

DEMOCRATIC ATTITUDE ON THE REPEAL
OF THE SHERMAN LAW.

SPEECH

OF

HON. ALBERT J. HOPKINS,
OF ILLINOIS,

IN THE

HOUSE OF REPRESENTATIVES,

TUESDAY, AUGUST 22, 1893.



WASHINGTON.
1893.

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The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. HOPKINS of Illinois said:

Mr. SPEAKER: In the message which the President of the United States submitted to Congress at the opening of this session he used this language:

The existence of an alarming and extraordinary business situation, involving the welfare and prosperity of all our people, has constrained me to call together in extra session the people's representatives in Congress, to the end that through a wise and patriotic exercise of the legislative duty with which they solely are charged present evils may be mitigated and dangers threatening the future may be averted.

And after speaking at some length of the peculiar and forlorn condition in which the country is placed to-day, he said:

I believe these things are principally chargeable to Congressional legislation touching the purchase and coinage of silver by the General Government.

This legislation is embodied in a statute passed on the 14th day of July, 1890, which was the culmination of much agitation on the subject involved, and which may be considered a truce, after a long struggle, between the advocates of free silver coinage and those intending to be more conservative.

This language of the President clearly indicates what to his mind should be the subject of legislation at this extraordinary session of Congress, and it also expresses the sentiment that party considerations should not enter into the deliberations of either of the great political parties in determining the remedies for the evils portrayed in his message.

I had hoped, Mr. Speaker, that the Democratic party, as represented in this House, would accept of this message in the spirit in which it was given by the Chief Executive, and would embark upon the consideration of the legislation that is proposed to relieve the country from its present financial distress, on broad and patriotic grounds. The Republican Representatives in Congress were ready and willing, and even anxious, to meet their Democratic colleagues, not as partisans, but as patriots, to confer together, and from such conferences to evolve some kind of legislation that would meet the demands of the public in this great emergency, and that would show to the country that in a crisis, such as is now experienced by the people, sectionalism and partisanship would not dominate and control either of these great political organizations.

This wish and hope that I have expressed was indulged in not

only by the Republican members of this House, but by the country generally. That we were fated to disappointment is now known to all. On the 11th of this month the gentleman from Missouri [Mr. BLAND] presented the following resolution for adoption in the House:

Ordered by the House. That H. R. No. 1 shall be taken up for immediate consideration and considered for fourteen days. During such consideration night sessions may be held, for debate only, at the request of either side. The daily sessions to commence at 11 a. m. and continue until 5 p. m. Eleven days of the debate on the bill to be given to general debate under the rules of the last House regulating general debate, the time to be equally divided between the two sides as the Speaker may determine. The last three days of debate may be devoted to the consideration of the bill and the amendments herein provided for, under the usual five-minute rule of the House, as in Committee of the Whole House. General leave to print is hereby granted.

Order of amendments: The vote shall be taken first on an amendment providing for the free coinage of silver at the present ratio. If that fails, then a separate vote to be had on a similar amendment proposing a ratio of 17 to 1; if that fails, on one proposing a ratio of 18 to 1; if that fails, on one proposing a ratio of 19 to 1; if that fails, on one proposing a ratio of 20 to 1. If the above amendments fail, it shall be in order to offer an amendment reviving the act of the 28th of February, 1878, restoring the standard silver dollar, commonly known as the Bland-Allison act; the vote then to be taken on the engrossment and third reading of the bill as amended, or on the bill itself if all amendments shall have been voted down, and on the final passage of the bill without other intervening motions.

This resolution was the result of a conference or caucus between the Democratic members of the House representing the extremes on the silver question. No Republican member had any voice or vote in determining any of the propositions embodied in the resolution which I have just had read at the Clerk's desk. It is the result of Democratic partisan consideration. When it was presented and its passage demanded by the Democratic Representative having it in charge, by authority of the caucus of the party, various members on our side protested against its adoption because they believed, as we all believed, that, in a great emergency like this, no Representative should be limited to either of the extremes presented in this resolution.

I say either of the extremes, because the bill itself calls for a repeal of the purchasing clause of what is known as the Sherman law unconditionally, and without any legislation accompanying it tending to the increase or expansion of the currency of this country to meet the wants of a constantly increasing population and a constantly increasing volume of business, while the amendments which are proposed in the resolution limit the vote to the free coinage of silver upon some ratio varying from 1 to 16 to 1 to 20, not one of these ratios being in accordance with the commercial difference that to-day exists between the two metals.

