

BIMETALLISM.

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets, and in payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

SPEECH

OF

HON. THOS. C. McRAE,
OF ARKANSAS,

IN THE

HOUSE OF REPRESENTATIVES,

FRIDAY, AUGUST 25, 1893.

WASHINGTON.

1893.

SPEECH
OF
HON. THOMAS C. McRAE.

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. McRAE said:

Mr. SPEAKER: I thank my friend, the gentleman from Texas [Mr. BAILEY], for his kindness in asking, and the House for granting me in advance an extension of my time.

I have listened attentively to almost all of the speeches in this great debate, and have labored diligently to understand the facts and principles upon which the arguments rest, and to apply them firmly and faithfully to the present condition of the country. I have heard no good reason why we should not pass the substitute of the gentleman from Missouri [Mr. BLAND] providing for the free coinage of silver at the ratio of 16 to 1.

I may not be able to add anything of value to the able and eloquent arguments presented on the side of bimetallism, but I am not willing to permit the statements of some of the opponents of silver to go unchallenged. I intend to consider the propositions involved in the pending bills earnestly, but I trust with becoming candor and freedom. I will not be deterred from the path of duty as I am permitted to see it by the frowns or favors of anyone, nor by anything that the anti-silver press may say. In my opinion this is one of the most important and far-reaching questions that this Congress will be called upon to deal with. It affects alike the mechanic in the shop, the merchant in the store, the professional man in the office, and the farmer in the field. It is international in its scope, and the decision of Congress will affect for good or evil in some measure, the welfare of all mankind for ages to come. It is receiving the profoundest thought of some of the foremost statesmen of the Old World, and is entitled to an earnest, fair consideration at our hands. It should not be settled by epithets, by derisive references to "cheap money," "55-cent dollars," and "rank repudiation."

Those who have indulged in such arguments have shown themselves wanting in all that is necessary for an intelligent discussion of so great and important a question. The leading papers of the North and East for months past have been full of editorials and articles against the use of silver money. Extracts from European papers have been freely reproduced throughout this country by monometallist American papers. Boards of trade here and abroad have spent the most of their time for

months past in manufacturing a sentiment against it. The mails have been loaded with printed and written matter denouncing it. In a word, Mr. Speaker, there is now being made—yea, is already made—the most powerful and aggressive combination that ever existed to eventually demonetize silver.

A cruel and heartless panic has been produced and maintained for months. As the panic increases the clamor against silver grows in volume. Those who make it do not represent public sentiment, but they are bold and audacious and have the united support of what Edmund Burke thought “the most dangerous of all parties, an extensive discontented moneyed interest.” The great newspapers of both parties in the East are owned by those whose fortunes will be largely increased if silver can be completely destroyed as a standard money. Having produced the panic they insist that it is due to silver money and the Sherman law, and that there can be no permanent business prosperity until we make gold the only standard.

The people whose labor creates wealth and whose patriotism preserves the sacred institutions bequeathed to us by our fathers are to be the victims of this unholy combination. Because our constituents favor silver coinage they have been referred to in this debate as the advocates of repudiation and cheap money. Sir, I hurl back the slander with indignation. The people of Arkansas and of the whole South are a contract-abiding people. I know them and I know that they mean to pay every debt they honestly owe. But it is a part of my duty to see if possible that nothing is added to their debts by law.

They are for the fullest use of silver because they clearly foresee that with the present private and public indebtedness of the country, a total destruction of silver as a money metal would produce calamities and bankruptcies from which but few would ever recover.

Why should we be asked to take a step which will imperil the prosperity of the agricultural interest, upon which rests in a large measure our progress? The farmers have declared for silver in district, State, and national conventions. They have assisted in electing a Congress pledged to it, and they have a right to insist that these pledges shall be redeemed by their Representatives. So far as I can, I intend to redeem every personal and platform pledge I made my constituents, and I am always willing to give a reason for the faith that is in me.

Mr. Speaker, before I proceed with my argument, let us see just what the pending question is, and the difference between the proposition of the gentleman from West Virginia [Mr. WILSON] and the gentleman from Missouri [Mr. BLAND]. I have the two bills here [exhibiting the bills]. I will print them at the end of my remarks. Both of them in terms provide for the repeal of so much of the Sherman act as directs the purchase of silver bullion and the issue of Treasury notes. Neither of them will directly impair or in any manner affect the legal-tender quality of the standard silver dollars heretofore coined.

