

Silver.

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SPEECH

OF

HON. JOHN O. PENDLETON,

OF WEST VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

*Monday, August 14, 1893.*

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

Mr. PENDLETON of West Virginia said:

Mr. SPEAKER: I think that this is a question upon which Democrats can very readily differ without being accused of having abandoned their party principles. I know at one time I entertained a very different opinion upon this question from what I entertain to-day. But I am one of those who believe in the lessons of experience, and I am disposed to learn by the tests of prosperity as well as adversity. I am a bimetalist and shall vote to arrive at the double standard by what, in my opinion, is the only route that will lead to that end. I shall not quarrel with those who prefer another road.

The President of the United States, following the privilege conferred upon him by the national Constitution, has called the Congress of the United States together to meet what he says is a grave and a serious crisis. He has performed his whole duty in the premises; he has taken himself from the city of Washington to his quiet summer retreat, and has left it to this body, united with the Senate of the United States, to determine upon the measures that should be adopted for the benefit of the American people. And I am glad that Grover Cleveland is not here to-day endeavoring to exercise any influence of any kind or character upon the action of the individual members of Congress. He has performed his duty, and he has left it to us to perform ours; and I am willing to assume the responsibility along with three hundred and fifty-five other gentlemen in this House and eighty-eight members of the Senate of the United States.

We are told that we are facing a crisis. The first question that actually comes to us is, what is the crisis, and what has

brought it about, and then what is the remedy to stave it off or abolish it?

What has caused the present crisis? Why is it that all over this land we see banks failing in all directions, find great business enterprises coming to a sudden halt, and men by the thousands thrown out of employment? In my opinion there is among many others one great fundamental reason that has more to do with it than anything else, and that is the lack of confidence upon the part of the American people.

The next question for us to consider is, what has brought to pass the lack of confidence that we now find prevailing North, East, West, and South? What is it? My distinguished friend from the State of Missouri [Mr. BLAND], whom I admire as highly as I do any member of this body, tells us that it is because we have failed to adopt the unlimited coinage of the silver dollar at a ratio of 16 to 1. Now, I admire that gentleman's courage. I admire his sincerity, and, above all, I honor and revere the loyalty with which he has adhered to what, under the present conditions throughout the world, must be a failing cause.

A year ago I was disposed to think differently upon this question from what I think now. Then, I am free to confess, I had given it no study, and I was ready to vote as I then thought was right, and I did vote at that time as I thought to be upon the right side of that question. Then I believed that. I believed that the free and unlimited coinage of silver at the ratio of 16 to 1 was our safest policy regardless of the action of the other commercial nations. I have studied this question, have examined and investigated it to the best of my ability, and I have found that I was in error in former days; and finding now what I believe to be the right course, I for one am ready to pursue and stand by it to the bitter end, whether it lead to my political defeat or political victory at the polls this coming election; and finding how mistaken was my judgment in the past I am not one to stand here and charge other men on the floor of this House with dereliction to their duty to their constituents, or with the violation of promises which they are alleged to have made to their people.

Now, what is the condition of affairs prevailing in this country, which has brought to pass the disasters and misfortunes of which we complain? I attribute that condition more to the use of unsound money than to any other known cause. I believe that nine-tenths of the financial panics, nine-tenths of the business failures that have been entailed upon the civilized world are due to the fact that the world has time and again surrendered itself to the evils of an unsound finance. We have seen in this country every method of finance advocated. We have beheld men of known intelligence advocating every theory upon the subject, whether history has contradicted them or not. All forms of fiat money have found friends, and nearly every financial folly has been greeted with applause.

What of other countries? Carry yourselves a hundred years back, and what do you find to have been the action of France, one of the most enlightened among the nations? At that time the French people were embarked in a great revolution? They thought they needed money to carry on the war that had been declared against them on the part of nearly all Europe. What

did they do? They issued an almost unlimited quantity of paper money. They based it on what? Not on the only thing in which paper money could then be redeemable—coin, gold and silver then being the money of all nations but they first confiscated nearly two-thirds of the entire land of France, the land that was held by the nobles and by the priesthood, and said that they would make that land good for the redemption of this currency called the assignat currency of France.