Republicans have a right, Mr. Speaker, to be justly indignant, as they are, at the treatment which has been accorded them by their Democratic colleagues on this floor in forcing the adoption of this resolution, and the consequent limitation of the consideration of this great question, which is affecting every section of our common country, without any privilege of suggesting any amendment, or embodying any proposition in the way of a substitute, that in the judgment of the Republican members of this House will aid in lifting this pall from the business of the country.

No political advantage can be gained by such partisanship.

The people of this country are too intelligent, and their attention is directed too strongly to the consideration of this question in Congress now to be misled by any of these limitations which have been imposed upon the representatives of the people in this resolution on which we are called to vote on the 28th of this month. What they demand now is legislation that will relieve the country from its present stagnation of business. They wish to see legislation that will restore confidence to the business men and to the manufacturers in this country. They wish to see the wheels of industry again started, the factories thrown open and the unemployed men who are to-day crying for bread or for work, given their old employment, with the remunerative wages to which they have been accustomed during the many years that the Republican party has been in control of this country.

What is the remedy that is offered by Mr. BLAND of Missouri and the majority of the Democratic party as represented on this floor? It is the free and unlimited coinage of silver on a ratio of 16 to 1, or some ratio intermediate between that and 20 to 1, including the latter number; and in case of the failure of any of these propositions to receive the indorsement of this House then the proposition is to reenact what is denominated the Bland bill of 1878.

These, and these alone, are the propositions which are presented by the members of the Democratic party, as represented on this floor, as a panacea for the ills under which the country is suffering. It will require, Mr. Speaker, more than the faith of the early Christians for any person to believe that a remedy can be found in the adoption of any of them. When they are subjected to cold analysis, in the light of historical facts, they fail utterly in furnishing the relief that is needed by the people of this country.

I have noticed in all the speeches that have been made by the friends of the white metal that they are more powerful in declamation than logical in reasoning, and that glittering generalities are substituted for substantial reasons to lead the public to a silver basis. Each speaker who has followed Mr. BLAND, the great apostle of free silver in this country, on that side of the question has prefaced his remarks with a statement that he is a bimetallist, and has assumed, without any reason therefor, that those who are not prepared to adopt any of these ratios submitted in this resolution under consideration are enemies of bimetallicism, if indeed they do not belong to that despised class denominated by our Populist friends "the Gold Bugs of Wall street."

Bimetallism can not be had in this country by arbitrary legislative enactment. The commerce and trade of the world can not be commanded or changed by the American Congress alone. It would be as easy to change the flow of water over the Falls of Niagara by bill in Congress as to create practical bimetallicism of the two metals—gold and silver—in this country by legislative enactment, without taking into consideration the commercial value of the two metals and their condition and use in the other civilized countries of the world.

These so-called friends of free silver are misleading the people, if not themselves also, when they insist that the adoption of any one of the ratios proposed in the pending resolution will re-

store practical bimetalism in the United States. They say with truth that gold and silver are recognized in the Constitution as the money metals, and that in 1792 we established bimetalism in this country by recognizing both gold and silver at a certain fineness on the ratio of 15 ounces of silver to 1 ounce of gold, and that from that day to 1873 we were committed by acts of Congress to bimetalism.

In all these statements, Mr. Speaker, I find myself traveling the same road with the so-called friends of free and unlimited coinage of silver. These are historical facts that are known even to the school children of this country, but it is equally well known that never for three consecutive days, from the adoption of the ratio of 15 ounces of silver to 1 ounce of gold in the laws of 1792, up to the present time, have these two metals traveled in company upon the ratio fixed by law. The commercial values of gold and silver have invariably controlled their legal value, and the enactments of Congress upon this subject have been a dead letter.

Whenever legislation interferes with the natural laws of trade it becomes inoperative. You can no more fix and determine by legislation adopted in this Congress the relative value of the two metals than you can change and modify the laws of nature. The laws of trade and commerce are as inexorable as the law of gravitation.

These principles were well known to the founders of the Republic, and it was for that reason that Robert Morris, the great financier of the Revolution, was opposed to the double standard. He believed from the wide experience that he had had in financial matters, and from the profound study which he had given the subject, that the two metals, gold and silver, could not by legislation be held at a certain ratio for any length of time, and hence in his discussion on the adoption of the laws relative to this subject, and the establishment of a standard of value and medium of exchange, he favored one metal.

It is true at that time he favored the silver metal. And why? Because at that time silver was used as a standard of value in all civilized nations of the world. It was before the discovery of gold in California and Australia, and before gold had become the standard of value of the great civilized nations, as it is to-day.

