

HOME RULE FOR AMERICA.

Whoever controls the volume of money in any country is absolute master of all industry and commerce.—JAMES A. GARFIELD.

S P E E C H

OF

HON. OMER M. KEM,
OF NEBRASKA,

IN THE

HOUSE OF REPRESENTATIVES,

WEDNESDAY, AUGUST 23, 1893.

WASHINGTON.
1893.

SPEECH
OF
HON. OMER M. KEM.

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. KEM said:

Mr. SPEAKER: It is not in the belief that further discussion of this question will change a single vote one way or the other that I ask the indulgence of the House at this time, for I believe the die was cast when this session was called and no amount of talk will change it, but I should not feel that I had done my whole duty toward my constituents should I allow this opportunity to pass without recording my voice as I shall my vote in favor of the free coinage of silver on a ratio of 16 to 1, and against the destruction of one-half of our metallic money by the combined efforts of the bondholder and interest-gatherer.

Great solicitude has been manifest on this floor by certain members of both the dominant political parties relative to what they term partisan discussion of the pending bill, claiming it to be of such vast importance that no partisan spirit should enter into its solution. We are gratified to know that at last the truth of the Populist claim that the money question was paramount to all others has been recognized by the enemies of more money, and agree with this nonpartisan sentiment by adding that no partisan spirit should enter into the solution of any question upon which rests the welfare of the people, and I can but regret that this spirit of patriotism did not take hold of these parties years ago when all this misery which is upon us now, and all that which has intervened since the destruction of the greenback, might have been averted.

I wish I could believe that their desire to avoid partisan debate at this time was prompted wholly by an unadulterated patriotism. But I may be pardoned if in the light of the past history of these two parties I entertain some doubts along these lines, and attribute this sudden outburst of patriotism, in part at least, to the knowledge of these gentlemen that both of their parties are equally guilty of treachery relative to this question, and that if one attack the platform of the other, it will only result in those structures tumbling about their ears and crushing them as the temple did Samson of old, and if I owed allegiance to a party as guilty of playing a double part as these I undoubtedly would be patriotic enough also to desire that it be not spoken of.

I have been somewhat amused at the conduct of certain other gentlemen in discussing the present distressing condition, particularly of those gentlemen who are more than anxious to save the country by increasing their facilities for clipping coupons and gathering interest.

I belong to that class of citizens who have in the past been designated by the above-named gentlemen as calamity howlers because we dared to predict just the calamity that has laid our land prostrate to-day. I have known the calamity howler in his palmyest days. I have heard him in the zenith of his glory when he howled the loudest, but I have never heard a howl from a professional that equaled in density and volume the wail of woe that has gone up from the throats of gentlemen on this floor who represent the class that have sneeringly referred to the Populists as cranks. The term calamity howler is not as explicit now as it once was. The howl not only emanates from the farmer's sod house of the West and the log cabin of the South as of yore, but the merchant, the mine owner, transportation companies, bondholders, bankers, and even grain gamblers have taken up and swelled the refrain until out of the very mansions of luxury comes one prolonged howl of woe that causes the old-time howler to turn green with envy: All of which is a gentle reminder that chickens come home to roost, and that as soon as what these despised calamity howlers predicted would come to pass, came, this class throughout the land raised a wail of distress and called upon Congress to get together and save them from themselves.

They remind me very much of the boy who hitched himself up with a steer. When they started the steer ran away and he could not stop him, and as they went sailing down the road he yelled, "for God's sake stop us, we're running away." These gentlemen have suddenly discovered that this false system with which they have been harnessed for years has gone beyond their control and like the boy are calling on Congress for heaven's sake to stop them, for they are running away. I will say for one (and I only speak for myself), that I am willing to help stop the procession, if they are willing to be stopped in a manner that will be effectual in keeping them so, but if they propose to only stop long enough to catch their breath, spit upon their hands, and get a firmer grip upon the industries of the people, as an unconditional repeal of the Sherman law would enable them to do, I, for one, will stand quietly by and see the whole outfit dash to destruction over the precipice of over-strained credit without lifting a hand to prevent it.

The plaintive cry with which the gentleman from New York (Mr. Hendrix) plead for the immediate and unconditional repeal of the Sherman law was truly touching, but when we realize it is but the echo of the senseless cry raised weeks ago by the metropolitan gold press and sent broadcast over the land of, "Repeal the Sherman law, repeal the Sherman law," it loses some of its pathos, and we begin to see it is nothing more than the cry of "Stop thief" to draw the attention of the people from the real issue. This law is not what I desire in preference to any other, but what I desire in the absence of any other, and I am more than willing to vote for its repeal when we have secured in its stead the free coinage of silver on a ratio of 16 to 1, but I do not propose, gentlemen, to submit quietly to be bound by the robber, then trust to his honor not to take my property.

But in all candor I submit upon what grounds do they ask for the repeal of this law? What reason do they give for this demand? Simply upon the bare statement that it will restore confidence. Let us look for a moment at the logic of this proposition and see if the facts will lead to such conclusions. What is the matter with confidence? Gentlemen have told us that the law filled the masses with fear that the banks would not be able to pay in gold, hence the run upon these institutions. Is this true? We think not, because the people have not demanded gold, asked for it, or even desired it, and thousands of them would be only too glad to take

payment in the much-despised silver dollar. Particularly so just now, inasmuch as stated by the gentleman from California (Mr. Bowers) they are worth 3 per cent premium. Oh, no; it was not this fear of the people that they would not be able to get their deposits in gold dollars. It was the well-grounded fear that they would be unable to get them in any kind of dollars, a fear justly born of the miserable policy of contraction that has been followed for years, and which at last the people are becoming cognizant of, a practical demonstration of the truism uttered by President Lincoln, when he said: "You can fool a part of the people all of the time, all of them part of the time, but you can't fool all of them all of the time."