Several thousand millions of francs were issued. In the course of a few years what was it worth? Just what Confederate money was worth when Lee laid down his arms on the 9th day of April, 1865. To replace the assignat came the mandat. Several thousand millions of them were issued, and in a few years more the same thing followed as to them, because the mandat was not redeemable in coin, not redeemable in money that was recognized as money throughout the civilized world. It met the fate that all fiat money has met at all times and under all circumstances, and became absolutely worthless, and was that much waste paper in the hands of the citizens of France.

The lessons of history tell us that a single nation's paper money is only good when there is a promise to pay or redeem it in the money that is current in all commercial countries, and a firm confidence that the nation has both the desire and the ability to keep its pledge. The fiat money of any nation, being redeemable in nothing that is recognized as money by other nations, is valueless. And what would money of this kind be? What effect did it have on the prosperity of the French people? It ruined thousands. It left the workingmen stranded in their endeavor to earn an honest livelihood by simply transferring the gold and silver money of the country to the pockets of a few speculators and the men who most thrive when money is necessary and when money in use is unsound.

Mr. DAVIS. Will the gentleman permit me to ask him a question?

Mr. PENDLETON of West Virginia. I will.

Mr. DAVIS. What had been done before that paper money found the people?

Mr. PENDLETON of West Virginia. That is a historical question which I would like to explain to my friend if I had time.

Mr. DAVIS. They were eating grass; they had nothing to eat; they were starving, and the corn failed before the paper was issued.

Mr. PENDLETON of West Virginia. The French Government in 1792 and 1793 confiscated a great proportion of the landed property of the country—in other words, the property of the priesthood and the property of the nobility—and then it passed a law, which you and I know to be in existence to this day, a law of inheritance that has transferred, in the course of time, almost the entire landed property into the hands of the mass of the people, where it is to-day. That money had nothing in the world to do with that law; but that money was based on what? On that land that the French Government confiscated, and they based it on two-thirds of the landed wealth of France and the sacred pledge of the Government to redeem it in land; and in a few years 3,000,000,000 of that money was worth no more than

the Confederate promise to pay was worth when Gen. Lee surrendered.

Mr. DAVIS. I will ask the gentleman if two-thirds of that money issued by the French Government was not counterfeit?

Mr. PENDLETON of West Virginia. I can not stop to argue that with my friend. I have read French history one way and you have read it another.

Mr. SIMPSON. Will the gentleman permit me to ask him a question, for information?

Mr. PENDLETON of West Virginia. One at a time.

Mr. SIMPSON. The gentleman from West Virginia admits that at the time of the breaking out of the French Revolution the lands had passed into the hands of a very small proportion of the people?

Mr. PENDLETON of West Virginia. Up to that time it had.

Mr. SIMPSON. And the condition of the people was very bad?

Mr. PENDLETON of West Virginia. Very bad indeed.

Mr. SIMPSON. Had France been running on a gold basis up to that time?

Mr. PENDLETON of West Virginia. Up to that time France had been running on a gold basis.

Mr. SIMPSON. Then you must admit that a gold basis naturally produced that result, and that the property had all passed into the hands of a few people because of the gold standard.

Mr. PENDLETON of West Virginia. No, sir; and I will tell you more about that. If the gentleman will not interrupt me he will find that I am somewhat acquainted with the history of the French Revolution as well as himself. Down to the time of the French Revolution nine-tenths of the lands of France were in the hands of a few people; secondly, nine-tenths of the people in that country, under the laws then existing, were practically in the condition of serfs and slaves. The feudal system had not then been abolished in France, and the gold basis had nothing whatever to do with it, or a silver basis, or any other basis, so far as affected the welfare of the people or the ownership of land. It was the old feudal law of inheritance that maintained property in the hands of the few and perpetuated an aristocracy.

Mr. SIMPSON. The gentleman from West Virginia asserted that the paper currency that they resorted to had put them in a very bad condition.