That part of the Sherman law which provides for the redemption and reissue of Treasury notes is not sought to be repealed in terms by either bill, and whether the bill of the gentleman from West Virginia or the substitute of the gentleman from Mis-

Missouri is passed all of the Sherman law notes now outstanding will still be a legal tender for all debts and receivable for customs, taxes, and other public dues, and when held by any national bank may be counted as a part of its lawful reserve.

Under the proposition of the gentleman from West Virginia there can be no further coinage of silver, except to redeem the notes now issued. Under the substitute of the gentleman from Missouri, silver is recognized as a standard or basic money metal and its coinage made free to all holders of silver bullion to the amount of \$100 or more. The bill will stop the further coinage of silver, while the substitute provides for the largest possible use of it as money.

It is insisted by the friends of the bill that it is in accordance with the Chicago platform. I deny it. That platform denounced the "Sherman act as a cowardly makeshift, fraught with possibilities of danger," and demanded its repeal—the whole of it—with a declaration for the coinage of both gold and silver without discrimination against either. The pending measure only repeals the purchase clause and leaves the other provisions of the makeshift in full force.

But, sir, there is still another and more important difference to which I want to call the attention of the House and country. Many of our party associates in this Hall who have heretofore voted in favor of silver now justify their votes against the pending substitute upon the erroneous idea that this is only the repeal of a confessedly bad law, which has been condemned by the national Democratic convention. They express the belief that bimetallism will be advanced by the passage of this bill. Such is not the case, and an examination of the platform and the bill will show that this measure in its present shape will satisfy no part of the demands of the Democratic convention. There is hidden in the last part of this bill enough financial dynamite to shake this country from the Lakes to the Gulf if the fuse is ever fired. Here is the clause I ask the House to examine and consider:

The faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States.

Why is this remarkable declaration inserted in what is generally understood and has been discussed as simply a bill for the unconditional repeal of the purchase clause of the Sherman act? It is not there by accident, but with deliberation and design. It could not have been inserted in order to establish the policy of maintaining a parity between the two metals, because that policy was emphatically declared in the concluding part of section 2 of the Sherman act, which is not proposed to be repealed by this bill. That we may the more clearly understand what this clause means, let us see what was contained in the Sherman act and how it has been construed by the Secretary of the Treasury. It was declared in that act to be "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law."

The Secretary of the Treasury construed this to give the holders of the Treasury notes issued under that act the option of having them redeemed in gold or silver. The holders, of course,

elected to take gold, and nearly all of the notes that have been presented have been redeemed in that coin. The effect was to greatly depreciate silver bullion, and, instead of giving the people an increase in the money volume, as the friends of the bill claimed, there have been added to their burdens \$150,000,000 of gold debt for silver bullion that the Secretary of the Treasury can not or will not coin. In referring to this the President says that:

This declaration so controls the action of the Secretary of the Treasury as to prevent his exercising the discretion nominally vested in him.

With these notes now payable by Department construction alone in gold, it would seem that nothing else would be asked of Congress; but, notwithstanding this, we are called upon in this bill to go one step farther and pledge our faith and credit to maintain the parity of the gold and silver coins. If there was nothing except the Treasury notes involved, perhaps this clause would not be here. This pledge, you will observe, is "to maintain the parity of the standard gold and silver coins of the United States." It means that the standard silver dollar, silver certificates, and bullion notes may eventually all be redeemed in gold and retired.

I am astounded to hear Democrats talk of redeeming the silver dollars. Silver, Mr. Speaker, is a money of final payment and needs no redemption. It is not a promise to pay, but is payment itself. Sir, to whom is this pledge of faith and credit made? It must be to those who by holding and hoarding the silver certificates and Sherman notes have forced silver to a premium. What is pledged? Faith and credit! What does that mean? During the last century Congress has legislated to meet almost every conceivable emergency in peace, panic, and war. It has coined all kinds of money and issued every character of notes and bonds, funded and refunded the national debt, and yet, so far as I can learn, no such indefinite, uncertain, and unreasonable pledge has ever disfigured our statutes.