The people are long suffering and have been slow to realize the truth, but they are arousing at last, and let me drop a word of warning to those guilty of these wrongs, that a giant is awakening that may be hard to control. A lack of confidence, is it? Then let us apply the remedy in a common-sense manner by restoring a sufficient amount of legal-tender money to meet the business demands of the country. The moment we do this confidence will be at par, and every avenue of trade opened to its full capacity. We have been doing business so long on confidence with so little real money behind it, it has become threadbare and rotten, worn out; and the only just way to restore it is by furnishing more money. Can we do this by following the advice of the President? No. Yet the logic of the gentlemen who ask for repeal of the Sherman law is that this deficiency shall be made up by destroying half of what we now have.

As already stated, contending for the Sherman law only as a makeshift till something better can be provided, I ask in all earnestness, has the law been given a fair trial, and in all honor, if it ought not to have a fair trial before it is condemned? Justice says yes, the President says no, and after both administrations have ignored the spirit of the law in persistently redeeming the certificates in gold when the act provides that the Secretary of the Treasury may at his option redeem in silver, the demand comes up from the inner precincts of the temple of the money-changers for its repeal, backed by the power of the President, who cries, "Away with it, away with it," thus throwing off the mask and openly bringing us to a gold basis, where we have secretly been for some time, resulting in the present distressed condition of the country and the confirmation of the suspicion that the law itself was only a scheme to let us down to a gold basis without arousing the people, and I am sorry to say it has succeeded only too well.

If the Secretary had used his option under the law to pay out silver, there would have been no necessity for any encroachment on the gold reserve.

But, says the President, it is the policy of the Government to keep the two metals on a parity with each other. Does he mean to say it is the policy of the Government to keep the two metals as commodities on a parity, and see that at all times they shall bring the same price on the markets as such; if so, then is it not its duty also to see that wheat and corn are always on a parity with each other and bring the same price? Can it be he means to construe the law in this absurd manner? If not, then he must mean to say it is its duty to keep them on a parity as coined dollars, a proposition absolutely useless, if not as absurd as the former.

What necessity, I ask, is there to take special action of any kind at this time to keep our dollars at a parity? Is there a legal-tender dollar in existence to-day, or has there ever been one in the history

of our country, that would not purchase as much of the necessaries or luxuries of life, as any other legal-tender dollar? I answer there is not, nor never has been, and I may add, never will be so long as the same legal-tender power is conferred alike, and all are made receivable by the Government for taxes and dues.

Thus we see that these dollars, whether silver, paper, or gold, are now, and always have been on a parity in the performance of the highest function they were created to perform, that of a medium exchange of real values, which is the only parity that should be considered in the financial problem. Any other is simply the parity of two commodities that ought to have nothing more to do with the money value than the parity of the two commodities of coal and iron, and the Government has no more right to endeavor to keep the commodities of gold and silver on a parity than it has of coal or iron; but, for argument's sake, suppose it is the function of Government to do this, has not the administration pursued a course that in its very nature is bound to produce the opposite effect. The continual paying out of gold to the neglect of silver must have the same effect upon those commodities that the exclusive demand for wheat would have upon that and all other cereals, viz, to appreciate the price of one and depreciate the price of the other, thus destroying this very parity the administration seems so desirous of maintaining. If the spirit of the law had been followed and the more plentiful money always paid out, the supply would have been equalized and the question of parity could not have arisen.

But there are those who will answer this by saying the Government must pay these certificates in gold to avoid the accusation of being dishonest and a repudiator. This position is certainly wholly unwarranted by the facts. The contract says they may be paid in either gold or silver at option of debtor. Suppose I were to agree to pay my neighbor 100 bushels of oats or corn at my option on a given date, that before the day of payment arrives a drouth prevails and destroys the oat crop, and on day of payment oats is very scarce and high, but corn is plentiful and cheap, is it not clear that I would exercise my option and pay the debt in corn; and would I be called dishonest and a repudiator if I did? No. Neither ought the Government to be so called for doing the same thing in principle, and will not be, except, perhaps, by those who measure their patriotism by the Government's inclination to fill their purses. So long as we are foolish enough to maintain a metallic currency, so long must we tenaciously adhere to the right of always paying at our option in the cheaper metal. This is our only safeguard against a single standard and the ultimate bankruptcy of the masses of our people.

Mr. Speaker, I desire here to call further attention to language used in this House on the 12th instant by the gentleman from New York [Mr. Hendrix] which, I think, deserves some notice. The gentleman took occasion to inform us that he originally hailed from the West and had grown up among the pecan and persimmon groves of Missouri, but had reached this House by way of New York and represented that kind of a constituency.

Let me suggest to the gentleman that if he had remained among those pecan and persimmon groves he probably would not be here today calling so lustily for the destruction of one-half of our money, and thereby increasing the size of the bushels of wheat (produced by the toil and sweat of the present dwellers among those groves), to 120 pounds, and other grains in proportion, and if he did dare do it I predict he would at once hear a rustling and quaking among these same groves that would give him a practical illustration of

the force of a Western cyclone, and enable him to remain in a position where he could ever after slake his thirst in the crystal waters of the Missouri River, to which he so feelingly referred. After representing himself as the president of a national bank, he denies that he is here in the interests of that element, and appeals very feelingly to our sympathies through the distressed condition of those in the humbler walks of life, in the following language:

"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."

I am sorry to say the picture is none too black, but it is only that with which the West has been afflicted for years in a somewhat milder form and to which by long usage we have become somewhat calloused and it does not gail us like those of the East, because they have just aroused to a sense of their true condition. We ask him not to forget that we have begged him and the class he represents for years to listen to the distressed complaints. Not of the men, women, and children who have their money locked up in savings banks, but to the men and women who have their money locked up in the soil of this fair land, and have only been able to get it out by turning the greater part over to the money power through unjust laws. I repeat we have begged you for relief for years, but you would not, and having sown the wind you must now reap the whirlwind.