Mr. PENDLETON of West Virginia. Now, will you let me go on?

Mr. SIMPSON. If what I have said be true, the loss of the paper currency had nothing to do with it.

Mr. PENDLETON of West Virginia. If you will allow me, I will endeavor to give you the history of that matter. When the French Assembly, in 1788, met, it was confronted with laws that had been upon the statute books of that country for nearly a thousand years under the feudal system. They abolished the class privileges, and practically confiscated two-thirds of the landed property of the country, taking it from the aristocracy and the priesthood, conferring it upon the national government.

Several years after that, along about 1792 and 1793, when the

French Government undertook to establish a paper fiat money, called assignats and mandats, they drove out the gold and silver that were current then throughout the world from general circulation and use in France. What was the result of that action? Several thousand millions of assignats or mandats were issued; based upon two-thirds of the land in France, and in a few years they were not worth more than the Confederate money was when Gen. Lee surrendered. Those who took it in payment of debts were ruined, and it became absolutely worthless in the hands of the holders, while financial distress and commercial ruin prevailed throughout all France.

The attempt was a signal failure, and in my opinion this experiment should be an everlasting lesson to the advocates of purely fiat money. You ask to what reason I attribute the failure of this paper money. Why? Because the faith of the French Government was not pledged to redeem a franc or a centime of that money in the money of the world at that time known to commercial nations, to wit: gold and silver.

Mr. SIMPSON. Does not the gentleman admit that the result which he describes was owing to the failure of the republican government and the restoration of the old regime, and not to the failure of the money itself?

Mr. PENDLETON of West Virginia. No; it was due to the failure of the money. The Republic of France did not go out of existence at that time, and not until long after this paper had become valueless. The consulate came in on the 18th of November, 1799, when Napoleon was First and First Consul. Then in 1804, in March of that year, Napoleon set aside the Republic and established the Empire.

Mr. SIMPSON. That is what I said; that it was owing to the failure of the republican government.

Mr. PENDLETON of West Virginia. But years and years before that this paper money had become rag money. It was not until April, 1814, that the old regime was restored, and it was re-restored in June, 1815. Now, I trust my friend will please let me alone on those questions. [Laughter.]

Mr. SIMPSON. But the gentleman has practically admitted that the failure of that money was due to the failure of the government that issued it, the same as the failure of the Southern Confederacy rendered its money valueless.

Mr. PENDLETON of West Virginia. The French Government never abolished that money, and never made any effort whatever to do anything with it except to pledge the national lands for its redemption, but long before the Government could carry out its promises the money had become rag money, was thrown away, had passed out of circulation, and had met with a death to which there was no possible resurrection. Yet France was then the most powerful nation on the Continent of Europe, and its armies were everywhere victorious. The republican government of France finally returned to the then money of the world, gold and silver.

Now, Mr. Speaker, take another great illustration or example in the history of the world which occurred a few years before that, and I think it will demonstrate the folly of the gentlemen who are preaching fiat money on the floor of the House of Rep-

representatives, which ought to be the most intelligent body in the world, because I am sure that it represents the most intelligent people that breathe beneath God's sun.

Take our old Continental currency. We fought through the war of independence, we achieved our victory and established ourselves as a proud and strong nationality among the nations of the globe. We were flushed with triumph, wore strong, and were growing stronger. We had this Continental money on hand. What did we do with it? Not a dollar of that Continental money was ever redeemed, and of what value did it become? Rag money; waste paper. Why? Because the Continental Congress, or the American nation never at any time pledged itself to redeem that money in gold or silver, which were at that time the recognized money of the world.

Mr. DAVIS. If the gentleman will permit me, Mr. Gallatin, Secretary of the Treasury in 1818, delivered his opinion of that money—

Mr. PENDLETON of West Virginia (interposing). Mr. Speaker, I would like to answer all the questions the gentleman may desire to ask, but if I undertake to do so I shall be kept discussing this one point until my time has expired.

