

THE SILVER QUESTION.

SPEECH

OF

HON. JOS. C. HENDRIX,

OF NEW YORK,

IN THE

HOUSE OF REPRESENTATIVES,

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1893.

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The House having under consideration the bill (H. R. 1) to repeal part of an act approved July 19, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. HENDRIX said:

Mr. SPEAKER: I am exceedingly grateful to the gentlemen of this House, who have given me an opportunity as a new member to say something upon this question at this stage of the debate. I am the first, I believe, to speak from the great city and State of New York. I have come into this Hall as a banker. I am here as the president of a national bank. I have been called a gold bug, but I beg to assure my friends that the only piece of gold that I possess in all this world is a \$5 piece that was paid to me the other day for attending a directors' meeting, and that all the money that I have hoarded up is what I have hoarded up in my left pocket, and this was handed me the other day by the Sergeant-at-Arms, in the form of a certificate calling for one hundred silver dollars. So that I trust I am at least free from some of the imputations which are often so ungraciously put upon gentlemen coming from the great center of finance of this country.

Moreover, I have some reason to claim to be a *persona grata* to some of my friends of the West and the South. I was born in the great State of Missouri, from which comes the gentleman [Mr. BLAND] who has offered the pending amendment. I grew up among those people, and I know them and I love them. I have roamed through the land of the persimmon, the pecan, and the pawpaw; I have tasted the water of the Missouri River, and the legend runs that he who tastes of it once thirsts for it ever afterward. [Laughter.]

But I have come by way of the East and I land here in this Hall representing an Eastern constituency. I want to say, to begin with, to this body of gentlemen, for whom I have already gained large respect and some affection, that the opportunity presented to this Congress at this hour to do a great and lasting benefit to this country has never been before equaled under such a combination of circumstances in the history of our legislation. Repeal the Sherman silver law, gentlemen; adjourn and go home; and let the country take care of the rest. That is the programme that is coming up to you from every center of trade. It is not the "gold bugs" of Wall street or the "money sharks" there, or the chambers of commerce throughout the land to whom I would ask you to listen. I ask you to listen to the men and the women and the children who have their money locked up in the savings banks of the country.

I ask you to listen to the employes of hundreds and hundreds of workshops and factories that are idle. I ask you to listen to the expressed fears of the dread penury that will come on with the blasts of winter. I ask you to listen to the spoken fear that proceeds from the minds of men that we are entering upon a period black with sorrow and with woe. The condition of the country about us you well know. It is not necessary for me to tell you of the banks that are tottering, that are falling, that have already suspended. It is not necessary for me to tell you that currency is at a premium in the city of New York to-day, and that it sold there yesterday at from one to four dollars premium. It is not necessary for me to tell this intelligent House that gold is being bought to-day in London and shipped to this country, as pork is bought on this side of the ocean and shipped abroad.

It is not necessary for me to tell you that the clearing house of the city of New York has issued nearly \$40,000,000 of clearing-house certificates; that all the banks there have pooled their choicest assets and securities; that this great congeries of banks is holding up the financial system of this country by the neck, and that if you do not take the burden and strain off from them they may fall, and when they fall the whole country will fall. I do not propose to take up any time in the discussion of financial theories; I am for practical, decisive action.

We are confronted by a condition. It is no time to weave a web of theory about it. We have a law upon our statute books which is an irritation to our people in their business and is repellant to foreign confidence. It is a law that has cost like a destructive war. It is a wicked law of vicious parentage, and it has grown up to plague us, rob us, and to threaten our very financial life. We are called here to expel it from the body of our laws. Such is the clean-cut, unquestioned demand of the people. They have all become convinced that the law is a mistake.

If designed to increase the circulation, it has served to contract it. It has put into the channels of business in payment for silver bullion \$140,661,694 of Treasury notes, but it has pushed out \$141,017,158 in gold. If designed to raise the price of silver, it has served to depress it by threatening the market with the visible supply of bullion which is stored up under it in the Treasury vaults. It is a rank failure, causing us to be ridiculous in the eyes of the world when it was adopted and creating greater surprise because we have maintained it alive so long. It has nested a brood of vipers, and now we are here to kill them off.

Under this law, Mr. Speaker, we have been buying 4,500,000 ounces of silver bullion a month, which the Government never needed and can not sell, and we have been paying for it in gold, taking in 7 tons of silver for every working day and yielding up our gold for it. Was ever a nation caught in such a trap before? In the two fiscal years ending June 30, 1892, although the balance of trade was in our favor by over \$240,000,000, our net export of gold was \$67,000,000. We have been paid for exports in our debts and have had to pay out \$67,000,000 more in gold to cancel other debts declared to be due because of the distrust of our ability to pay in as good money as we got. Now no one comes here to defend this law, but there is a variation of its vicious principle under discussion in the shape of a free-coinage measure.