What, I ask again, is meant by "the faith and credit of the United States"? As applied to theology, we understand that "faith is the substance of things hoped for, the evidence of things not seen." Applying this definition to this clause, I am disposed to think that the "faith" in this bill might be understood to mean the interest on the gold bonds "hoped for" by the holders of our notes and certificates and the evidence of a pledge "not seen" by the people's representatives. Can it be possible, Mr. Speaker, that the silver coin in our Treasury is to be treated as a public debt instead of real money?

Is it not possible to double the public debt and at the same time contract our coin money nearly one-half under this bill? What is the object of all this if it be not to sell bonds, increase the public debt and perpetuate the national-banking system? And, if so, why not have the courage to so declare in the body of the bill? Is it not a contradiction to stop the coinage of the silver dollar for the alleged reason that the parity between it and the gold dollar can not be maintained and in the same bill pledge the faith and credit of the Government to maintain such parity? After doing everything that can be done to widen the disparity we are asked to declare it shall be maintained.

Let the Treasury Department admit that silver is not money and that it must be redeemed in gold, and that moment the Government puts itself at the mercy of the holders of silver. All that will then be necessary will be for the speculators and gamblers who are demanding gold bonds to get control of and present a large sum of silver notes and certificates for redemption. The Treasury has no gold of any consequence to be used for such purpose, and can not get it except by selling bonds. The gold in that contingency must be purchased, or bonds must be issued directly to the holder of the notes and certificates when presented. Either will serve the purpose of those who have inaugurated this fight on silver. Their main object is to get gold bonds and get rid of silver and silver notes and certificates.

These certificates and notes may then be again reissued by the Treasury and new bonds issued as often as the Treasury may be caught without gold. Gentlemen, is this what the people elected this Congress to do? Mr. Speaker, if there is any one thing that the great body of people in this country are agreed upon, it is that the remaining public debt shall be paid at the earliest possible moment and not another interest-bearing bond issued. They are sick and tired of paying interest on a public debt, a large part of which ought never to have been made and the other part ought to have been paid years ago. They have complained bitterly of the methods adopted to change the character and life of the bonds now outstanding.

After having paid and bought in at a high premium about three-fourths of the enormous war debt, they will not, in my opinion, tamely submit to an increase of it for the purpose of redeeming the silver coins. I hope there is no such purpose on the part of the Administration. I trust the power given by this bill may never be used. We all remember what a shout of approval came up from the people when the present Secretary courageously informed those who urged upon him the issue of bonds that he would use every dollar of the gold reserve before he would issue a single bond.

Western and Southern banks rushed to his rescue with gold. If he will adhere to this purpose and would only go one step further and use silver in the payment of these notes and the public debt, the fight for the people on this question would in a large measure be won. May the people not trust a Democratic Congress and a Democratic Administration to save them from the humiliation of issuing bonds? I can not and I will not vote to bring down upon this once happy and prosperous but now tax-ridden and bond-burdened people the dual ruin of a contracted currency and a new public debt. This bold but most unjust experiment of changing the standard of value and increasing the purchasing value and decreasing the debt-paying power of money, and injuriously adding to the burdens of debt, ought to be met by this House with positive condemnation.

Mr. Speaker, if I may be pardoned a personal reference, I will say that when the Sherman law was pending in the Fifty-first Congress I denounced it as a wicked conspiracy against silver, and expressed the belief that it was the intention of the persons who wrote it to prevent free coinage of silver under any and all circumstances. The author of it has recently confessed that his

purpose was to defeat silver. I then warned the House against the danger of the parity declaration in that bill, and predicted that it would be construed to authorize the payment of gold for the Treasury notes issued until silver bullion should come to a parity with gold.

The Representatives and Senators from the silver-producing States disregarded this warning and bartered away the free coinage of silver for the mere chance to sell 4,500,000 ounces of their product for gold. They voted for the bill as the monometallists wrote it, and thereby made the way to the complete demonetization of silver easier. They aided the enemies of silver to substitute for the Bland act, which they could not repeal directly, an odious makeshift that they can repeal. For the Representatives who became parties to this trade I have no sympathy. To the credit of the Democrats in that Congress it can be said that none of them voted for it. The law was bad in principle, and has been made worse by practice; but it carried the repeal of the only silver-coinage act then on our statutes. The friends of silver insist that with its repeal should come the restoration of the Bland law or something better for silver.