Mr. DAVIS. Mr. Gallatin said—

Mr. PENDLETON of West Virginia. I prefer to go on and discuss the question that is before the House. What I have been saying so far is merely preliminary to the main question; and let me say to the gentleman, further, that it is very hard work to talk in this Hall in hot weather, and I need whatever voice I have.

Mr. DAVIS. I will not ask the question.

Mr. PENDLETON of West Virginia. Now, Mr. Speaker, I started out with the bold proposition that nine-tenths of the evils that have prevailed in our country have been due to an unsound, unstable currency, and I believe that whenever this country shall arrive at a period when it will establish for itself a sound and stable currency it will become more flourishing than any other country of which history makes mention—than any other country that to-day exists in the civilized world. Why should it not? We have every resource here, every capacity for the establishment and the maintenance of a glorious, prosperous, powerful country. Why, then, should we not one and all strive to establish a sound currency?

There is one style of argument used here to which I desire to call attention. There are men who argue on the silver question exactly as the Republicans do upon the tariff question. Our Republican friends, those of them at least who proceed to the extreme of a prohibitory tariff, argued last fall that this country was sufficient unto itself; that we could legislate for ourselves and make whatever tariff we chose to make, regardless of other nations. The Democrats took issue with them on that proposition.

We said that all nations grow rich by trade. We proclaimed that Europe wanted the breadstuffs, the corn, the cotton, the bacon, and the hams of America, while we wanted things from them; that if we laid down as a fundamental rule that we did not intend at any time or under any circumstances to pay atten-

tion to the wishes of foreign countries, and did not allow their people to sell their products here, they would return to us in kind with retaliatory tariffs of their own, and prohibit the exportation of our products to them. We went to battle with gentlemen on that side of the question who made arguments of this character, and I am glad to say we have prevailed in three successive campaigns.

And now, when the battle is on for sound money, for an upright currency, we are told again by the very gentlemen on this side of the House who fought against that theory of our Republican friends that this country can maintain a currency of its own independent of the action of the other civilized nations of the world; that, trading with them and finding our great markets for our breadstuffs among the nations of old Europe, we can make old Europe take anything for money that we choose to call money, whether it be a money metal with them or no.

There never was a falsor theory; there never was a more erroneous doctrine. We can not do it. There is only one ground upon which we can do it; there is only one method by which we can attain that supreme condition—when we can make a currency exclusively our own, when we can establish a currency which will circulate only throughout the United States and be the money of the American people, the balance of the world to the contrary notwithstanding. And what is that condition? To build around yourselves a Chinese wall, and declare that you will not trade with other nations; that you are sufficient unto yourselves and intend to live unto yourselves.

So long, however, as you do not desire to occupy the position of China—so long as you desire to be a civilized nation marching onward in the path of progress and prosperity, moving forward in enlightenment, in culture, and refinement, and enjoying all the blessings of civilization, you are obliged to obey the old biblical injunction—trade with all nations and thereby grow rich and prosperous. These nations all have a money metal that is common with us, and is also a money metal with us, to wit, gold.

While you do this you must have a money to deal with; you must have a circulating medium that is common not only to you, but to the civilized world; because when you begin to pay balances, to make exchanges, you must use the money of the world for that particular purpose. Suppose, for instance, that this Government should carry out the suggestion of a free-silver friend of mine who sits not very far from me: suppose it should monetize gold—absolutely drive gold out of existence—and make this country an exclusively silver country.

How, then, could we carry on our trade with foreign countries? All other nations having gold for their money metal, the United States having silver for its money metal alone, how could we carry on trade with each other? We would go back to the condition of Asiatic and African savages, and our trade would be trade in kind and by barter; that alone. That is why it is impossible as a fundamental doctrine of political economy for any one nation to establish for itself and maintain for itself exclusively any money which is not on a par with the money used in all the countries of the civilized world. Other nations

will demand of us the money that is common to us and them and will leave our own exclusive money for our use alone. It can not be done; you may make whatever ratio you please, and it will not be done. The money that is universal money will leave us and we shall find ourselves solitary, with no medium of exchange that is common to all the world.