Why, sir, the way primary principles of finance are brought upon this floor thrashed over and over, and twisted one way and other, seems extraordinary to one who comes from the markets of the world. The experience of the world is all in one direction. The slow moving finger of time has not changed its motion for a single second since 1798, when England made the change in her policy by subordinating silver to gold.

Right along through the ages this process of monetary evolution has gone on. It is going on to-day, and we in this House can not stop it; we can not control it; it controls us. It is no new thing, sir, in the history of monetary evolution for the more desirable currency to dominate. When the Australian used stone slabs as the medium of exchange; when the Fiji Islander used red feathers for his currency; when the Roman used his oxen; when in the early ante-Roman days in Ireland female slaves were a medium of exchange—in the use of eggs, in the use of iron, in the use of tin, in the use of zinc, the process of evolution worked out the inferior and worked in the superior article. One by one have these mediums of exchange been discarded and a higher level reached.

The world has advanced step by step; and the preference of the world to-day, from barbaric Africa to highly civilized England or America, is, as between silver and gold, for the more precious of the two metals. When you gentlemen begin to quarrel, you must quarrel with the forces of evolution; do not quarrel with fifty unknown men, whose names are not in any directory, who can not be identified, but who are named *en masse* as being the men who are bringing about all this panic. Let us be perfectly fair with each other on this question. I do not assert here that the Sherman purchase law is the cause of all the woe from which this country is suffering at this moment. No intelligent man talking to intelligent men would undertake to make an assertion of that kind. The Sherman silver law was not responsible for the failure of the Federal bank in Australia in January, 1893, nor for the tumble there of fourteen great banks, nor for the rebounding force of the distress which has gone round the world since that time like a boulder bouncing down a mountain side.

No; a wave of distress has encircled the globe. The Anglo-Saxon race has overdone the business. It has gone on conquering, populating, and over-booming the far distant isles. In one way only can we fix the responsibility for the primal moving causes of this distress upon this country; that is, we have been guilty of such legislation here as has turned from our shores the golden tide of foreign capital and forced it to go seeking a lodgment in bankrupt, insolvent, irresponsible, and unprosperous countries. In 1878 we began the series of errors, and we would have to-day the same condition under similar circumstances under the Bland-Allison act alone as we have under the Bland-Allison act with the Sherman act superimposed upon it. It is because we have been trying to set ourselves against the tide which is running around the world, the tide that makes toward one single stable standard—a tide which it is as useless for us to try to turn back as it was for old King Canute to attempt to turn back the ocean breakers from the foot of his throne when, seated on the beach, he ordered the waves to stop.

It is extremely interesting to follow the financial movements

that have taken place ever since the effects of the Bland-Allison act began to be felt in this country.

I propose, gentlemen, in dealing with this question, to bring to you facts. We may "monkey," as the phrase goes, with silver; we can not "monkey" with facts. We have the resulting balances of trade to guide us; and when they are made up they form a subject of study for every financier the world round. Let us take up this question and see what the result has been since we started upon this silver course. Our coinage of silver began in 1878; so that on January 1, 1879, when we resumed gold payments, there were only \$22,495,550 coined, and of this amount only \$6,204,081, counting both the dollars and the certificates, were actually afloat.

Now, at that time we established gold payments; we resumed specie payments; we notified all the world that the United States of America was ready to pay its debts in the money of the world. What was the consequence? Why, the money of the world began to set our way. I have been astonished at the statements made here which would indicate that the money of the world is controlled by a few people. The investment capital that seeks our market from abroad is in the first instance the money of the middle and poorer classes in England, in France, in Switzerland, in Holland, and in Germany. It is not the money of the plutocrats that comes in big blocks. It is the aggregation of small savings.

The rich men use their capital in banking, in looking out for the profit that comes in taking toll as this great amount of money goes through the channels of trade. The money comes from the *hoi polloi*—the proletariat—from the people who have amassed it through hard labor and by the sweat of their brow.

Now, this money in 1879 started our way. We had new supplies of money given to us. There were national-bank notes, which on June 30, 1878, amounted to \$319,604,560, increased, so as to reach on June 30, 1882, a total of \$360,982,713. Gold began to come in rapidly, more or less each year, until the largest total was in the fiscal year ending June 30, 1881, when it reached a total of \$97,466,127. There was great prosperity as you all remember.