I desire to now notice some of the objections urged against the substitute of the gentleman from Missouri. I shall not at this time attempt to elaborate at any length the reasons why we should have free coinage. I have on several occasions since I have had the honor to represent my district in this House, expressed myself fully upon the different phases of the coinage question. The first speech I ever made in this Hall was in 1856, in favor of free coinage and against a proposition to suspend further coinage under the Bland act. My views are well known both here and at home. The two arguments most commonly used by the gold monometallists are (1) that silver is cheap money; (2) that we will be reduced to silver monometallism if we open our mints to the silver of the world.

I deny both propositions. If I believed either of them I would not favor free coinage. I abhor cheap or dishonest money and reject alike the British silver monometallism of India and the British gold monometallism of London as unworthy of this great and growing Republic, now the home of one-half of the English-speaking people of the world, pledged to remove the barriers to commerce and ready to reach out at the same time for trade with gold-consuming Europe and silver-using Asia. I repudiate *in toto* the suggestion of the gentleman from Ohio [Mr. HARTER] that we have too much metallic money. Nearly all the writers upon finance who are worthy of any notice agree that it is not possible to have a redundancy of gold and silver money. It has been clearly shown in this debate that those countries which have the largest per capita coin circulation are the most prosperous. I am in favor of sound and honest money abundantly sufficient in volume to supply the business needs. I believe in using gold and silver as the dollar unit, and in addition to that as much redeemable paper money as we can keep at par with the coin.

But, in the language of the Executive, when he was the Democratic candidate for President, whatever may be the form of the money, whether gold, silver, or paper, every dollar issued should be of the same intrinsic or purchasing value. If I did

not believe that the closing of the mints to silver was the cause of the decline of silver bullion, I would not favor its coinage at the present ratio. The true cause of the depreciation in the value of silver is, in my judgment, its demonetization by law. Fully one-half of the value of gold comes from the demand for it for use as money. Let France, Germany, and the United States close their mints to and demonetize gold and adopt the silver standard, and gold would decline as fast as silver did when these countries began to legislate against it.

Let the mints be opened to silver as they are now to gold without discrimination, and its bullion value will at once go to a parity with gold. The United States, as the greatest producing, manufacturing, and mining country in the world, occupies such a commanding position to the commerce of the world that it can afford to take the lead in the great cause of bimetallism. No one in this debate has denied that the coinage of both metals would be best for us if we can maintain the parity. As Germany and France followed the United States in demonetizing silver after the act of 1873, may we not hope to have them follow us in an effort to fully remonetize it if we will only have the courage of our convictions and lead out? It is generally believed that Germany demonetized silver before the United States did; but this is not true. The German act was not passed until July after the act of February 12, 1873. We want an American monetary policy.

The standard silver dollar of the United States is worth as much as the gold dollar, both in this country and abroad. It will buy as much of products and pay as much of any debt. These facts are well known to all men, and yet there are those who inveigh against it in the name of the laborers as a dishonest dollar. Show me the person, be he rich or poor, who has been cheated by the standard silver dollar, and I will confess my error. There is, perhaps, a question of morals involved, but it is against the gold dollar rather than the silver, and for the opposite of the reason usually assigned. That gold has appreciated in value there can be no question.

This has more than once been shown in this debate. A dollar that has too much value is as dishonest as one that has too little. One wrongs the debtor and the other the creditor. The creditor class, the self-constituted guardians of the public faith and the morals of our people, have never protested against the changes that have required the debtors to pay their debts in an appreciating dollar representing too much value. They have grown richer standing guard over and shouting for the principles of national honor, but the debtors have found that it is all the time growing harder and harder for them to pay their debts. Our public credit has been strengthened as that of no other country under the sun, but the methods by which our bonds have been run to a premium have to a large extent ruined and destroyed private credit. Gentlemen tell us that gold is invariable and stable.

Is it not a flat contradiction, Mr. Speaker, to assert this and at the same time declare, as did the gentleman from Mississippi [Mr. CATCHINGS], that it will now purchase more than at any time in its history? Is it not true that a diminution of our money

supply will make it easier for the few to control it, and thus deepen the chasm between the rich and the poor? Humboldt truly said that "A nation whose money decreases is actually at that time weaker and more miserable than another nation which possesses no more money, but is on the increasing hand." In the midst of the worst panic ever witnessed in this country shall we begin to decrease our money and weaken our nation?

It is beyond question true "that money undergoing appreciation cheats, but not the holder: it cheats the one who hasn't it, and, unfortunately, that is likely to be the producer and laborer."