Why, sir, to-day, what is the condition of affairs? It is true that I sympathize with the cry that Colorado is sending up to the heavens. I sympathize with the feeling of the people of Nevada upon this question as deeply as their own members on this floor can do. But at the same time they can not come to this Congress and ask us, when the interests of 65,000,000 of people are involved, to legislate exclusively for their benefit, forgetting the interests of every other portion of those 65,000,000 who live under the same flag and are entitled to the same protection as the people of Colorado or Nevada. Why can not we make their money the exclusive money of this country? Why can we not maintain the free and unlimited coinage of their money at a ratio of 16 to 1, as they desire that we should do?

In the first place, I am myself a bimetalist. I believe that conditions can be made to exist by the action of Congress when silver and gold, freely and fully coined at a ratio of 16 to 1 or 15 to 1, or any other ratio that all the civilized and commercial nations may agree upon, can and will circulate in this country, and all other countries, as the money of the world. And that condition, I think, can be brought about by proper legislation on the part of the American Congress.

But why can we not, my friends, maintain this free and unlimited coinage to-day at a ratio of 16 to 1, or at any ratio whatever? In the first place, we might even out of our earnings present Colorado and Nevada yearly a dollar for every fifty-eight cents of their silver, as we are now doing, and yet survive. The other sixty-five millions might do this for a time, and that is what we are really asked to do, and not make use of this product as money at all. When we, however, are asked to make use of their product as a money metal which the other trading nations will not take, we disrupt, break down, disorganize, and steadily damage our whole industrial situation, and leave ourselves at the mercy of all nations, a subject for both laughter and universal plunder.

In 1816 a movement against silver began on the part of England, which movement I think has been disastrous to the world, as I would like to see both metals maintained, believing that the maintenance of both metals is for the greater prosperity of all the nations. England, it is true, in 1816 made herself a monometallic country—decided in favor of gold and suspended further coinage of silver. My friend from Texas [Mr. BAILEY] asks us why it was that England with her wealth and her power was able to maintain gold as her sole money metal, and why we can not maintain silver as our sole money metal if we so desire? I will tell him the reason. England could maintain gold as her sole medium of exchange for one reason, and one reason alone, because gold was money all the world over.

Everywhere—in every civilized nation of the world—the English guinea was good for what it called for. But suppose under

the conditions in which silver exists to-day we should attempt to make silver the solitary money metal of this country and make it the basis of all values, could we, with all the wealth, all the power, all the resources of this grand and magnificent country of ours sustain silver upon that basis? I say we could not, because there is no other commercial nation ready to join us to-day in such a movement—because no other nation that maintains any standing in the commercial marts of the world is ready to rally to our support, to uphold our hands in an event of that character.

In 1816 England demonetized silver; in 1871 Germany suspended the further coinage of silver. In 1873 France did likewise, and France was followed by the nations of the Latin Union, by Holland, Belgium, Switzerland, and Italy, and to-day the same policy obtains in every civilized nation on the continent of Europe. The consequence is there is no commercial country in the world ready to stand by and maintain us in any such situation as is asked by our free silver friends.

But there is another reason, Mr. Speaker, why we can not maintain silver as a money metal without the alliance of other nations, and that is that we are a borrowing nation. Why can not we maintain it at 16 to 1 to-day? The first reason of all is that the United States is a borrowing nation, and has been for a hundred years past. And it is said that while the balance of trade has been against us for some years, that for the past year this balance of trade has been on our side and in our favor. But that is not alone the question to be considered when you take these matters into consideration.

There is something else besides the balance of trade that compels annually the vast flow of American gold across the broad waters of the Atlantic Ocean. One hundred millions are expended every year by American tourists on the Continent of Europe, all of it American gold. One hundred millions more are expended every year by American importers when they pay the freight charges on the carrying trade, nearly all of which is in the hands of England and other European countries. These two great elements of indebtedness have to be met by this country abroad with gold coin. These make the real balance against us on every annual settlement with Europe.