The net aggregate for six years ending June 30, 1883, that came into this country to build your railroads, to build water works, to improve your highways, to give the tools of trade to that brave and great people that are developing the resources of the West, was \$187,671,027. That, Mr. Speaker, was the high-water mark. The flag of our prosperity was at its highest point then. What happened? The turn of the tide followed. Mark it in your history; put it on your tablets; let it go on record in the archives of this Congress why it was that tide turned then and never came back. It turned away then from us because the silver in circulation, which had been kept at a small figure for the first three of the six years mentioned, on June 30, 1883, when the reports were published, was found to have assumed large and threatening proportions. The aggregate outstanding on that date reached the sum of \$123,958,711, and on June 30, 1884, the aggregate had risen to \$169,605,000, and on June 30, 1885, to \$178,000,000 in round numbers.

Now, what were the results? When the English capitalists saw this rising tide of silver money, when they saw the disposi-

tion of the United States towards it, they began to pull out; and they have been pulling out ever since, and it was only in the last three weeks, when under a state of panic values were broken down as never before in the history of this country, these Englishmen saw their opportunity in the wreckage, and concluded to take some risk. They started in to buy our securities and buy our wheat, corn, and other raw materials—at bargain-counter prices.

If you trace the process right through you will see that as silver money increased foreign capital here decreased. First, the Englishman drew his capital out wherever it was invested on time, giving notice to borrowers that he wanted it back. He wanted it when he could be paid back in gold. The foreign corporations went on drawing out the more permanent form of invested capital—that which goes on mortgages through the Scotch and British investment companies. They pulled in everything they could get at under the circumstances. Then they started in to make some investments in Argentina, and in the panic following that, the other securities remaining in their strong boxes were thrown on our markets. We almost broke our backs here trying to take care of them.

But I want you to keep your eyes on the date, July 1, 1883—the date of the turn of the tide. The next year there was no gold imported. Hard times began. There was a panic in May, 1884. We lost \$18,250,640 gold. Nevertheless, the net exports of merchandise were \$72,815,916. In the next three years we lost \$22,245,678 gold, although our exports netted \$281,567,036. You see how, just as soon as silver became troublesome, gold flew away. Ever since 1885 we have had a net export of gold in every year but two, despite a trade situation in our favor.

In 1892 the trade balance was enormous. Nevertheless, in every quarter of that calendar year we exported more gold than we received. Thus from the beginning of the pressure from the silver issued under the Bland law, right along down gold fled before silver, foreign capital smelled danger and withdrew, and when the Sherman law got to work the movement partook of a new energy and it continued vigorously up to the time values began to give way in the present panic.

It has been argued that we were paying our debts, and for that reason gold was leaving us. This is true. We paid not only for all we bought, not only for all that our favorable balances would liquidate, but we had to pay back money which would have remained here to the utmost satisfaction of its owner, had no silver plague come upon us. And recently how ruinous has been our experience! With what are we paying for the fresh supply of gold? Why, Mr. Speaker, and you gentlemen representing farmers here—think of it—we are paying with wheat at the lowest price it has ever touched. The world's wheat crop is short this year. Europe needs our stock. She would have paid for it gladly at living prices. We are throwing it at her, like a spend-thrift.

Now, as a further result of this silver foolishness our values have so shrunken and our need for cash is so great that to-day we are happy to find any buyer and to sell back to the Englishmen the very securities that we bought back from them in 1890, and at a rate of interest that will allow them from 13 to 30 per cent.

Mr. Speaker, the whole history of the world tells but one story wherever a nation undertakes to follow the course we have been following; but wherever it follows the procession of the nations and the teachings of sound finances it renders itself financially stable, gives confidence to its people, and keeps money in its ordinary and rightful channels.

Now, what would happen if we should repeal the Sherman silver law outright and put this extraordinary set of amendments not only on the table, but under the table, and down in the cellar? The very next morning after the bill had completed its course through the legislative and executive machinery of the nation the millions of dollars that are now aggregated in the capitals of Europe would start again, as they did in 1879, toward these shores. They would fill all the veins of commerce. They would congest all the channels of circulation. Money would be so cheap in the city of New York that you could borrow it on good collateral for less than 2 per cent per annum, and it would flow all over this broad land, and where a man had good credit or good property on which he desired to borrow money he would find that he would be able to get it.

Why, you remember that in the good days following resumption of specie payments, when we had this gold unit of value in such relation to our currency that the world believed us, money was extremely cheap. Up to the time that silver became troublesome we were importing gold largely. Times were good; money was abundant. As soon as silver and silver certificates got into free circulation the movement stopped. Ever since that time there has been difficulty in getting money for the farmer and the planter. What is the consequence to-day? Your banks which have rediscounts in the city of New York are obliged to pay 12 per cent for them. Can they afford to loan your neighbors and your friends money with which to move their crops under such conditions as these? Will they not use the money which is needed at home to discharge their indebtedness elsewhere? They must do this if they are good bankers.