Alexander Hamilton himself, while recommending, as he did in his celebrated report to Congress, the adoption of the bimetallic theory, did it with grave doubts and many misgivings. He saw with almost prophetic eye, that if the ratio established by law of the two metals did not conform strictly with the commercial value of the two metals, that it would be utterly impossible to have them interchangeable in the channels of trade in this country on the ratio fixed by act of Congress. He stated, and it is a well-known fact, a fact that will not be disputed by any intelligent member of this House, that he held to the belief that if but one metal should be adopted as the standard of value and the medium of exchange, that metal should be gold, because of its less variable value.

What is the result, Mr. Speaker, of the adoption of bimetalism in this country at the ratio of 15 ounces of silver to 1 ounce of gold? The records from the Treasury Department, together with

standard financial works treating of this subject, show clearly that the two metals never for one day traveled in company under that ratio. Gold was undervalued, and refused to keep company with her white brother.

At that time the legal ratio between the two metals in France and other European countries was 15½ grains of silver to 1 grain of gold, and hence the silver that was coined drove out of the channels of trade the yellow metal, and we were practically a monometallist country on a silver basis from 1792 up to a revision of these laws, under the leadership of the great Senator from Missouri, Thomas H. Benton, who, in 1834, secured a change of ratio, making 16 ounces of silver the legal equivalent of 1 ounce of gold.

This ratio did not conform to the commercial difference in the two metals, but at this time England had established the gold basis for her standard, and gold was coming into more general use as the great money metal of the world. The country at the time of this change felt the need of more gold in the channels of trade in the American States, and this change in the ratio was for the purpose of inducing gold to leave foreign countries and seek our shores for investment. By the establishment of this ratio of 16 ounces of silver to 1 of gold, silver was undervalued, and it, in its turn, refused to circulate as a money metal on that ratio with the yellow metal.

The commercial difference of the two metals at this time was only 3 cents on a dollar. In other words, a silver dollar, on this ratio, was worth 3 cents more, intrinsically, than a gold dollar, and this difference was sufficient to send it abroad for investment, and leave gold as the sole metal for trade and commerce in this country. The mints of the United States were open equally to both metals on this ratio; yet, as a matter of fact, silver was practically unknown as a money in use. Whatever was coined at the mints was immediately shipped to other countries, and there melted into bullion and sold at its market value.

At this time, Mr. Speaker, there was no cry raised in favor of this white metal. By the establishment of this ratio this country was placed upon a gold monometallic basis as firmly and as securely as it would have been had silver been demonetized. Gold was the standard of value and our only medium of exchange, and was the circulating medium of this country up to the time of the outbreak of the civil war and the issue of Treasury notes such as are now known as the greenback.

The crime of the demonetization of silver, if crime it be, antedated the legislation of 1873. It is true that up to the revision of our coinage laws in 1873 the silver dollar was known upon our statute books, but it was practically demonetized, as I have before said, in 1834, when the ratio of the two metals was changed, and the legislation of 1873 was but recording what commerce and trade had already done for this white metal.

On the ratio established in 1834 between the two metals, of 16 ounces of silver to 1 ounce of gold, the legal value of an ounce of silver is \$1.29. Under the old ratio that was established in 1792, of 15 ounces of silver to 1 ounce of gold, the ratio was fixed upon the basis of silver being worth \$1.38 an ounce. At this time, as I have already said, all of the civilized countries of the

world had their mints open to the free and unlimited coinage of silver; and yet, Mr. Speaker, because the legal ratio fixed in 1792 of 15 ounces of silver to 1 ounce of gold did not correspond with the commercial ratio, the two metals refused to circulate together; they varied in their commercial value from year to year, but slightly, it is true, but in a sufficient amount to drive silver from our shores and cause it to seek investment, not as the coin of our country, but as bullion, in foreign markets.

In 1819 the commercial value of an ounce of silver was \$1.35. This, you will see, was within 3 cents of par, or the legal value fixed upon an ounce of silver when bimetallism was established in this country.

Now, bear in mind the fact that the mints of all the civilized nations were open at this time to the free and unlimited coinage of silver; bear in mind, also, the fact that every country in the then known world was using silver as a money metal, and yet, with a 3 per cent difference between the commercial and the legal ratio, the friends of silver were unable to bring it to par with gold, and unable to keep it in the channels of trade.

In view of these facts, which are as plain and clear to the members of this House as the King's highway, I ask in the name of common sense, I ask in the name of justice to the great laboring masses of this country, I ask in the name of the great producing classes of this country, when to-day there is a difference of more than 57 per cent between the legal and the commercial value of an ounce of silver, and it has been demonetized in all the civilized countries of the world, how is it possible for the friends of silver to hope that by the reestablishment of the free and unlimited coinage of silver at the ratio of 16 to 1, as proposed in the pending amendment now under consideration, it will come to par, and that an ounce of silver, which can now be purchased in the market for 72 cents, by a stroke of the Congressional pen can be made of the value of \$1.29?