Allow me to remind the gentleman, further, that I am not an eleventh-hour convert to this truly miserable situation, but have insisted for years from stump and rostrum that, under existing conditions, this crisis was inevitable, and implored the people to arouse and shake off the shackles that were daily becoming more firmly riveted about them, while the gentleman, and his kind, continued placidly to clip coupons, rake in interest, and heap curses upon the miserable cranks who dared to tell the people the truth. In the face of these facts the gentleman asks for what—that we help him set these bound, toiling millions free! No! but in their name, in the guise of freedom, he asks us to help clinch the last rivet in the chain of industrial slavery that binds them, and when once clinched no power on earth can unclasp.

Continuing, he adds, 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; that if we do not take the burden and strain off from them they may fall, and when they fall the whole country will fall.

This is certainly a remarkable admission upon the part of the moneyed men of the East, that the calamity cranks have been right all the time when they stated that the welfare of the people of this country was held in the grip of a few money-mongers of the East, and I am glad we have at last an admission of this truth from that side. This statement is accompanied by the implied threat that if we do not concede to their demands the country will be ruined. This threat reminds one of the relation of the banks toward the credit-strengthening act, and is given in the words of that eminent statesman, Thad. Stevens, as follows, in speaking of the insatiate demands of the money bond interest:

We were foolish enough to grant them gold interest, and now they unblushingly demand further advantages; the truth is, we can never satisfy their appetite for money.

And on his deathbed, said:

Yes, we had to yield. The Senate was stubborn. We did not, however, until we found the country must be lost or the bankers gratified. And we have sought to save the country in spite of the cupidity of its wealthier citizens.

The attitude of these gentlemen to-day is the same. Their appetite for money can never be satisfied, and if the country is saved it must be saved in spite of them. As further evidence that the calamity howlers have not indulged wholly in wild visions, I quote from the New York Tribune of issue some time during the agitation relative to that infamous measure called "resumption," whose editor was the late lamented candidate for Vice-President on the Republican ticket. Under the management of this gentleman we find the following language:

The time is near when they (the banks) will feel compelled to act strongly. Meanwhile a very good thing has been done. The machinery is now furnished by which, in any emergency, the financial corporations of the East can act together on a single day's notice with such power that no act of Congress can overcome or resist their decision.

How well this language fits the remarks of the gentleman from New York and proves the money power still combined to rule the country with a rod of iron! Stevens said they had to submit, but would it not have been infinitely better to-day if they had not compromised, but fought it out to the bitter end, and when settled have settled it right. What loss and suffering it would have saved!

We are confronted with the same proposition to-day, and I appeal to every patriot in this House: Shall we repeat the criminal folly of years ago, stultify our sense of right, smother our conscience, and submit to a dose of soothing sirup that will only retard the evil day for a time, when it will return with tenfold force, conveying with it all the accumulated evils of years, not only to be visited upon this generation, but upon generations yet unborn?

The gentleman from New York says all of the people are asking for the repeal of the Sherman law. The recklessness of this statement can only be excused on the ground that he is a new member. If he had stated that the majority of those asking such repeal were members of boards of trade, mortgage holders, bankers, and trust companies, he would have stated a fact. Why, sir, there is scarcely a mail but I get one or more petitions insisting on my standing by that law till we get free coinage 16 to 1. The masses of the people want free coinage; they want a greater volume of money, and if I mistake not the signs of the times they will have it in the near future if they have to crush the life out of both old parties to get it.

Whitelaw Reid said, as already quoted, the financial corporations of the East can act together on a single day's notice with such power that no act of Congress can overcome or resist their action. The gentleman from New York said, on the 12th instant, that all the banks of New York have pooled their choicest assets and securities; that they are holding the financial system of the country by the neck, and if we do not concede to their demands the country is ruined. Can there longer be any doubt that the money power has its grip on the industries of our land and do not propose to relax it till they have squeezed out the last penny?

After the repeal of the Sherman act, then what? In my opinion, Mr. Speaker, there can be but one inevitable result—the issue of more national bonds, upon which a greater volume of bank notes will be put in circulation. That this is the real object of those who have controlled the volume of the currency since the destruction of the

greenback, I have no doubt whatever. The efforts by these gentlemen to get permission to issue to the par value of their bonds that have been made in this House in the last two sessions, and which they are yet urging throughout the country, prove their desire to contract or expand the currency at will is just as strong to-day as it was when the following famous national bankers' circular was issued from Broadway, New York, in 1865, which reads as follows:

NATIONAL BANKERS' CIRCULAR.

DEAR SIR: It is advisable to do all in your power to sustain such daily and prominent weekly newspapers, especially the *agricultural* and *religious* press, as will oppose the issuing of greenback paper money, and that you withhold patronage or favors from all applicants who are not willing to oppose the Government issue of money. Let the Government issue the coin and the banks issue the paper money of the country, for then we can better protect each other. To repeal the law creating national banks, or to restore to circulation the Government issue of money, will be to provide the people with money, and will therefore seriously affect your individual profits as banker and lender. See your member of Congress at once, and engage him to support our interest, that we may control legislation.
(Signed by the secretary.)

JAS. BUELL,
No. 147 Broadway (Room 4), New York.

They wanted the greenback destroyed then to make room for their notes, and they want silver destroyed now for the same reason, which will enable them to draw more interest on what they owe.

They know full well that under ordinary conditions it would be impossible to get any such infamous schemes through, but hope by a repeal of the Sherman law to cause such a desperate state of affairs, that the people in their agony will submit in order to get some temporary relief.