Gentlemen here say that there is not gold enough in the world. How do you know? There has always been enough and to spare in this country when the world believed in us. This is also true of every other country. It comes in abundance when conditions favor its secure investment and its certain return in kind. It advances with our good faith in finance. It slips away in the night at the first sign of danger. Its presence is the reward of financial virtue. Its absence is the unerring sign of financial vice. Under the conditions which protect it, it is abundant, but on fair warning, it runs to cover like a frightened hare. No one can trace it to its hiding place. No one can explain where it all comes from when it ventures into the open channels of business. It is easily hoarded. Misers love to finger it in secret when the business world hungers for it.

A man died not long ago in this country who had, in fear of your silver legislation, hoarded more than three-quarters of a million of it. The instinct of the squirrel, the bee, the ant, and the natural instinct to hide that which will sustain life in adversity, leads to the hoarding of the most prized money metal when any financial storm threatens. It drops out of trade into old stockings, into the jewel boxes among the keepsakes, is put aside for the baby's birthday pin, or reserved for some other vagary

of human fancy. Bank tellers keep what comes in and pay out silver or paper.

The use of gold certificates, which I hope to see abolished under a Democratic administration of our finances, has greatly facilitated the hoarding, for the secreted certificate secretes the gold for which the United States Government provides free warehousing. A savings-bank board will say that there is doubtful legislation afoot or under trial, and decide to hoard gold, and as they have no stockholders in the East, they can retire money from work to idleness without interference. When the yellow tide recedes, the very earth seems to open and swallow it.

The Secretary of the Treasury, who, prior to last March, went ostentatiously into the New York market to borrow gold for the Government in exchange for greenbacks, set every gold-hoarding influence in the land at work, and in a month's time the floating stock of gold was dry docked in vaults, stockings, and strong boxes. Under the sunshine of confidence it all comes out. One yellow piece attracts another, and it all in time returns to the surface, and flows through the circulation like rich, red corpuscles in the veins of a healthy man.

The estimate of the world's stock of gold so often given is pure guesswork. No one has the data. From the dawn of history mankind has held it as precious, and has secreted it to use as money or as ornaments. It is found in nearly every country, and no one can tell either where it all is or how much there is of it. Rest assured that any figures are guesswork. We do know that the production of gold responds to human demand for it, and that it is now increasing. Until a year ago this country was the leading gold producer, but now Australasia is in the lead. Russia, Africa, India, South America, are all yielding gold.

Last year \$130,816,627 worth came to the surface. The gold fields are not exhausted. The western slope of South and Central America is yet to be mined. California's output can be doubled if hydraulic mining is permitted. The Chinaman is finding gold in the white man's deserted camp. The unworked gravel of the old river beds, the experts say, is rich in gold, while the foothills along the Yuba and Sacramento rivers are believed yet to contain rich deposits. As the demand for gold increases, the work of men to meet that demand will increase.

Alaska's production last year amounted to \$1,080,445, and the largest stampmill in the world is in operation in that Territory. In South Africa gold mining is booming, and it is predicted that this year's product there will lead the world. There is ample gold enough to ballast the money systems of the great industrial nations, and especially of our own land. We need it only as a standard of value and an ultimate redeemer. If we stop buying silver we will soon see that there is enough for us and to spare.

My friends, I have said that this is, in my judgment, a golden opportunity for this country. You may legislate here as you please, but you might as well legislate against the heat of this August sun; you might as well legislate against the stars by night or the sunshine by day, as to legislate against the preference that is imbedded in the human mind, in human reason, and in human imagination. The world prefers gold. The instinct of every human being is toward it. It is the only metal that contains so much value in such a small body. It is the most portable of metals. While it shares with silver a great many of its

features, and while in its onward and upward movement among the nations of the earth it has always had silver as a contestant, and they have traveled side by side, yet various processes have come into operation which have made them part company. Now gold is in command; silver is its lieutenant.

How have those processes been brought about? Most naturally. In a policy which was entered upon the English statute books in 1816, and which therefore more frequently bears that date, although initiated in fact in 1798, gold was adopted as the single standard of value. Now look at the process as it has gone on from 1816 in England. What was the next step? For a great many years the Latin Union states and Germany and ourselves, silver-using India and the South American republics and Mexico, continued to use silver. For a great many years there was no considerable disturbance. There was steadiness between the two metals. Strong nations were acting in unison. There was no special pressure of fresh silver supply.

Silver mining was not exploited to the high point of perfection that it is at to-day, and the world's supply of silver was not so great as to cause unusual fluctuations. But when Bismarck thought that he could inflict a greater blow on his old enemy, France, than by the mere paying of the indemnity which he compelled her to pay to Germany for the Franco-Prussian war, he decided to make her pay it in gold and to use that opportunity to put Germany upon a gold basis and bring together the various discordant and inharmonious systems of currency which the minor states had, and to put all squarely upon the gold basis. The consequence was that the old German thaler, which originated in that valley down in Bavaria which gives the name to our own dollar, came upon the markets of the world through the melting pot, and they began to feel this extra and unexpected supply.