The very statement of the proposition is its best refutation. As well might you say that an act of Congress would cause the waters of the Mississippi to stop their flow, or the rocks of the Sierras to burst asunder at Congressional dictation, as to contend that under present conditions the reestablishment of the free and unlimited coinage of silver in this country, on the ratio proposed, will bring the commercial value of silver up to its legal value.

Let us consider for a moment, if you please, Mr. Speaker, this subject a little further in order to demonstrate the utter absurdity of the position of the so-called friends of bimetalism who advocate the free and unlimited coinage of silver on any of the ratios that are proposed in the pending amendments. There are in the world in round figures \$4,000,000,000 worth of silver. This to-day is worth about 72 cents an ounce.

Now, these free-silver advocates, the followers and supporters of Mr. BLAND of Missouri, in their efforts to force this legislation upon Congress, and its results upon the people of this country, tell us that by the very magic of free coinage by the United States, standing separate and alone from all the other civilized nations of the world, it is going to raise this \$4,000,000,000 worth of silver from 72 cents an ounce to \$1.29 an ounce. In other

words, that by the enactment of this proposed amendment for the reestablishment of the free and unlimited coinage of silver in this country on the ratio of 16 to 1 they are going to add a value of more than \$1,500,000,000 worth to the world's supply of silver.

Was ever a more astounding proposition presented to any legislative body or to any intelligent, sane men? Does not the simple rehearsal of these facts demonstrate to those who are least familiar with this subject the fact that the position they assume is utterly untenable, and that if it were carried out it would instantly put this country upon a silver basis and would drive the six hundred and odd millions of dollars of gold that are now in circulation in this country into safe-deposit vaults, and to other secret places where trade and commerce would know it no more forever?

Mr. Speaker, it does not lie with the gentlemen who are advocating the free and unlimited coinage of silver upon this ratio, or even upon any of the ratios that are suggested in the amendments, to claim that those who are opposed to their propositions are the enemies of bimetallic in the United States. These men, while they are professing to be desirous of carrying out the provisions of the Constitution and the principles of the early fathers in establishing and maintaining the two metals at a parity, know when they make these professions, that if their propositions are adopted that this country will become a monometallic and not a bimetallic country, and that it will be a silver monometallic and not a gold monometallic country.

I have not the time nor the inclination to stop here and portray to the members of this House or the country the direful results that would follow from their successful efforts in this session of Congress. The first result would be to contract the currency to the amount of the six hundred and odd millions of gold which are now in circulation.

We are to-day, Mr. Speaker, experiencing the sad results of a contraction of the currency. This legislation, instead of proving a relief, would still further aggravate the disease that it seeks to remedy. Whenever this country substitutes a silver for a gold basis our stocks and bonds and other obligations held in European countries will be immediately sent over here for liquidation, and what we are now experiencing in the way of a practical cessation of all business will become complete, and this country would go into general bankruptcy.

I shall take no time to demonstrate the impracticability of adopting either of the other ratios proposed in the pending amendments. Neither of them conforms to the commercial ratio between the two metals. The commercial ratio, as shown by the report of the Director of the Mint, dated August 1, 1893, is as 1 to 28.52. How long that ratio will remain it is impossible for any man to state.

If the legal and commercial ratio should be made identical in this legislation by the adoption of 28.52 of silver to one ounce of gold, a week after the adoption of the law the commercial ratio would be different. The report which I hold in my hand, made by the Director of the Mint on the 1st of this month, shows that there has been a steady decline in silver since 1873, and

that it has been more rapid since 1890 to the present date than for any like period in the history of our country.

Some gentlemen may say that this decline is attributable to the demonetization of silver in 1873; but I would ask all such to bear in mind the facts which I have stated already, that the demonetization of 1873 was only recording in a legal way what had been practically a commercial demonetization of silver for a period of nearly forty years prior to that date.

The chief reason, in my judgment, that silver has steadily declined in value is the fact that during this period its annual production in this country has more than doubled, and its use as a money metal has been destroyed in the leading countries of Europe. In 1871 Germany suspended the free coinage of silver and adopted a single gold standard. In 1873 the German Empire provided for the retirement of silver coins in circulation and the sale of its silver bullion. This threw about \$140,000,000 of silver bullion upon the market and still further depressed the market price of silver.