Shall we submit? No; a thousand times no; though the situation becomes a hundredfold more desperate than it is, we should let these fellows know the time has come when they must cease drawing interest on their debts by exercising functions belonging wholly to the Government, in issuing money to the people, which they can expand or contract at will as the opportunity for gain arises. A system under which we have suffered so much in the past, as is shown by the following brief summary, ought to be abolished at once and ever after given a wide berth. The summary is as follows:

On the 12th day of April, 1866, Congress passed a law authorizing the Secretary of the Treasury to sell 5-20 bonds, and with the proceeds retire *United States currency, including greenbacks.*

On December 4, 1866, E. G. Spalding, a Buffalo, N. Y., banker, a member of Congress, wrote to Secretary McCulloch as follows:

You, no doubt, now, to a certain extent, *have control of the currency of the country*, and I think that you will, of necessity, *contract moderately*, so as to preserve a *tolerably easy money market*. There may be *occasional spasms or tightness* for money, but generally I shall look for plenty of money for *at least one year to come.*

When this letter was written the country was in possession of \$1,966,687,770 currency.

During this year there were but 520 business failures in the whole country, involving a loss of but \$17,625,000.

Labor was well paid and fully employed.

1867.

This year the work of contraction was vigorously pushed, and there were 2,386 failures, with a total loss of \$86,218,000.

1868.

During this year \$473,000,000 of money was destroyed and failures increased to 2,608, with a loss to creditors of \$63,774,000. Money began to be tight, and financial "spasms" were frequent.

1869.

During this year over \$500,000,000 of money passed into the cremation furnace, producing 2,790 business failures and a loss of \$75,054,900. Money growing tighter and wages lower.

1870.

This year \$67,000,000 of money was destroyed and 3,551 failures took place, involving a loss of \$83,242,000. Money very scarce and wages of labor were reduced all over the country.

1871.

Thirty-five millions of money this year is retired, with 2,915 failures and a loss of \$85,250,000. More men out of work and wages cut down.

1872.

Only about \$12,000,000 was destroyed this year, but such had been the strain upon the business of the country for the past five years that this proved the last straw to 4,069 business firms, involving a loss of \$121,058,000. More cutting of wages and strikes talked of.

1873.

This year the storm reached its climax. Business had hoped that, with every returning season, prospects would brighten and money would become plenty. Instead of this, however, notwithstanding but \$1,609,000 were destroyed, the people became panic stricken; and 5,183 business firms were precipitated, with a loss of \$228,499,000. Five hundred thousand men are thrown out of employment; wages cut down all over the country, and strikes are of frequent occurrence.

1874.

Notwithstanding the terrible results of the last year, the wine press of contraction still creaks on its hinges of death, as round and round it sweeps out of circulation \$75,484,000 certificates of indebtedness, which have been made legal-tender money, \$85,760,000 Treasury notes, \$6,335,045 legal tenders, \$3,000,000 fractional currency, and \$1,000,000 bank-notes, producing 5,832 failures and a loss of \$153,239,000 to creditors. A million idle men began to tramp in search of work. Wages still decline and strikes more numerous.

1875.

The volume of currency this year was contracted \$40,817,418 and the failures reach 7,740, with loss to creditors of \$201,030,000. Two millions of laborers out of work. Famine and hunger begin to stare them in the face and "tramping" becomes a profession.

1876.

According to the most reliable estimates, the contraction of the currency this year, in the destruction of greenbacks and the withdrawal of bank currency, amounts to about \$85,000,000, with 9,092 failures and \$191,000,000 loss, during the first quarter of the year. The aggregate failures for the year reached over 10,000, with losses not less than \$300,000,000. This does not include losses to stockholders by foreclosure and sale of railroads.

What a record for ten years! Who wonders times were hard, and men idle! Still, with all this array of wreck and ruin, with the finger board of contraction at the close of each year pointing to the cause, the people were asleep, or on their knees praying for some interposition of Providence in their behalf.

Three million men are out of employment.

Bankruptcies multiplying with great rapidity.

The tramp nuisance culminates.

Wages are cut down to starvation prices.

Strikes, riots, and general consternation seize the people, and the circulation is cut down to \$566,000,000.

1877.

The red torch of the vandal lighted up the country from Pittsburg to Chicago. These are the footprints of the red-mouthed despot, the money power, which is still forging chains for the limbs of American industry, with a view to enslaving the American populace by robbing them of their homes and firesides, and thus controlling their life, liberty, and pursuits of happiness by controlling their wages through the control and monopoly of money.

These are God's truths which the people can heed and be saved, or heed not and the Republic be lost.

This terrible but true state of affairs which is yet fresh in the memory of every middle-aged man, was only stayed by the demands of the people, who at last became aroused and insisted that the destruction of the greenbacks cease, and the only thing that saved to us \$346,000,000 of them was this demand from the common people, that stayed the hand of destruction, and of which Mr. Blaine says in his Twenty Years of Congress, page 328, volume 2, in the close of his remarks relative to the effects of contraction, as follows: "The effect nevertheless was serious and lasting. In the end, outside of

banking and financial centers, there was a strong and persistent demand for the repeal of the resumption act," and outside of these centers to-day there is just as strong demand for the free coinage of silver.

I have received letters from bankers in my district asking that I work for a measure, allowing national banks to issue to full amount of bonds, and urging as a reason that it would put more money in circulation and at once give the relief so much needed, one of them estimating that such an act would increase the circulation \$200,000 in my district alone. I doubt not this is true, but I ask these gentlemen how I can vote for such a measure without stultifying myself and eating my own words, and I can only account for their request at this time upon the theory that the very desperateness of the situation will compel me to submit. If this be true, let me say they are doomed to disappointment, for I have not spent years denouncing this false system and insisting on the right and duty of the Government to issue all money and control the volume thereof, to surrender now, the first time the real enemy is met face to face, though the situation is dire indeed and the people crying aloud for relief. My people are as great sufferers as any in the land, and will hail with as great delight as any relief when it comes, but if I mistake not their temperament, they insist that it shall not come through the hand of a national banker that holds their rights and their liberties by holding their money, and compelling them to pay two interests thereon before they can supply the necessities of life or satisfy the mortgage upon which more interest must be met. The time has surely come when this Government should cease to get behind corporations, whether they be ship-builders, bankers, or what, and take the people's money to pay them premiums for furnishing supplies they ought to have at cost. Behind a national banking corporation stands the Government not only lending its power and influence in backing up its business, but pays it an interest on its capital stock, and then allows it to take another interest from the people on the same capital, while private individuals pocket all the profits.