The next consequence was that silver showed weakness in the markets of the world, and in 1872, Germany having discarded silver in 1871, Norway, Sweden, Denmark, France, and Italy had to give in at once and close their mints to the free coinage of silver. Now, what was the next step? Holland stood out until 1875, when she gave in. Russia stopped in 1876, except the coinage of some silver dollars for the Chinese trade. Belgium, Switzerland, and Greece stopped in 1878. Austria-Hungary stopped in 1879. Roumania stopped in 1890, and now the last tolling note of the funeral bell is ringing over the doom of silver as a money metal as India, the great sink for silver, shuts its mints to free coinage.

And here this great and proud nation of people, who love their citizenship and their sovereignty as a people; this magnificent Christian nation, with its men and its women, beyond any comparison in domestic spirit, in civic spirit, in social life, with any people on the face of the earth; this great nation, where over a greater area of territory than is known on the face of the earth elsewhere one language is spoken, where there is one set of laws and one system of political thought—in this great arena of civilization and liberty we are asked, alone among all the nations of the earth, to go down upon our knees worshipping, like a gibbering idiot, the idol that has been rejected by every other civilized country in God's world.

I protest in the name of education among our people against such a proposition. Was anything ever more absurd in all the his-

tory of financial legislation than the proposition submitted to this House yesterday indicating that we are so far at sea upon this question that we can not quite make up our minds which one of the five ratios we are to adopt if we go into the free coinage of silver. Why, in 1834, that great man from my State (and I wish some man from the Mississippi Valley would rise up and make himself great for the next twenty years on the model of his policy), Thomas H. Benton—"Old Bullion"—stood in the halls of Congress facing his own party on the question of whether 15½ or 16 should be the ratio—15½ being the market value at that time, and in a market more stable than it is to-day, yet here we have one of five ratios. The statesmen of that day knew that they must be controlled by the market value at least. They chose to go a little over it for the sake of safety. To-day we are talking about ratios 8 and 10 points below the market.

Here it was 27.33 yesterday, 28 on Monday last, 33 a few weeks ago, and who can tell what it will be to-day, next week, or next month. The market rate changes every few days; but if we were to put any ratio upon our statute books and link it with gold in our laws it would take Congress years and years to undo the work that is now proposed. This is opera bouffe, not statesmanship.

What would be the result if you have your way? Why, my friends, you can not do the impossible. It is as absolutely impossible for us to undertake bimetalism alone in this country as it is to have a stable system of finances under our bullion-purchasing law. Now, if it is coming to a choice between going right along as we are now, buying silver at its market value in gold and storing it up—a vicious and wicked system of finance—or any of these five propositions, I beg of you all to adjourn and go away and leave us in the condition we are now in, for if we change, as you propose, we would be going from bad to worse.

Now, I am an international bimetalist. I believe it would take all the power of all the nations of the earth to keep these two metals working together for any long period of time. I agree with my friend from Ohio [Mr. HARTER] that there is grave doubt about the ultimate success of such a proposition as that; but I am willing to try it because whatever evils will follow will not fall on this generation and would probably be postponed for thirty or forty years.

Now I come to what those bimetalists who have grown old in the consideration of this question have to say. I quote the words of Mr. Henri Cernuschì. Who was he? A great authority in bimetalism. He was an Italian by birth, and Italians always have, next to the Jew, had the keenest financial instinct of any people on the face of the earth. He was driven out of his country through the political events of 1848, and became a banker in Paris. In 1870 he retired from business. He is a recognized authority, and more quoted in the speeches of the people who appear at monetary conferences than any other man. He came to this country, and he testified before the United States Monetary Commission. He was asked by Mr. Boutwell:

In case the United States should resolve to adopt the bimetallic standard at any proportion, say 15½ to 1, and other countries should maintain their present position with reference to the issue of gold and silver respectively, what, in your opinion, would be the effect upon the business of the country? Mr. Cernuschì said: "My desire is that a general agreement shall be adopted by the different nations. In my opinion, no country can coin silver

alone; any country that coins only silver will remain alone, and will not have the money for paying abroad."

Mr. BRYAN. May I ask the gentleman a question?

Mr. HENDRIX. Well, now, I am a pretty green member on this floor, and I do not know that I ought to yield for an interruption.