The silver dollar is as honest as the gold dollar, and if it is given a fair trial at the mints then its friends will be perfectly willing to submit it to the test of fire; but until the mints are opened to it upon equal terms with gold it is rank dishonesty to call it cheap money because the bullion is worth less than gold bullion.

It has been asserted by some that there are large quantities of silver bullion in other countries which will be thrown upon us as soon as our mints are opened to the free coinage of silver; that the difference between the present price of silver bullion and its coinage value will induce foreign silver to come to our mints and gold will be carried away in exchange for it.

Is there an accumulation of silver ready to be dumped on the United States? If so, where is it? The Secretary of the Treasury in 1889 in his report said: "There is no known accumulated stock of silver in the world." When we come to search for this alleged and large supply in the fresh product of the mines it is not to be found. The report of the exports and imports of the world show no large masses of silver bullion in existence at any one place. The products of the silver mines is not increasing more rapidly than gold and not as rapidly as the population. For 1,500,000,000 people in the world all the silver mines last year produced only \$196,605,000, or about 15 cents per capita.

The United States produces nearly half of the world's supply, and she could use it all without any danger to bimetalism. Canada is the only English dependency that produces any silver, and that is inconsiderable when compared with what she must have for her India and China trade. Upon this point I desire to quote from William P. St. John, president of the Merchants' National Bank of New York, and in doing so I want to say that I regard him as one of the ablest and most patriotic defenders of bimetalism in the United States:

Europe's only stock of silver is her money. Europe's primary silver money is the unlimited legal-tender equivalent of her gold. As such it circulates in settlement of every day's transactions. As such it constitutes a liberal share of the coin reserves which Europe's great banks accumulate for the liquidation of their vast liabilities, including the redemption of their circulating notes. This European standard coin values silver at 359.91 grains to the dollar. Our mints exact 371.25 grains pure silver for our standard dollar. Thus 11.34 grains would be Europe's first sacrifice, with loss of weight and transportation costs additional, in every dollar-for-dollar exchange of Europe's standard silver coin for ours. Or, more intelligibly: Europe's silver money which circulates at home as 100 cents would recoin at our free mints into less than 97 cents.

France does not threaten us with silver. And yet the estimated sum of silver in bank and afloat in France exceeds \$700,000,000, together with \$900,-

000,000 gold. Her population is almost stationary at about 38,000,000. Her traders establish such relations to the foreigner that France is the accumulator of the money metals among nations generally in her international trade. Unless M. Leon Say has blundered, France has adopted "a waiting policy * * * being committed to the bimetallic standard." France can afford to wait and contentedly permit her merchants to establish title to foreign gold. If by our legislation, supported by the aid assured us elsewhere, the United States enhances the market price of silver to a parity of value for the gold and silver contained in our gold and silver dollars, the inducement to continue a waiting policy, on the part of France, is made to disappear. The act of France will dictate the policy of her neighbors.

But if imagination is still unsatisfied that Europe's silver will not denude us of our gold, recollect that Europe's money is deficient by 3.05 per cent for an exchange with us of silver coin for silver coin. Remember, too, that Europe's silver circulates in coin, and her coin is old. It will therefore shrink importantly in melting. The very moderate total shrinkage of 5 per cent of \$1,100,000,000 of Europe's silver would contract her currency by \$55,000,000. Think of this minimum contraction of her currency as Europe's entirely voluntary sacrifice in rejecting silver to obtain our gold. Remember that this sum exceeds by \$25,000,000 the entire world's aggregate annual increase of money, if gold is the only acceptable coin. Allot to Europeans about as little sagacity as we modestly accord ourselves. And, finally, if I mistake not, "The Impending Avalanche of Europe's Silver" will rank hereafter with "Ailbaba and the Forty Thieves."

In the same line I desire to quote from the St. Louis Republic, one of the few great daily newspapers that has thrown its great influence and power on the side of bimetalism in this fight:

Before our financiers hastily conclude that this country would become the dumping ground of the world's silver if we alone adopted a bimetallic standard they should take into account the legal-tender quality of European and Asiatic silver. Latin Union silver is legal tender at 16½ to 1, and India's rupees are legal tender at 15 to 1. Both Europe and Asia have a use for every ounce they possess. Gold is not legal tender in India, and the present instruction of the government in London is that it shall not be. India will not dump silver on us as long as it is the common money of the people and the only money. The rating of India council bills at 1s. 6d. per rupee will not bring silver from India to the United States. Nor will European silver come until the legal-tender quality is taken away, for the coins are worth more there than they would be as bullion here. We would have, as far as the mass of silver to take care of is concerned, to count only upon our own accumulated stock and the annual increase.