I will never lend voice or vote directly or indirectly, to the perpetuation of such a system. We can only get justice after a long, bitter struggle, and I believe my people will sustain me when I say this is the accepted time to carry the war into Africa and fight it out along this line if it takes many summers.

As evidence of the truth of the foregoing statement as being the true object in demonetizing silver and what the gold power really desire, I here quote in full the following letter received from New York a few days since, which tells its own story in more eloquent language than I could hope to. The mask is torn off and it stands before us in all its hideous nakedness:

DEAR SIR: The present financial situation requires the following action by Congress, which should be favored by all interests, to wit:

(1) Pass a resolution repealing purchase clauses of Sherman silver bill.
 (2) Pass a bill authorizing the issue of \$300,000,000 of United States 3 per cent bonds, payable in gold, directing United States Treasurer to sell \$100,000,000 immediately in Europe, with stipulation that none of them should be resold within the United States; the Treasurer to take this \$100,000,000 of gold and issue \$100,000,000 of gold certificates against it, and deposit them in the different national banks of the United States pro rata to their capital and circulation, upon adequate security being given to the Government securing such deposits; such deposits to be preferred liens upon all assets of each bank, etc.

It should also direct the Treasurer to sell \$100,000,000 of such bonds immediately in Europe under similar conditions, the money to be placed in the United States Treasury or left on deposit in London, Paris, and Berlin, for use by the Governments in paying deficiencies between the Government's receipts and expenditures, and drawn as needed.

The remaining \$100,000,000 should be held subject to sale whenever the necessities of the Government or the financial interests of the country demand it.

Bringing \$200,000,000 of gold to this country, in addition to the balances of trade in our favor, would immediately establish confidence in our financial strength.

(3) Pass a resolution calling an international conference to establish an international agreement as to the use of silver as currency, to be held within twenty days after the passage of such resolution. Twenty days' notice by cable is amply sufficient to allow time for every Government to appoint men who understand the subject thoroughly, and have them meet at some convenient place.

The delegates representing the United States should be selected by Congress and named in the resolution, two of them to be Senators from the silver States and two of them equally representative of the other side of the question.

(4) Pass the act increasing national-bank circulation to par of deposited bonds. The above legislation would immediately inspire confidence here and abroad in American finances and start again the wheels of business, now helplessly clogged.

For the future the following action should be taken:

(5) Pass a resolution appointing a committee, to consist of five New York bankers of the highest standing and one each from Boston, Philadelphia, Chicago, St. Louis, Cincinnati, Nashville, Atlanta, Savannah, New Orleans, Galveston, San Francisco, Denver, St. Paul, Detroit, Buffalo, and Pittsburg, this committee to immediately meet, consider, and report to an adjourned session of Congress a bill incorporating a United States national bank, founded on the same lines as the National Bank of England and the National Bank of France, to be entirely divorced and free from politics; and it being expressly stipulated that one-half of the committee shall be selected from Republican bankers and one half from Democratic bankers.

A national bank is absolutely necessary for the future financial safety of the country. Under present conditions there is no elasticity to our currency.

Five per cent of our financial business is done with cash, 95 per cent with credit. To-day credit is largely destroyed, which leaves us trying to do more than one-half of the business of the country on the insignificant 5 per cent cash, and a considerable proportion of this cash hoarded and taken out of circulation.

To meet emergencies like this, we should have a national bank, having power to make almost an unlimited issue of currency, with the same power and self-interest, when confidence returns, to take and return all this specially issued currency, and retire it.

The Bank of England and the Bank of France have power to issue millions upon millions of additional currency whenever necessary to protect and conduct the finances of the country, and they exercise this power, and therefore such extreme panics as ours are unknown in those countries. When the crisis is over, this extra currency is retired.

There is no question as to the safety of this power; it has been exercised by these great banks in these two countries for generations, and has been their financial salvation, and we can have no permanent financial safety in the United States until we create a similar national bank or else make the United States Treasury a bank and authorize and direct that in times of panic and destruction of credit the Government shall issue currency to an extent necessary to meet the emergency, and deposit it in the national banks of the country. Of the two measures, it is certainly preferable to have a great national bank, founded on almost exactly the lines of the bank of England, thus taking financial questions and management entirely out of the influence of politics, because the Government of the great National Bank of England is entirely in the hands of the greatest business men of the country, who have no interest whatever in politics, except as citizens.

Yours truly,

WM. R. CONWAY.

Mr. HENDRIX says, in effect, "Repeal the Sherman law, go home, and all is peace."

Let me say in the spirit of Patrick Henry, "Gentlemen may cry peace, but there is no peace," neither can there be, till this financial question is settled, and settled right. For others I can not speak, but for myself, live or die, sink or swim, survive or perish, I am for free coinage, 16 to 1, and am willing to stay here till it is secured or my term in Congress expires.

He would have us believe that we have drifted to a gold standard by the process of natural evolution or the decree of God, by saying "The evolutionary processes of the world are against you, gentlemen." If this be true, then we can but bow to the inevitable. But I am not willing to bow till I have more proof of its truth than has yet been offered. The facts as I have been able to learn them compel me to change the gentleman's quotation to read thus: "The

revolutionary acts of legislation have been against us and that alone has brought us to a gold basis." In proof of this, allow me to cite his own words, as follows:

Among the nations of the earth it [gold] has always had silver as a contestant and they have traveled side by side. . . . In a policy which was entered upon the English statute books in 1816 gold was adopted as the single standard of value.