Now, in connection with what Mr. Cernuschi has said, if there was any hope that the basis offered by my friend from Missouri [Mr. BLAND] should become the basis of the civilized nations of the earth I would be willing to spend any amount of time in discussing the various ratios with him, but you can not afford to commit the great interests of a people to an absurdity such as a ratio less than the market, and it would be foolish for any nation to try it single-handed. The ratio to be established must be the market ratio between the two metals. You would be laughed out of a conference of the nations of the earth if you went into it with a proposition for less than that. It is the market value between the two metals that must fix the ratio if international bimetalism ever succeeds. What is the market value of silver? I have shown you that it runs now from 28 to 33. You propose to put in law a ratio of 16 to 1. Why, you would not do that. You would not bring disaster to the firesides of your own people that that would cause. You would not be willing to drive out of this country every dollar of gold that could go out of it.

It would be the height of midsummer madness to enact any such legislation as that. But, then you step up a little and say, "If you do not like 16 to 1, how will 17 to 1 suit you?" Oh, gentleman, you would not do that; that is only one little point better; that would not help the situation; that would not start the mills; that would not allow the savings banks to take the embargo off the \$373,000,000 belonging to the working people in the cities of New York and Brooklyn; that would not help the farmers to move their crops; that would not restore confidence throughout this country. It would mean that confidence would be shaken again, and that every sterling loan made in this country would be called. "Well, then," you say, "let us try 18 to 1."

Why, my friends, what do you gain by that? Do you want all the silver of all the earth poured into your mints and turned into dollars for the people of other countries to turn around and pay them over to you for your products and take those products away? Why, sir, Germany has not yet got rid of all the silver that she desired to sell when she demonetized it and brought her currency to a gold basis. "Well, then," you say, "let it be 19 to 1." That is no better. How about 20 to 1? That has been the favorite dream of bimetalists through all the past twenty years, that some day or other silver would be at the ratio of 20 to 1, and that it could be kept there. But look at the fluctuations of the market: one day 33 to 1, then back to 29 to 1, then down to 24 to 1, and the next back to a higher figure.

Under such a condition where is your stable basis of value? Why, sir, it would take the whole power of all the nations of the world to establish even the market ratio. Yet you say 16 to 1. You might as well try to take the sunbeams and coin them into legal tender as to take silver at any ratio named in this bill and make a stable basis of values in this country. Every financial center would stagger under the blow. This country would suspend business to-morrow in all its financial machinery

from Maine to California, from the Gulf to the Lakes, if the people believed that it was possible for this Government to enact such a law as that in this time of peril. There is not a ratio named in this substitute bill which would not make us the laughing-stock of every financial center in the world. Every dollar that ought to belong here, every dollar that would come here through the natural laws of gravitation, would be withheld.

Every dollar that belongs to us and that would naturally come to us by reason of our solvency, by reason of our integrity as a people that has never yet defaulted or dishonored an obligation, by reason of the elements of prosperity running in the Anglo-Saxon blood as the race shapes itself under free government, would stay away, and every dollar that is here now for such reasons and under such conditions would begin to take wings and fly abroad. The gold that is being brought here at great expense to-day by our financial institutions to prepare for the hard times which they anticipate; that gold which is bought in London, as I have said, like so many pounds of pig lead, and delivered here at a premium of 1 or 2 per cent—that money would not stay here; it would have to go abroad again in the settlement of balances. Such legislation would mean shipwreck; it would mean ruin; and you do not intend either of those things or anything like them.

Mr. Speaker, I believe that within the next twenty years—and many gentlemen here will live to see that time—we shall see this whole free-silver craze laid out in the same graveyard along with repudiation, along with fiat money, along with every false thing in finance. The evolutionary processes of the world are against you, gentlemen. You may legislate "until the cows come home," but in the morning these evolutionary processes will have gained one night's work, and you will be called back here again and again, as you are called here now, to undo your work. You can not stop it. Gold is bound to be the ultimate redeemer of all the financial systems of first-class nations in this world, and no legislation short of the community of all the nations can stop it. Anybody who stands in the market places and sees the stream of prices as they go by must be forced to this conclusion. And you, gentlemen, are doing your constituents a great wrong, a wrong for which they ought never to forgive you, by continually embarrassing the financial system of this country by weak, lame, halting, sickly propositions, such as have been kicked out of the forum of civilized nations the world over.

My friend from Alabama [Mr. WHEELER] made a most singular statement for an intelligent man—that fifty men in the city of New York, fifty millionaires, were locking up money and keeping it out of the channels of trade. What infernal rot! What complete nonsense! My friend from Missouri makes the extraordinary statement—I took it down from his lips and I expected to find it in the RECORD to-day; you will find it there when his speech appears, if it has not been taken out—"this panic has been brought about for the express purpose of repealing this law; no doubt about that." Why, God Almighty himself could alone bring about such a condition as involves the whole globe to-day. "This panic has been brought about for the express purpose of repealing this law." Can men go about among their suffering constituents talking this way?