This reminder of the legal-tender value of silver elsewhere does not lessen the reasons for the repeal of the Sherman act, but rather strengthens them by emphasizing the fact that it is not in any sense a bimetallic measure.

The silver in circulation among the East Indians is not a commodity. It is money. The stock kept in circulation by France is money. Coinage has been suspended, but the silver coins are money, and they will not leave to become bullion. India will not coin on private account, but the government will assume a coinage monopoly and will regulate it as seems advisable. Silver will probably still be coined in India, and every rupee coined will be money.

A bimetalist who weighs his words will not thus early undertake to say what silver movements would follow a free coinage in which the United States would be alone. The production of the mines, the requirements of the arts, and the course of trade with Asiatic and South American countries are only some of the factors which he would need to know. But he can say with confidence that the legal-tender silver money of Europe and Asia would not be melted and shipped here.

Now, Mr. Speaker, I want to say a word about the ratio. I do not think it necessary to change from that of 16 to 1, but I prefer to have free coinage at an increased ratio rather than no coinage at all. To my Democratic associates I appeal for the preservation of the principle of bimetalism. We should agree upon some ratio. I want it at 16 to 1 if possible, but if I should fall in this I will then make the best terms I can. There is not a Democrat here who does not believe in the use of silver money

If there be one, he is here by false pretenses. As Democrats we may honestly differ as to the ratio and disagree as to whether we should have free and independent coinage or an international agreement, but we all agree that silver money in some shape is a necessity, and we are squarely committed to its use.

If the ratio of 16 to 1 should be rejected, I would then regard a vote against an increased ratio as a vote against bimetallicism. We are reminded that it will cost about \$70,000,000 to recoining the silver dollars at 20 to 1. Mr. Speaker, why should the present dollars be recoinced at all? If the Government declares its purpose to receive the 412½-grain dollar in exchange for that of the 516 grains, the lighter dollar will continue to circulate upon the same principle that the silver certificates now circulate side by side with gold. But suppose we should have to recoin and should lose this large sum, it is a mere bagatelle when compared to losing the whole of silver.

The gentleman from New York [Mr. FITCH] in his lecture to a portion of the Democratic party said that the President of the United States was elected on his first-term record and not on the Chicago platform. He read from the Warner letter of 1835 and the messages to the Forty-ninth and Fiftieth Congresses. The gentleman is very unfortunate in his reference to this record. Does he not know that his own State, the great Empire State, and the Electoral College as well repudiated Mr. Cleveland in 1888 when he went to the country on his record, without any declaration in the platform on the financial question? I believe that his record and the failure of the St. Louis convention to make positive declaration on the coinage question did more than anything else to defeat him.

Mr. FITCH. Do you want me to answer that?

Mr. McRAE. Not now; I have no time to give you to answer; I am answering you. I would remind the gentleman that Mr. Cleveland, for whose courage and ability I have the very highest regard, and whose honesty and integrity of purpose I would not question, was never defeated by the people of the United States except when he ran on a gold record without a silver platform. In 1884 he proudly carried the banner of the Democracy to victory on a bimetallic platform against the ablest and strongest man in the Republican party.

Again, in 1892, he carried the country by an overwhelming majority on a bimetallic platform, against Gen. Harrison, who defeated him in 1888. Mr. Cleveland on a bimetallic platform has always been invincible.

The gentleman from New York, my friend [Mr. CUMMINGS], has felt called upon to lecture the Southern Democracy upon this question because it assisted in nominating Mr. Cleveland, and will not now consent to strike down silver.

Mr. CUMMINGS. They assumed to lecture the New York Democrats.

Mr. McRAE. The Southern Democracy has never undertaken to lecture that of your State, except in convention, and then only when you were about to go wrong. The vote of Arkansas has been referred to. In 1884 I had the honor to be a delegate to the national convention, and it was my privilege and my pleasure to vote for the nomination of Mr. Cleveland. He was

supported by the organization in New York. He was elected and gave the country an honest Administration. He united the party upon the tariff question.