Thus we see by his own words that silver, till stricken down by the heavy hand of the law, traveled side by side on a perfect equality with gold, and it will take its place there to-day the moment you loose it from its legal shackles.

Notice this process of destruction the gentleman is pleased to call evolution. . . . Now, after England, through her conquests on land and sea, became the creditor nation. She adopted the gold standard, followed later on by the other powers, already cited by the gentleman. I ask if these changes each time were not the result of law, and instead of being the natural process of evolution were the arbitrary acts of legislation?

Let us reverse this so-called process of evolution and see what the result will be. Suppose England, in 1816, instead of demonetizing silver had demonetized gold and continued to legislate against it as they have silver, does the gentleman deny for a moment that gold to-day would be at a discount as measured by silver? Why, sir, silver with all this adverse legislation by foreign powers held its own with gold in America till the infamous act of 1873 that stabbed it in its own household, stricken down at the behest of old England by those who should have defended it with their life-blood where it has lain wounded ever since, surrounded by this same element that to-day are clamoring to finish their murderous work, that when done will not only have slain silver but will have left the mark of death on the door lintels of the home of every wealth producer in this fair land.

"I am an international bimetalist," exclaims Mr. Hendrix, and in the same breath acknowledges he has no hope of obtaining it. This shows clearly that this scheme of international bimetalism is but to fool the people till silver can be destroyed, after which they will snap their fingers and tell us to help it if we can.

I am an American bimetalist who believes in this Government making her own laws, and particularly her own money, and sustaining it regardless of what any foreign power may do. When we surrender the right to any nation to dictate the kind of money we shall use, we have surrendered our liberties, and decay and death must ensue. Mr. Speaker, I have unbounded faith in the ability of this Government to maintain her own money system regardless of England, and, if she can't do this, she has no right to a place as an independent government, and had better surrender to the powers of Europe at once, and have them establish a protectorate.

But, says one, how about trade? Europe would not trade with us. How foolish! Do you suppose any foreign power would cease trading with us, even if there was not a grain of gold on the American continent? You had just as well talk of her people refusing to eat because they can't get gold. We have what the people of Europe must have, "silver or no silver." While Europe has nothing that we as a people can not do without if necessary, and while I do not desire to be understood as discouraging commerce between the two countries, I do say that in a tug of war America could do much better and longer without Europe than she without us, and in a contest of this kind America must win. Therefore let us rally once more around the flag of freedom, raise the battle cry of America for free silver, break the hold of the British bondholder, and go free.

I trust these words will not be tortured into the meaning that I am in favor of repudiating any American securities held by foreigners, for I am in favor of paying the last cent of our indebtedness, regardless of who may be the creditor, in the same kind of money in which it was contracted, but I protest against paying them in dollars containing 500 grains of silver when the contract calls for dollars containing but 412½ grains. Such a proposition is as infamous as the credit-strengthening act, which was a proposition to pay the bonds in a dearer money than the obligation called for, and of which Oliver P. Morton spoke as follows:

We should do foul injustice to the Government and to the people of the United States after we have sold these bonds, on an average of not more than 60 cents on the dollar, now to propose to make a new contract for the benefit of the bondholder.

And of which Ben. Wade, of Ohio, in a letter written at Washington, December 13, 1867, expressed himself as follows:

I am for the laboring portion of our people, the rich will take care of themselves. . . . We never agreed to pay the five-twenties in gold; no man can find it in the bond, and I will never consent to have one payment for the bondholder and another for the people. It would sink any party, and it ought to.

That prediction has come true, and the party that is guilty of further enhancing the value of our money for the benefit of the rich to the detriment of the poor, which is always the result of a continually appreciating dollar, for as it grows in value, the more wheat, pork, and days' labor does it take to get it—that party so guilty will sink beside the other in that long, long sleep that knows no waking.

The monometallist expresses great fear that under free coinage gold would all leave us, but fail to give a satisfactory reason for the same. I do not believe that silver has anything to do with it whatever, one way or the other, and I make the bold statement here and now, that there is nothing whatever to prevent England from taking gold from us at any time just as fast as our securities of different kinds, which are principally in the hands of European money-lenders and are payable in gold, come due, either principal or interest. This is borne out by the late report of the Treasury, showing that during the last fiscal year they took from us nearly one hundred millions of gold, with millions more in July, and, as is well known, they did it by returning to us our securities.

Suppose we completely destroy silver, as contemplated in the repeal of the Sherman act, and war was to arise between this country and England, is there any power on earth that could prevent her from returning our securities, taking our gold, and leave us prostrate and at her mercy?

Would it not be well in a case of this kind to have a few hundred millions of legal-tender dollars to meet the wants of our people, and it doesn't take a statesman to see that it would be infinitely better for us to dig the material to make these dollars out of our own hills rather than send our business men to England and borrow it, upon which the tolling millions must pay the interest.

The fact that gold is coming back to this country just now to some extent is being extravagantly commented upon by the metropolitan press, and rolled like a sweet morsel under the tongue of the cohorts of the money power, and they would have us believe it is an evidence of better times by telling us that as the surplus of our wheat goes abroad the gold comes back. For the money-loaner this is all right; for the money-earner it means ruin. And this argument that a balance of trade or surplus is a great advantage is a delusion and a snare, for all depends on the price we receive for it. If we dispose of our surplus at less than cost the more surplus we have the poorer we

are. This we have been doing for years, and the much-boasted gold that is now coming is paid for with wheat that is leaving the hands of the farmers of my district now at 34 cents per bushel; then, when got at such terrible cost, it must be returned to England in due time to pay interest on American securities held by her for borrowed money, to be in time again borrowed or bought; and, if silver be demonetized, bought with 20-cent wheat, which will ruin any people on earth. No, no; any considerable surplus at the prices we are receiving is ruinous, for we only get some gold and the loss, while England gets the wheat and the profits.