Where men of intelligence meet we all know that the present conditions, which no one nation can control, which no one legislature can control, have come upon this world from a number of causes, forming a sort of financial epidemic that is running its course, and that has found us with our body of circulation so weakened by a supersaturation of silver that we are not able to throw it off or turn it back, as we have financial troubles in the past; we succumb to it, fall beneath it, like a man falling beneath a sunstroke. My friends, you may rail against the cyclones that sweep over your Western country; you may accuse them of being the result of a "conspiracy;" you may rail against famine, and accuse it of being the work of Wall street "sharks" and "gold bugs;" you may split your lungs in such senseless talk as this; but the evolutionary process that God has put into the world goes right along night and day, and will go right along after you and the rest of us are laid away under the green sod.

The moving finger of Time down from the days when gold started in the race for first place to this moment has pointed to a single unit of value. It is our destiny. It will triumph in this Hall—perhaps not in this Congress nor in your day; but it is going to become the financial policy of this country just as sure as to-morrow morning's sun will rise. And I will tell you, gentlemen, one thing for your comfort. I believe that nothing disturbs the "Old Lady of Threadneedle Street" to-day so much as the fear that this country is going to be done with this silver foolishness. Three times we have gone to the nations of the earth—this strong and manly people has gone to them and said, "Won't you please come and confer with us about the monetary condition, and let us see if we can not do something to harness the two metals together so that they will travel side by side in harmony?" We have sent our able men; we have sent our most conservative men; we have sent our most diplomatic men; and what has been the result? Three times England has folded her arms and said, "We will have nothing to do with you." She recognized that she was mistress of the seas; she recognized that she was the creditor nation, and that along the avenues which she has created for commerce, radiating from her in every direction like the spokes of a wheel, she could send her goods and the products of the world's labor must come, and that she could demand a settlement for the balances in gold. She occupies this position, and among all the nations of the world that have competed with her up to this time she has had no fear of any rival except the United States of America, and she will fear this country more when it adopts a policy of sanity in its finances.

Let us try the experiment just once and see whether we can not bring this proud old lady down from her perch. I predict to you that inside of three months—before this Congress meets again—if you repeal this Sherman law and adjourn, England will make proposals to this country to come into a monetary conference and see what can be done for the sake of her ward, India. The proposition is already said to have come through financial magnates. Their names are not given, and therefore I distrust the information, because when men are mentioned I like to know where I can find them.

Mr. BLAND. Will the gentleman allow me a question right there?

Mr. HENDRIX. Yes, sir.

Mr. BLAND. I understood the gentleman to say a moment ago that we were evolving toward a gold standard.

Mr. HENDRIX. Yes, sir.

Mr. BLAND. And now you claim that England is evolving toward silver. [Laughter.]

Mr. HENDRIX. Oh, no; you will find out how this evolution works, Mr. BLAND, before the evening of your life is ended. You have seen it going on steadily, and it must have made you on your old Missouri farm think the world was sadly out of joint as one nation after another failed to agree with you.

But I say to you the only gleam of hope for international bi-metallism is that this country, with its magnificent resources, with its almost unlimited credit, with its grand position among the nations of the earth, shall so draw upon England's gold stock through all her arteries of commerce and trade as to make her seriously doubt whether she can afford to hold aloof longer.

My friends, there is only one view to take of this question. This is a financial war between the nations of the earth. Now, we have no business to have a civil war on our side while a fight of that character is going on. There is on the throne of Germany a mediæval war lord who is maintaining an army at great price; and across the border there is a semibarbarian on the throne of Russia who is piling up idle in his war chest the gold that he has been getting together.

All of the nations throughout Europe are sleeping on their arms, on pillows made of the war chests of gold which they have drawn from other countries.

What are we going to fight that battle with? Our coasts are exposed. We have no financial navy. We have a very small financial army, as I look about among gentlemen here to-day who favor hard-money doctrine. We are in an exposed position, and we propose to fight this war with an old weapon, a wooden "Quaker gun" that has been discarded, left out, thrown aside, made into a football throughout the world.

I say it is insanity, rank, staring, stark idiocy for us to continue in this attitude in the face of a war like this. It is our business to throw our hat in the ring and say to the nations of the earth that we have some credit, that we have some resources, that we have some power in the premises, and that we propose to maintain it. All we have got to do is a very little thing, that is simply to repeal the purchasing provision of the Sherman silver law, adjourn, go home, and let the natural laws of commerce take care of the rest.

A gentleman with whom I am well acquainted, now in the European market studying the situation there, writes home these words:

Many British critics of approved judgment do not think that the approaching session of Congress can do much, if any, good, but, on the contrary, possibly, and probably, much more harm.