Again, in 1892, the delegates from Arkansas voted for his nomination, as did many others from the South. For this reason the gentleman from New York says that Mr. Cleveland was essentially the candidate of the South. In a measure this is true. We accepted and elected him upon the platform and his letter and the gentleman can not point to anything in his utterances since that nomination that is inconsistent with the use of silver. In his recent message he is silent as to silver coinage. I deeply regret this. I would like to know his plan for using silver. It is said by some who do not assume to speak by authority that he is in favor of this, that, and the other, but I prefer to hear from him his own plan for carrying out the pledges of the party. The gentleman says no man, friend or foe, has ever accused him of being untrue to his convictions. I believe it, and all I ask him to do is to adhere to his convictions as expressed in his letter of acceptance in 1892 and the platform upon which he was elected.

I will not undertake to say whether Mr. Cleveland will sign a free-coinage bill or not. None of you have authority to say that he will not. Suppose he is opposed to silver and that the South is responsible for his nomination, does that require us as Representatives to repudiate our pledge to our constituents? Are we assuming a "reasonable attitude toward the Democratic party" when we are only insisting on redeeming the whole of our platform pledges? I repudiate the suggestion that any man, or set of men, can control the Democratic party or have a right to expect Democratic Representatives to surrender their convictions upon this or any other question.

The great States of the South and the Mississippi Valley that marched to victory under the Democratic banner last year, did so not alone because of the men at the head of the ticket, but because the people had made up their minds to turn their backs on the class legislation of the Republican party. They were determined to defeat the Republican and elect the Democratic candidates, and it could have been done as successfully with Hill, Gorman, Boies, or Morrison at the head of the ticket.

The people were in earnest and meant to win. They did win, and it was a grand and complete victory for our party. The people voted for a change in financial and tax laws. The gentleman in speaking of the New York Democracy says they "merit praise, not denunciation." I have indulged in no denunciation of the New York Democracy. For the gallant, courageous, and successful fight by the organization in that State last year our people have nothing but praise. There is no occasion for this talk about dividing or splitting the Democratic party in the South. If there are differences we should settle them inside of the party and in the next convention.

The last Democratic convention and the election that followed settled two things of great importance to our party: (1) That the organization in the State of New York is loyal to the nominees, whether it gets its candidate or not; (2) that it is possible to nominate or elect a Democratic candidate without the vote of

New York. I want no differences in our party, and hope we shall have none; but if our Eastern friends are determined to destroy silver money in this country, we will measure strength with them upon that issue in the next convention. We do not propose to be read out of the party, nor pushed off of the platform, but will assert our rights at the proper time. I make no threats, but I notify the Eastern Democracy now that if the pledges of last year are not redeemed that they will find the South and West solid in the next convention insisting upon naming the candidate and writing the platform.

The issue I make now is with the Democrats of this House, not the President. And that, sir, is the issue the people will make. Representatives will not be allowed to take shelter behind the President's broad shoulders and great personal popularity. His responsibility as Executive has ceased. Our duty as Representatives has just begun. It is not a question of what he will do, but what is our duty and what are our pledges to our constituents upon the coinage question? As honest men and loyal Democrats, we should sacredly live up to every pledge we made the people when we solicited their votes. Our duty and responsibility will not cease until we send to the President a bill providing for the use of both gold and silver upon equal terms.

The gentleman from New York [Mr. HENDRIX] attributes the prosperity of the six years beginning in 1879 to the foreign gold that came into our country. It is unfortunate for the gentleman's argument that this prosperity followed so soon after the passage of the Bland act. I believe, Mr. Speaker, that this little spurt of prosperity of which he talks so eloquently was in a large measure due to the partial remonetization of silver. The gentleman accounts for the depression that followed that period and culminated in the present panic, by saying that English capitalists saw the rising tide of silver and began to withdraw. If that is true, it is a strong argument against borrowing money from abroad. But I think there were other causes that were steadily and effectively at work.

As soon as the national banks saw that silver was popular with the people they began the clamor against it. To neutralize the effect of the increase in the silver circulation they began calling in the bank circulation. Why, sir, in 1883, the year the gentleman says the tide turned against us, the bank circulation was \$356,073,281. Year by year since then it has been contracted, although the number of banks and the capital invested have largely increased. The last report of the Comptroller shows a circulation of only \$172,683,850. During this same period we have added to our volume of silver about \$200,000,000. As silver was coined the banks contracted. The deposits and loans of the banks have steadily grown in volume until we find that when this panic came the national banks alone had \$1,765,422,984 of individual deposits, and had outstanding loans and discounts to the enormous sum of \$2,153,498,829.