France also, in 1873, by a Treasury order limited the amount of silver to be accepted; and in 1874 silver was demonetized in Sweden and Norway. In 1875 Holland suspended free coinage of silver and established a gold standard. In 1876 France discontinued the further coinage of silver, and Russia, in the same year, suspended free coinage of silver and adopted the gold standard; and in the same year Spain, by her royal decree, stopped the further coinage of silver.

In 1892 Austria-Hungary adopted the single gold standard and discontinued the use of the white metal as a money metal. Then in 1893, just previous to the assembling of the members of Congress in this extra session, India, the great silver country of the world, suspended the free coinage of silver.

Under these circumstances it requires no metaphysical arguments and no philosophizing to show to the people of this country that silver has constantly and steadily fallen in its commercial value in the great countries of the world; and these facts, too, must demonstrate to all alike the utter futility of any effort upon the part of this Congress or any subsequent Congress, while the other countries which I have just named maintain a gold standard, to attempt to establish free and unlimited coinage of silver in this country on any ratio whatever.

It is a practical impossibility, and, as I have said, the men who advocate it upon this floor or in any other place, in the limits of our broad Republic, are not the friends of bimetallism, but for selfish motives, or from misguided reason, they have adopted this theory with the knowledge, unless they are blind to all the facts, that the adoption of it upon any ratio whatever will place the greatest Republic of all times upon the silver basis of our sister Republics in Central and South America.

Mr. Speaker, I would not be representing the intelligence of my district were I to vote, under these conditions, for any of the amendments proposed by the honorable member from Missouri [Mr. BLAND]. Not only, sir, would I be misrepresenting the intelligence and the interests of my immediate constituency, but, in my judgment, I would be false to the best interests of our common country if I yielded to any of the seductive arguments which

have been portrayed in such eloquent terms by members who have spoken on that side of the question, and vote in favor of any one of the propositions which they present. This is a crisis which calls for intelligent action; not only intelligent action, but for prompt action, if we would benefit our country in this its hour of commercial peril.

The reasons in part assigned for my objection to the indorsement of any of these ratios for the free and unlimited coinage of silver lead me also, Mr. Speaker, to vote against the proposition, which is suggested in the last amendment of the gentleman from Missouri, for the reenactment of the so-called Bland-Allison act of 1878. That act, Mr. Speaker, provides for the purchase by the Government each month of not less than \$2,000,000 worth of silver and not more than \$4,000,000 of silver bullion for coinage into silver dollars, at a rate of $412\frac{1}{2}$ grains of standard silver or $371\frac{1}{4}$ of fine silver for each dollar.

It was left in the discretion of the Secretary of the Treasury, between these limits, to determine the amount of silver bullion that should be purchased under that act from month to month. It was upon the statute books of our country until the enactment of the so-called Sherman law on the 14th day of July, 1890. That it was a menace to the continuance of our maintaining our paper currency and silver on an equality with our gold currency is evidenced by the letter of President Cleveland, in 1885, to Gen. Warner of Ohio, a letter which has become somewhat celebrated in the consideration of the silver question, and which affirmed, in substance, that the continuation of that act upon the statute books would lead this country to a silver basis.

This agitation, Mr. Speaker, of the silver question was begun by the opponents of the resumption of specie payments, which, under the act of 1875, was to take place on the 1st day of January, 1879. It was, in one sense, a demand for more money. That demand for more money first found expression in what is called the inflation bill, which was passed by both Houses of Congress in 1874, and was subsequently vetoed by President Grant.

When the friends of an inflated currency were foiled in their attempt by our great military chieftain, who was then the President of the United States, they took up the subject of the demonetization of silver under the act of 1873, which agitation continued with varying success until 1878, when, as a compromise with the friends of free and unlimited coinage of silver, the Bland-Allison act was proposed, and finally enacted into a law. It never met the hearty approval of the able financiers of the country, but was then regarded and has since been treated as a temporary makeshift between the advocates of sound money on the one hand and the inflationists on the other.

There was nothing in this act, Mr. Speaker, when it became a law, that pledged this country to maintain the silver dollars which were to be coined under that act at a parity with gold, and that is one of the reasons why President Cleveland, as early as 1885, believed that it was a pernicious law, and that the continued coinage of silver dollars under that act would drive gold to foreign countries and place us upon a silver basis.

The much-abused Sherman law, in my judgment, is in many

respects preferable to the adoption of the proposed amendment for the reenactment of the so-called Bland-Allison act; because, while it authorizes the Secretary of the Treasury to purchase 4,500,000 ounces of silver per month, and issue silver certificates for the market value of this bullion, it also pledges the property and the credit of the Government to maintain these silver certificates at a parity with gold.

