going to say to us, "Go back to your people and tell them that the Republican party has juggled with them upon the silver question; it has made dupes of them; it has obtained the votes of their Senators and Representatives upon its great tariff policies, directly benefiting the great manufacturing centers of the East, and therefore, having obtained all the East wants, we repudiate the declarations of the party in favor of silver and abandon it to its fate"? Do you want us to go back to our districts and inform the Republicans there that the Republicans of the East were so anxious and eager to disavow the silver pledges of the party that they have even allied themselves to the Democratic Administration in its relentless war against silver?

Send us back with such a message as that, and—I do not speak in any words of threat—send us back with such a message as that, and hereafter Republicans in those districts will be as scarce as money or solvent institutions under the present Administration. [Laughter.] I can not believe, I will not believe until the stern truth is thrust upon me, that the Republicans of this House are willing to say to the silver Republicans: "We care more for the Democratic party than we do for the declarations of our own

party. We are willing henceforth that the standard of Republicanism shall be lowered in every district represented by a silver Republican. We have all the legislation we want. Our tariff legislation is complete. We are secure."

I can not believe this, gentlemen, for two reasons: First, the Republican party has given to the West all of its most beneficial legislation. It is the party of growth, of progress, of prosperity. Its policies have made it possible for great States to be builded in a Territory which, but a few decades ago, was practically unknown. On the faith of its legislation and its declared policies millions and millions of dollars are to-day invested in silver mines, in silver properties, in equipments necessary to operate silver properties which the unconditional repeal of the Sherman law will render absolutely valueless; and remember, gentlemen, a great majority of that property was sold, in the shape of machinery, by your people to ours, yet now you propose, by this pending act of legislation, by your votes in support of it, to strike down and render all that property utterly valueless.

Let me tell you that there are scattered throughout the Rocky Mountains, through its ranges and its valleys, thousands and thousands of men, women, and children, citizens of the United States, not aliens, humble and honest, who have accepted the invitation of the Government to make homes in the rugged fastnesses of those mountains and to dig and delve in those hills to increase the wealth of the United States in the production of gold and silver. There their accumulated earnings of years are invested, and I say to you that the President's policy and your policy, if you make it yours, will render those earnings absolutely valueless.

Are you willing to do this thing? Are you willing to aid in doing it? I can not and will not believe it. I am one of those who believe, equally with other gentlemen here, in maintaining the honor and the integrity of this nation in its dealings with other nations, but I do not consider that obligation to be more sacred or binding than the obligation of the Government to keep faith with its own citizens.

We of the silver States are charged with selfishness because, forsooth, we object to having one of our chiefest industries destroyed. But let me put this question to you gentlemen: Suppose there were a bill introduced in this House which would, in its operation, wipe out the manufacturing industries of the great State of New York and of the New England States, which would destroy the wool industry of the great State of Ohio, which would put out the fires in all the furnaces of the great State of Pennsylvania, what would be the result?

Why, a wail would go up in this House in comparison with which the feeble protests of the silver men would sink into utter insignificance. But you say that our protest is founded in sordid selfishness, while yours would be, of course, the echo and the impulse of the most generous and most patriotic purposes of the human heart. [Laughter.] Let me say to you, gentlemen, the same impulses move us as would move you. Again, you may think you are secure in your tariff legislation, but you are not. And I want to say right here, Mr. Speaker, that I am in favor of the protective tariff of the Republican party. The McKinley law is the wisest law of its kind that was ever placed upon the statute books of this country, and I want to help maintain it by vote and by my voice wherever I may be.

But if the national Democratic platform means anything, it means that at some time before this Administration closes there will be made such an onslaught on the existing tariff legislation as will shake it to its very foundations. And when that time comes the gentlemen from the New England and other manufacturing States, who in the face of the declarations of the Republican platform intend to vote silver out of our monetary system, will come to us who represent silver districts and shower upon us a wealth of fraternal love, and we shall be expected and invited to help withstand that onslaught for the reason "that the platform declares for protection," because "we must keep faith with the party."

I will not undertake to say what response will be given to that appeal, but we are human, moved by the same impulses that move you, possessed of the same hopes, the same desires, the same

ambitions with which you are possessed, and we would indeed be unworthy of citizenship under the flag if in the face of this cruel wrong, if in the face of the utter annihilation of our greatest industry by the aid of the Republican party, we should then come to you meekly and humbly, and cringe and crawl at the feet of power, and kiss the hand that smites us.

[Here the hammer fell.]

Mr. PENCE. I ask unanimous consent that the time of the gentleman from Montana [Mr. HARTMAN] be extended for five minutes.

There was no objection.

Mr. HARTMAN. I thank the House very much for its courtesy.

Mr. Speaker, I appeal to the Reed Republicans of the Fifty-first Congress, to the leaders of the party on this floor, to every loyal Republican here to-day, by his vote on this question not to put obstacles in the way of Republican success in those Western States. We have fought long and hard to plant the standard of Republicanism upon the crest of the Rocky Mountains in those States; and you, by your votes to-day on this question, by voting in support of the unconditional repeal of the Sherman law will make our task doubly, yes, ten times as hard as it has been in the past.

I want to say to you, speaking of my own State, that I am here by the small plurality of 172 out of 49,000 votes. I want to say, furthermore, that this is not a selfish appeal I am making for the Republican party in these respective States. It is an appeal to the Republican party of the nation—why? Because I submit to you, gentlemen who are so much abler and better politicians than I am, that you can never hope to regain control of this Government unless you have the silver States with you. Why? This is not a wild declaration, a chimerical declaration of mine.

I put it to you, where will you go for the support you require? Go to the South, and what is your encouragement? None whatever; yet that is all that is left. Yet how can you expect to gain control of the United States Senate unless you have two Republican Senators from Montana, two from Idaho, two from Nevada,

two from Colorado, two from Wyoming? At least three out of them you must have; and three of them it is absolutely impossible for you to gain if you wipe out the Republican party in those States.

I put it to you simply as a question affecting Republican success, not simply as a question whether or not some of us boys can be returned to Congress. That cuts no figure. The question is, For what can the Republican party of the nation hope? Please do not, because this suggestion proceeds from one of the humblest members of this body, reject it. Let it stand on its merits. The suggestion is either good or bad; I leave it to you to decide.

I make no appeal to that class of political being that dates its existence from the year 1884. At that time that fragile, ethereal, wavering creature commonly known as the "mugwump" was hatched from the chrysalis of its self-conceit and fluttered out upon the political horizon to be admired of mankind. [Laughter.]

But soon becoming exhausted by its intense admiration of itself it lay down by the wayside and fell into a deep sleep; and during its slumbers the juice of that magic flower of "civil-service reform" was sprinkled upon its eyes, and, like Titania in the *Midsummer Night's Dream*, it became deeply enamored of the first object upon which its eyes fell on awakening. It is needless for me to say to this House that that object was the present President of the United States. [Laughter.] Let me indulge in the hope, before I close, that by the vote on the pending question it will be conclusively demonstrated to this House and to the world that that species is extinct on this floor. [Laughter and applause.] I thank you, gentlemen, for your attention.