If this body approves any of these proposed ratios there will be an emphasis under that sentence.

I do not think myself that the Congress as at present constituted, and upon the lines it usually works, is just at this juncture a special and beneficent providence for us.

It will not be if it is going to repeal the Sherman law and

substitute a proposition containing one of this sliding scale of ratios.

Nor do I think, as many at home seem to, that it is Fate raised to the nth power, so to speak. They are an aggregation of blundering mortals, and with far less experience and judgment than many who ought to be there in this emergency. They will discuss causes of which they know very little, and apply remedies of which they know less. These Britons know very well most of the individual parts of that Congress, and are well advised as to their capacity and governing motives, and when they read what many of these people all over the country have been saying with the voice of Stentor and the impudence of Thersites, it is no wonder they unload all American stuff before the Congress meets. They have hastened to do it anyhow. I think this session is going to be a disappointment for many—

I disagree with him in that, for I think it is going to do a great deal and work relief for the people of this country— and, unlike the life of Achilles, it will be neither short nor glorious.

I think it will be both short and glorious.

The British opinion of the financial acumen of America is not high nor flattering at present. They think, in effect, that the wealth we have so rapidly acquired is destroying the virtues by which we obtained it. I am only giving you the sense of their opinions as I get them without regard to their value. What they fear more than all, and what is really the foundation of all their fear about us, is "Demos," that great unterrified democracy (unterrified because inexperienced and irresponsible) that rises up like an exhalation in the night so to speak, and without sense or reason, or regard to the rights of others, and ignoring and despising all precedents and experience, wants its own headlong way in everything; and from all parts of the country delegates to Congress and other high places its most approved cranks, where, with the brute force of numbers, it overawes, overwhelms, and outvotes the "saving remnant," the minority of brains, judgment, and experience.

All this is no new thing under the sun, and has repeated itself so many times in history that those who are not warned by it must be very ill-informed indeed. It would really seem as if the facts and the present condition of things in our country warrant very much of all these criticisms and opinions. Anyhow, the British, Dutch, and others are living up to those opinions just now, and it does not tend to improve our financial situation at home.

Nor will it if we do not stop seriously discussing the ratios here.

Now, just one word more.

Mr. HUTCHESON. Will the gentleman allow me to ask him just one question?

Mr. HENDRIX. I prefer not to.

The SPEAKER. The gentleman declines to yield.

Mr. HENDRIX. Now, if we do not like any one of those four ratios, there is a sort of omnibus attached to this proposition where you can all get in and ride. Now, gentlemen, what is that? That is the Bland-Allison law. Now, we are called to come here to-day to repeal the Sherman law. How much longer would it be before we are called back to repeal the Bland-Allison law? And if it comes to a choice between the Bland-Allison law or any of these four different ratios, or the Sherman silver law, give me the Sherman silver law and let us stop.

Several MEMBERS. That is right.

Mr. HENDRIX. Let us stop where we are. Do not let us monkey and fool any longer. We are buying silver on a gold basis and piling it up here as a useless asset, and making ourselves ridiculous, creating a sublime act for some writer of opera bouffe in the future. But let us stop and not go any further, for by the Bland-Allison law, for which you provide in this bill, you are going to coin, at the present ratio and at the present market price, \$3,653,000 a month, while under the Sherman law at the

present price we are only issuing \$3,375,000 of money. You are going to add practically \$300,000 more money a month at the present price of silver under the Bland act than you are now giving out under the Sherman law.

This whole country is begging of you for God's sake to repeal, and to repeal quickly. Now, these are the propositions that come before this House. In this hour of dire distress, when as good men as ever trod the earth's surface are throwing up their hands in despair and going down under the wave of disaster; when solvent banks that have stood up in pride against all of the winter storms and the summer heat of finance have gone down and their presidents, perhaps, or their cashiers in extreme mortification take their own lives; when humiliation has come upon honorable business men who never disregarded an obligation and never had a dishonest dollar; when all the whole United States is on its knees praying to Congress for God's sake to repeal the Sherman silver law and let us alone, you come here and propose one of five ratios, 16 or 17, 18, 19 or 20 to 1, and you want this Congress, if it does not like that, to take a law which is going to inflate the currency with more silver than the Sherman silver law.

What mockery! What idiocy in finance! What a shame upon a free country! My friends, this country is looking to this Congress for relief. Let us here, as Representatives close to the people, do our duty and do our duty faithfully, and if there is at the other end of the Hall any set of vested interests represented there that would stand in the pathway of progress and of relief to the people, let the pitiless peltings of public opinion rain down there and not here. Let us discharge our duty and go home feeling that we have done what the country expected of us. [Applause.]