And it is that pledge, and that pledge alone, which has been faithfully carried out by each Republican Secretary of the Treasury, which, in my judgment, has enabled this Government to maintain this vast sum of silver dollars and silver certificates at a parity with gold. You divorce these silver dollars and silver certificates from gold, and allow them to circulate upon their own merits without the pledge of the Government's property and its credit to maintain them at a parity with gold, and they would sink instantly to their commercial value.

At the present price of silver more silver dollars would be coined under the Bland-Allison act per month than would be by the purchase of silver bullion under the Sherman act of 1890. As I have already shown, under the Bland-Allison act the Secretary of the Treasury is to purchase not less than \$2,000,000 worth of silver per month and coin the same into dollars. At the present price of silver, which I estimate at 72 cents per ounce, \$2,000,000 worth would produce \$3,685,714, while 4,500,000 ounces of silver at the same price cost only \$3,150,000.

Thus you see that the purchase of silver under the act which it is proposed to repeal, at the present price, is \$515,714 a month less than would be coined under the so-called Bland-Allison bill. Under the present condition of the Treasury the reenactment of the law of 1878 would put us upon a silver basis as quickly as the enactment of a free, unlimited coinage bill on any of the ratios suggested in the pending amendments. Indeed, Mr. Speaker, the facts and figures which I have here presented furnish a sufficient reason, for me at least, to vote against all of the propositions that are contained in the proposed amendments to the pending bill for the repeal of the purchasing clause of the Sherman act.

This leads me to a consideration of that act. I remember well the discussion which took place in this Hall, and in the Senate, which resulted in this legislation. My friend from Missouri [Mr. BLAND] was then contending, as he is now, for the free and unlimited coinage of silver. His party associates then were not, as now, divided upon this question. We then had a Republican President, and men who to-day on that side of the House denounce the free and unlimited coinage of silver as a menace to the maintenance of our commercial prosperity, were then agreed to follow him in his efforts to secure legislation of this kind.

Whether since that time, by a careful study of this subject, they have abandoned the heresies which they then professed to believe in, or whether they permitted partisanship and their desire to embarrass the Republican party to control their voices and votes, I shall leave to them to say. In the discussion of this question at present I shall not stop to indulge in any partisan debate or to array unnecessarily the Democratic party for its peculiar position upon this question in the years that have gone.

The impending crisis is too grave and the necessity for prompt action too great to stop in the midst of this effort to relieve the country from this condition to indulge in crimination or recrimination.

It is due to the facts of history, however, to state that by an almost united vote the Democratic members of the House of Representatives voted for the free and unlimited coinage of silver on the ratio as proposed in the first of the pending amendments. It had passed the Senate by a combination between the Democratic Senators and the Republican Senators from the silver States. The Republican members of the then House of Representatives believed then, as they believe now, that the true interests of this country would be imperiled if such a bill were enacted into law, and they refused to approve of the bill that was sent to the House from the Senate and sent a substitute to the Senate therefor.

This resulted, as those who are familiar with legislation will understand, in a conference committee, composed of a certain number of members selected by the House and another number selected by the Senate. After mature deliberation it was deemed by a majority of this conference committee that this act, as it is now found on the statute book, would be better for a temporary measure than to adopt the then Democratic idea of free and unlimited coinage. No man who had favored this measure believed that it was to long remain on our statute books.

The hope was then indulged that time and experience would lead a sufficient number of Democratic Representatives and Senators to understand that the prosperity of our country must depend upon sound financial legislation, and that under the facts that exist in the world to-day regarding silver it would be utterly impossible for us to maintain it at any ratio on a parity with gold, and these considerations would induce them to desist from their efforts to secure the legislation that has always been championed by Mr. BLAND of Missouri.

That hope, Mr. Speaker, has been partly realized by the firm stand that has been taken by President Cleveland upon this question. Many members of this House who three short years ago were loud in their declamation in favor of the free and unlimited coinage of silver are now arrayed on the conservative side, under the leadership of their President, a position which has been held for so many years alone by the Republican party.

I am not one of those, however, Mr. Speaker, who are willing to confess that nothing but unmixed evil has followed from the adoption of the Sherman law. That legislation, as I have shown, was an improvement over the legislation that was given to the country in 1878, known as the Bland-Allison law. The question may arise, then, why should I vote for the repeal of the purchasing clause? The answer, to my mind, is clear and simple. The President of the United States, by his message to Congress, has said, in substance, that he is unable to maintain the parity between the two metals because of the constantly increasing amount of silver that is stored in the Treasury under this law.