I am constrained to cry out, "How long, O Lord, how long" will the people remain passive and allow this to continue? How long will they continue to send men here that will concede to every demand of the money power, but when the farmer asks for relief in any way hides himself in his fancied superior wisdom and cries "unconstitutional."

Cleveland Democrats have stated upon this floor that the cause of the present distress was the tariff, and that finance had nothing to do with it.

I am sorry to see these gentlemen and their leader disagree so widely, as the following words of the message will show:

It was my purpose to summon Congress in special session early in the coming September, that we might enter promptly upon the work of tariff reform, which the true interests of the country clearly demand, which so large a majority of the people, as shown by their suffrages, desire and expect, and to the accomplishment of which every effort of the present administration is pledged. But while tariff reform has lost nothing of its immediate and permanent importance and must in the near future engage the attention of Congress, it has seemed to me that the financial condition of the country should at once, and before all other subjects, be considered by your honorable body.

I would ask them if the trouble is in the tariff alone, why, in the name of suffering humanity, does your party not at once, without a moment's delay, proceed to tinker it up and allay the agonizing fears that have paralyzed business?

No, no; the tariff won't wash just now, my brother; you will have to allow it to rest till we get more money. The people know it is a money famine that has brought this misery upon us, and let me say to the tariff reformer that, while I believe in the injustice of the present tariff, I also believe that in the past two months, as a result of contraction, more values have been destroyed than have resulted from the tariff from Adam down.

I desire here to refer briefly to the proposed change of ratio of the two dollars by increasing the amount of silver in the silver dollar, and protest most earnestly against any compromise, by reminding you that it is compromise legislation that has brought this evil day upon us, and that while a compromise may be justifiable at times, compromise legislation upon principles of justice never settles anything, and never can. We had far better make this fight a little more severe—prolong the agony for a time—than listen to the seductive siren called "compromise," who lulls to sleep with the soothing argument that it is better to take a half loaf than none. Let us have no more makeshifts to rise up in the future and plague us. If we agree to an increase in ratio, that moment we acknowledge superiority of gold and grant the right to measure the silver dollar by that metal, and necessitate the recoinage of the present dollar to make it conform to the size and weight of the new dollar, which at a ratio of 20 to 1 would be four grains heavier than the present one, and would cost the people almost \$113,000,000 and reduce actual circulation \$98,733,700, to say nothing of the reduction of the amount of bullion hereafter mined.

In proof of this I now offer the recent letter of Secretary Carlisle to Senator Voorhees relative to the subject, which ought of itself alone to put forever to rest the proposition to increase the ratio:

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., August 19.

DEAR SIR: Referring to our conversation relative to the probable cost incident to the change from the present coinage ratio between gold and silver (16 to 1) for the standard silver dollars and 1 to 14.95 for the subsidiary, you are respectfully informed that the silver dollars, coined since 1878 aggregate 419,332,450. Without any allowance for abrasion and loss incident to melting the same, the coin value of these dollars at a ratio of 1 to 20 would be \$333,222,166, or \$84,110,283 less than their present face value.

To coin these dollars at a ratio of 1 to 20 would require the addition of 81,379,070 ounces of new bullion, which, at the average price paid for silver under the act of July 14, 1890, \$0.9325, would cost \$75,885,700.

In addition to this I estimate that there would be a loss of the abrasion and in the melting of these dollars of at least \$3,000,000, which amounts, altogether, with the difference in the face value of the coins (\$84,110,283), would have to be reimbursed to the Treasury by an appropriation for that purpose. From the fact that the silver dollars are distributed throughout the country, it would be necessary, as they are redeemed at the several subtreasuries, to transport them to the mints, and the expense of transportation for \$300,000,000, the amount outside of the stock on hand at the subtreasuries and mints at Philadelphia, San Francisco, and New Orleans, would average at least $1\frac{1}{2}$ per cent, or \$4,500,000.

COST OF RECOINING.

I therefore estimate the cost of recoinng the silver dollars already coined as follows:

New bullion to be added.....	\$75,883,700
Loss by abrasion and melting.....	3,500,000
Cost of coinage (labor, material, etc.).....	6,290,000
Copper for alloy.....	68,200
Transportation of dollars to mints.....	4,500,000
Total.....	89,741,900

The stock of subsidiary silver coin in the country is estimated at \$77,000,000, which at full weight would contain 55,699,875 ounces of fine silver. This amount at a ratio of 1 to 20 would coin \$55,843,802, or \$21,156,197 less than the present face value. To recoin \$77,000,000 of subsidiary silver into an equal amount of fractional coin at a ratio of 1 to 20 would require the addition of 18,797,625 fine ounces, which, at \$0.9325 per ounce, the average price paid for silver under the act of July 14, 1890, would cost \$17,523,785. There would be a loss of about $2\frac{1}{2}$ per cent by abrasion from the face value, or about \$1,925,000.

I would, therefore, estimate the cost of recoinng the subsidiary silver in the country, at a ratio of 1 to 20, as follows:

New bullion.....	\$17,523,785
Loss by abrasion.....	1,925,000
Cost of coinage (labor, material, etc.).....	2,500,000
Copper for alloy.....	15,633
Cost of transportation.....	1,155,000
Total.....	23,124,433
Estimated cost of recoinng:	
Silver dollars.....	\$89,741,900
Subsidiary silver.....	23,124,421
Total.....	112,866,321

Very respectfully,

J. G. CARLISLE, *Secretary.*

But there are other reasons just as weighty, and as a matter of principle more so, for we also concede the superiority of the commercial value over the money value, or rather ignore the money value entirely and base the value of the dollar on the market value of the material out of which it is made, a position I am sure no Populist, at least, can afford to take. We also sustain the dollar that is daily becoming more valuable and harder to get by those who toil for them, and increase every bushel of grain, pound of beef and pork, make every mortgage harder to pay, and add to

every debt, the truth of which is so well illustrated by a letter just received from the Bowhay Investment Company, of Denver, I herein quote it in full:

THE BOWHAY INVESTMENT COMPANY,
Denver, Colo., August 14, 1893.