While the banks are receiving the money of one class of people on deposit, and loaning it out to another class, they are contracting their own circulation. Is there any wonder, sir, that the banks are in trouble and are now running on their credit? Do you wonder that they are unable to return the money to the depositors?

Are you surprised that the people should become alarmed and distrust the ability of the banks to pay them? Here lies the reason for the lack of confidence of which we have heard so much recently. The credit of the banks and the people have been overtaxed. We have had too much speculation and watered stocks.

Let us, sir, consider for a moment the immense power and influence these associations can exercise upon the business and legislation when they owe to one class of our people a sum larger than the aggregate of all our silver and Treasury notes and have the merchants and business men in debt to them for over \$2,000,000,000. To the depositors who want their money they say we can not pay because of the panic, but for the same reason the poor fellows who owe them are told that no extension of time can be granted and they must pay up. Truly, gentlemen, "monopoly and exclusive privileges have already struck their roots deep in the soil, and it will require all your efforts to check its further growth and to eradicate the evil." Disguise it as you may, this contest is a fight between the national banks on one side and silver and Treasury notes on the other. Which do you prefer? If the policy of which this is a beginning is voluntarily submitted to or by fear or favor enforced, the coinage of silver will cease, Treasury notes will be retired, and we will have nothing but gold and bank notes for our money.

Our friends from New England are much concerned about the deposits of their constituents held by the savings banks lest they may be paid in silver. They talk feelingly of the hard times now upon their people. The hearty and sincere sympathy of the people of the South goes out for the laborers who are out of employment in the North. Our people know what hard times are. For thirty years they have heroically struggled against them, and but few have ever known what it is to have a credit in bank. But that manly, independent, and hopeful spirit of the farmer of the South is fast breaking down under the increasing burdens of tariff taxes and unreasonable pensions. The discouraging and destructive restriction upon trade is bearing its bitter fruits in the cotton States. Instead of prosperity and contentment, we witness at every turn an appealing picture of distress.

May a kind Providence soften the hearts of those who have set to work the forces that have produced this panic and brought distress upon our country. If it is true, as has been said, that "when calamity comes down soul rises up," then this financial affliction, destructive as it is in some sections of our common country, may not be without its lesson. It may serve to arouse the better feelings of the soul of the people and unite them in an effort for financial and commercial freedom. Let us hope that it may serve to unite in closer bonds of sympathy and friendship the industrial and agricultural classes of every section of our country.

If this Congress desires the approval of the people of the United States it must fearlessly resist the spirit of greed, monopoly, and trusts; shift some of the burdens of taxation from the shoulders of the poor to the backs of the rich; provide an adequate money volume; dissolve the partnership between the

Government and the national banks and remit the banking business to the people and the States; allow the States the right to hold their own elections without Federal interference; adhere strictly to the Constitution, and secure to the farmers North and South free access to all the markets of the world. [Loud applause.]

WILSON BILL.

Be it enacted, etc., That so much of the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and issue of Treasury notes thereon, and for other purposes," as directs the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month at the market price thereof, not exceeding \$1 for 371.25 grains of pure silver, and to issue in payment for such purchases Treasury notes of the United States, be, and the same is hereby, repealed; but this repeal shall not impair or in any manner affect the legal tender quality of the standard silver dollars heretofore coined; and the faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States at the present legal ratio or such other ratio as may be established by law.

BLAND SUBSTITUTE.

Be it enacted, etc., That from and after the passage of this act all holders of silver bullion to the amount of \$100 or more, of standard weight and fineness, shall be entitled to have the same coined at the Mint of the United States into silver dollars of the weight and fineness provided for in the second section of this act.

SEC. 2. That the silver dollar provided for in this act shall consist of 412½ grains of standard silver; said dollars to be a legal tender for all debts, dues, and demands, both public and private.

SEC. 3. That the holder of silver dollars herein provided for shall be entitled to deposit the same and to receive silver certificates in the manner now provided by law for the standard silver dollars.

SEC. 4. That so much of the act of July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," as requires the monthly purchase of 4,500,000 ounces of silver bullion, be, and the same is hereby, repealed.