There is no doubt in my mind that the attitude of his party as a free and unlimited silver-coinage party has added to the complications of this question. The people of Europe who have been

in the habit of purchasing our bonds and stocks have seen a party placed in power by the votes of the people whose cardinal principle for many years upon the financial question has been the free and unlimited coinage of this white metal, and with this legislation upon the statute book, and that party in power, they have felt that the President himself would not be able to control his party on this subject, and the result has been an effort upon their part to dispose of all obligations in this country that might by legislation be required to be paid in silver instead of being paid in gold.

The President's message to Congress, as it is interpreted by the Republicans, is an appeal to them to come to his aid and assist him in reestablishing the finances of this country upon the stable basis upon which they had been maintained for more than a generation by the Republican party, and as lovers of our country we are willing to respond by our voices and votes, and repeal this clause, thus placing it beyond the power of this Democratic political organization, committed to the free and unlimited coinage of silver, to destroy the equality between the metals as they have been maintained under Republican administration.

Not only that, Mr. Speaker, but the bill by which we repeal the purchasing clause of the act of July 14, 1890, reaffirms a determination upon the part of this Government to maintain the two metals at a parity. We have a vast amount of coined silver dollars and a large amount of silver certificates, aggregating in round numbers six hundred million dollars. Those silver dollars and those silver certificates must be maintained at their par value. This bill, as I have said, pledges the property and the credit of the Government to that policy.

I am reminded, however, by gentlemen who sit around me, that the repeal of the purchasing clause of this Sherman law as is proposed under the pending resolution gives no legislation for the future of silver, and leaves us without an expanding circulating medium to meet the wants of the country.

I appreciate that to its full extent, Mr. Speaker, and am one who believes that this country should have legislation that will utilize both of these metals for the benefit of the people. It will not do after the Republican party, through its members in the House and the Senate, have aided in securing the repeal of the purchasing clause of the act of July 14, 1890, thus enabling the President of the United States to maintain our present volume of silver and silver certificates at a parity with gold, for him and his party to stop there.

The people of this country expect the President and the Democratic party, by proper legislation, to present some scheme of finance that will utilize these metals, and will furnish to the country a sufficient supply of money to meet the wants of trade and commerce; and if they fail in that the people will condemn them as false to the interests that they pledged themselves to protect and maintain when they were placed in power.

Now, sir, had this resolution that has been adopted here not limited us to the amendments upon which I have spoken, I should have been glad for one to have suggested proper and germane amendments to this bill looking to an increased circulation, expanding and elastic in its character, to meet the wants of a con-

stantly increasing population in this country, and the needs of a growing commerce and trade. My views might not meet with the approval of all this House, but a discussion along this line would certainly lead to the adoption of some proposition that would meet the requirements of this occasion.

As I have said, Mr. Speaker, the great cry that is made by the friends of the free and unlimited coinage of silver in this country is that if it is treated simply as a commodity, and its money qualities taken away from it or limited or impaired in any manner, that the people will suffer because of a scarcity of a circulating medium, and have argued with a good deal of justness that the prices of all commodities will fall if there is a contraction in the standard of value and medium of exchange.

In my judgment their objections can be met by legislation that will continue the gold dollar as established by the law of February 12, 1873, as the unit of value of the United States. Instead of from this date coining gold at the mints, I would use the gold bullion as a basis for the issuing of gold certificates. That could be managed, Mr. Speaker, in this manner: Whenever the holder of gold bullion in an amount of \$100 or more should deposit that in the Treasury of the United States, or at any mint or assay office, that the Secretary of the Treasury might designate the depositor should receive, instead of gold coins therefor, registered Treasury notes, of such denominations as the Secretary of the Treasury might designate, called Treasury notes, for an equal amount to the number of dollars of the bullion deposited.

Upon these notes I would have certified by the Secretary of the Treasury that there had been deposited in the Treasury of the United States an amount of gold equal to \$100, or the amount that the depositor had placed in the Treasury of the United States, and then have the notes certify that they are redeemable in an amount of gold equal to \$100, or whatever was deposited, on demand of the holder thereof.

I would treat silver in precisely the same way, and whenever the holder of silver bullion in quantities aggregating a hundred dollars' worth or more deposits that bullion with the Treasurer of the United States, or at any assay office of the United States that might be designated by the Secretary of the Treasury, I would permit him to receive therefor a Treasury note certifying that the depositor had left in the Treasury of the United States an amount of silver equal to \$100, or whatever sum the silver bullion was worth according to our standard of value on the day of its deposit, and then have that silver note certified by the Secretary of the Treasury that it is redeemable in an amount of silver equal to \$100 or whatever amount was deposited at the time it was issued, on the demand of the holder thereof.