MY DEAR SIR: The question to be decided in your mind is this: "In the event of free coinage what ratio would be most acceptable to my constituents and the country at large?" If we change the present legal ratio of silver to gold, which is 16 to 1, and make that ratio more favorable to the purchasing power of British gold, how much more cotton and wheat would our cotton growers and farmers have to give for 1 ounce of gold? Granted that we had free coinage of silver to-day at 16 to 1, 1 ounce of gold would buy 16 ounces of silver, or \$20.67 worth of wheat or cotton.

At 17 to 1, 1 ounce of gold would buy 17 ounces of silver, and as England buys her wheat and cotton in silver-using countries, notably India, with silver, she is thus enabled to buy one-sixteenth more wheat and cotton with 1 ounce of gold, or, in other words, that \$20.67 in gold buys one-sixteenth more of wheat and cotton.

At the ratio of 18 to 1, England buys two-sixteenths more wheat and cotton with 1 ounce of gold bullion or coin.

At 20 to 1, England buys four-sixteenths or 25 per cent more wheat and cotton in India and other silver-using countries, with 1 ounce of gold bullion or coin. So that we must produce 25 per cent more of wheat and cotton to get the same amount of gold. Although that standard ounce of gold is worth \$20.67, the instant we change or lessen the purchasing power of silver that ounce of gold will buy one-sixteenth more of wheat and cotton for every one part you increase the ratio against silver in silver-using countries. At 20 to 1, England can take 1 ounce of gold and buy 20 ounces of silver; this ounce of gold in the shape of 20 ounces of silver taken to a silver-using country, such as India, will buy 4 more ounces of silver's worth of wheat or cotton.

Thus, you see, gold is appreciated in purchasing power 25 per cent, and so we must raise 25 per cent more wheat and cotton to compete for that ounce of gold. Tell this to the wheat and cotton growers. What will they say about ratio? The difference in the ratio of 16 to 1, and 20 to 1, enables England to produce her manufactured goods 25 per cent cheaper at 20 to 1, because her raw material costs her 25 per cent less in India and other silver-using countries, and she can feed her factory hands 25 per cent cheaper. Yet we legislate for England's benefit against the interests of our own producers and manufacturers.

Very sincerely, yours,

ARNOLD A. BOWHAY.

Hon. DANIEL W. VOORHEES,
United States Senate.

You will observe that this company is one of the few not in league with the gold power of the East.

Mr. HARTER, of Ohio, made a statement the other day in his remarks that would be startling if it was not so wide of the truth that it can be detected at a glance, but needs, I think, a passing notice, viz, that we have now \$1,000 per capita in circulation.

I desire to call the attention of the gentleman to the last monthly report of the Treasury Department, which gives less than \$25 as in circulation of all the moneys of all kinds that have ever issued from the mints and Treasury of the United States, and much of this has been lost by accident and destroyed by abrasion. It is estimated that of the \$346,000,000 of greenbacks alone, issued twenty-five or thirty years ago, \$160,000,000 have been lost by fire and other agencies; all of these losses must be deducted from the whole amount, and that remaining is the true amount in circulation, which would be very much less than \$25. The last Census report fixes the total wealth of the country, including all kinds of property, at but \$1,000 per capita, which alone proves the absurdity of his statement.

I would suggest to the gentleman that in his future estimates he had better not count clearing-house receipts, notes-of-hand bank credits, and other evidences of debts as money, for he may learn to his sorrow that these are not money but something which will demand money in the end, and any increased issue of these increases the demand for more money. The following clipping from the Washington Post of the 20th instant illustrates this point clearly:

153—2

BILLS TO RELIEVE THE CURRENCY FAMINE.

[Special to The Post.]

CHATTANOOGA, TENN., August 19.

The currency famine was relieved to-day by the issuance of bills due four months from date, secured by double the amount in collateral, and issued in bills of \$5, \$10, \$20, and \$50.

Nearly every bank in the city announces that it will receive them in payment of any obligations.

Mr. HARTER, we presume, would add this to the amount of money in circulation, when it is simply a demand for money not in circulation, and so long as this system of faith and credit exists, based on what little gold we can borrow from England by paying more for it than anyone else will pay, so long will these periodical spasms of distress and misery continue to occur as it is upon us to-day. Then let us cease this faith-cure manner of doing business. It has been tried since the history of man and has caused more misery to the human race than war, famine, flood, and pestilence.

If I were permitted, Mr. Speaker, to prescribe a remedy for these evils, I would cease to depend on Great Britain for a money supply, by opening our mints to the coinage of silver on an equality with gold, which would restore to thousands of men the sacred right to earn an honest living, of which they have been deprived by law. This would give us an additional supply of money, unaccompanied by the curse of interest, and be the first step toward that radical change in the financial system of our country that must come, as stated by the gentleman [Mr. HENDERSON, of Iowa] in his remarks on this floor but a short time since, before any permanent relief can be had.

I would then stop the gathering of Federal taxes and issue legal-tender Treasury notes to pay current expenses of the Government, and so continue till there was in active circulation \$50 per capita of actual money. Then I would, as fast as the charters of each of the present so-called national banks expired, establish in its stead a bank which should be national in fact as well as name; a system behind every bank of which would be the wealth of the whole Nation; the profits of which would go to the whole people, give ample protection to the depositor, secure to the people the right to control the volume of their own money, under which contraction could not occur; a system that would endure as long as the Government endures, and under which these miserable times could not return.

I have partially drafted a bill to put the above system in practical operation and at some future time hope to be able to present it to this House for consideration, at which time I shall discuss its merits more fully. In conclusion, let me say the time has come when we should redeclare that these States are of rights and ought to be free and independent of the money power of Great Britain, and firmly stand by home rule for America. [Applause.]