You will see, Mr. Speaker, from this that neither the gold nor the silver certificate is redeemable in any number of dollars, or at any specified time. The unit of value in this country, as fixed by the law of 1873, is the gold dollar of 23.22 grains of pure gold; and these gold and silver certificates would be measured in the market by that unit of value. Under this plan, as it seems to me, properly elaborated and carried out by well-considered legislation, both of the great money metals can be util-

ized by the Government of the United States to furnish a suitable and elastic and constantly increasing currency to the people of this country.

There is no danger under legislation of this kind of a silver certificate depreciating in the market—that would be utterly impossible. It would be as valuable in the markets of Europe as a gold certificate. It would be as valuable in any section of the United States as the gold certificate. Why? Because it evidences upon its face that it is good for a quantity of silver equal to its face value.

I would make these certificates legal tenders for all public and private debts.

Under this system, as I have said, there can be no question but what those silver certificates would circulate as money in the country as readily as gold coin or gold certificates.

In this manner the product of the American mines can be utilized for the benefit of the whole country, and at the same time the certificates that are issued upon bullion that is deposited with the Treasurer of the United States will circulate in New England or through the Middle States or in any section of the country as well as the greenback of to-day or as gold coin.

It has been demonstrated, Mr. Speaker, I think, by experience, that gold and silver coins do not circulate among the people. They seek places of deposit in our banks and subtreasuries, and there is a demand among the people for a paper money. It is more convenient. It is easier to handle. It is cheaper to transport from one point to another, and in every respect, almost, the people of this country have shown that they prefer this kind of money, where they can be satisfied that it is as good as gold coin. And when they are assured that back of each one of these certificates there is gold or silver bullion of sufficient quantities, so that that bond can be taken to the Treasury of the United States, or any of our subtreasuries, and redeemed at its par value, there will be no question about the people of this country receiving it in all the channels of trade.

If a bill could be prepared and passed in this Congress, embodying this idea, it could be elaborated, Mr. Speaker, so as to meet any objections arising from the fluctuations in value of either of the metals. I shall not take the time here to demonstrate to the House and the country how that can be done. From the study I have given this subject, and from the opinions of the men who are well versed in the science of finance, this is one of the most feasible plans that can be adopted by the people of this country to utilize both gold and silver as money.

By the adoption of this we shall avoid all the troubles and inconveniences and hardships of a single gold standard, that have been so picturesquely and so eloquently portrayed to the people of this country by the gentleman favoring the free and unlimited coinage of silver. By the adoption of this method we will also escape the equally dangerous ground of placing this country upon the single silver standard, and thus from a monetary standpoint place us on a par with the second-class powers of the earth.

No friend of either of the metals can object to a method of the character here suggested, because it takes the metal that he

specially favors and utilizes it to the full extent of the needs of the Government. It makes no distinction between gold and silver, but treats both alike.

I am confident, Mr. Speaker, that with the growing demands for paper circulating medium in this country and a standard of deferred payments, that the time will come when gold and silver will have to be treated in the form here suggested, and a paper money based upon the intrinsic value of these metals will take their place; and it seems to me now is the proper time for Congress to consider this great question. Early action is called for, not only by the President of the United States, but by the people.

The picture of the condition of this country, as portrayed in the message of President Cleveland, is one that should challenge the attention of every thoughtful man. It is in such marked contrast to the condition of this country as presented by President Harrison in his last annual message that I can not refrain from quoting a few of the opening sentences in the last message to Congress from that Executive:

In submitting my annual message to Congress I have great satisfaction in being able to say that the general conditions affecting the commercial and industrial interests of the United States are in the highest degree favorable. A comparison of the existing conditions with those of the most favored period in the history of the country will, I believe, show that so high a degree of prosperity and so general a diffusion of the comforts of life were never before enjoyed by our people. * * * There never has been a time in our history when work was so abundant or when wages were as high, whether measured by the currency in which they are paid or by their power to supply the necessities and comforts of life.

This, Mr. Speaker, was the condition of the people of this country under the last Republican Administration, and has been the condition of the people practically for nearly a generation, during which period the Republican party has been in actual continuous control of the Government.

I trust, Mr. Speaker, that by wise and conservative action the President of the United States will be enabled to restore to the people of this country the happy, contented, and successful condition that they were in under the last Republican Administration. The Republicans, certainly in this great emergency, will rally to his support, and whenever he indicates, by message or otherwise, that owing to divisions in his own party, or for other causes, he needs the support of the Republican party to protect the best interests and welfare of our people, he will find them unitedly and patriotically responsive to his call.