But what else do you find? Several thousand millions of dollars of foreign capital have been loaned in this country. Why, in my little State of West Virginia I know of two railroads alone that owe fourteen million dollars of gold in London, the money mart of the world, and 6 per cent of interest in gold has to go there every year to meet the obligations of these two roads. The Northern Pacific Railroad is owned mainly by German capital, the Reading by English capital, and the same is true of the Erie, it being also owned by English capital, and other business enterprises are run by foreign capital; until to-day the foreign investments in this country have been so great, so numerous, that it is estimated anywhere from three to five thousand millions of dollars will be required to cover the investments which have been made by foreign capital within the limits of this country. Now, the interest on this vast amount of money has to go abroad every year, and in gold; and that is far more in every re-

spect than any balance of trade, or any possible balance of trade that may be in our favor.

Thus we have to settle annually with Europe. How can we do it? Can we, as some gentlemen proclaim, do so with our products? We can not. In our mutual trading for the year they have already taken all of our products they desire or need for the year. How, then, must this settlement be made? It must be made in money, and in money that can be used everywhere. They will not take our silver, as it is with them only a commodity, like wheat, corn, and cotton, and fluctuates while a commodity, just as other articles fluctuate in value. We must, then, pay in gold. But suppose a policy should be adopted that would compel all nations to coin silver and gold at an agreed ratio. There would then be no greater demand for a gold dollar than a silver dollar, and we could pay our debts and collect our credits in either and be satisfied with either, for the use of both at the agreed ratio would be universal, and there would be no greater demand for the one than the other.

Mr. ALLEN. If it would not interrupt the gentleman, I should like to make a suggestion, with his permission. Does he think it well enough for us to adopt a policy that will enhance the value of these loans, and take more of our labor and products to pay that four or five billions of dollars of which you speak?

Mr. PENDLETON of West Virginia. No, sir; I did not say I favored any such policy as that.

But, Mr. Speaker, we not only have that question to consider, that the balance of trade is really against us, that for years under present conditions, with reference to silver, this country has to settle with Europe large balances, and they have to be paid in gold, in the money of the civilized world; but there are other considerations that are equally important. If we undertake to pay those annually occurring debts in the silver that we take out of our mines, which the nations will now only take from us as bullion, and send it across the water for that purpose, we get only for the quantity of silver in our silver dollar, fifty-eight or sixty cents, yet we coin it to-day, endeavor to stand alone in its maintenance, and someone loses from forty to fifty cents on every dollar. Who sustains this loss? The sixty-five millions of Americans. Who now profit by it? The silver kings of Nevada, Colorado, and Montana, who palm it upon the American people under this Sherman act at nearly double its real value. When we send it abroad, which trade compels us to do as bullion, all that we can get for it is its value as a merchandise in the markets of Europe.

We have to meet that condition; we have to be prepared to face that crisis every year, and how can we do it if we adopt for ourselves in the first place the money of the civilized world, and then adopt for ourselves another money peculiar to ourselves alone? The drain from abroad will come from what direction? Our balances will have to be paid year by year in gold, and gold alone, until the entire gold circulation of the country has been absorbed and evaporated, and we shall be left with silver on our hands which the nations will neither take nor recognize as money.

But what has brought this crisis on the people? Why is it

that all through the land capital has become timid, labor doubtful, banks suspending, all business industries at a standstill? Simply the want of confidence and the apprehension which has been engendered in the public mind abroad in the holders of our securities as to our ability to pay these gold balances which we have owed for years. When they find we are making this silver currency a money metal in this country, at a ratio of 16 to 1, equal to gold, they will have none of it; they do not want it; and because, further, while it may be worth a dollar here, there across the water it is worth only 58 cents, and they are hastening to call in their loans in consequence; they are trying to get their investments at home, for they fear they may be compelled to take one-half to two-thirds of the amount they have loaned here, and that we shall in the end pay them this very silver which has so depreciated. There is a wish to get out first while the gold is still to be had.

What has been the effect on American capitalists? American capitalists are governed by the same apprehension, and believe that the same result will come to them. They are withdrawing their money from American enterprises. They are calling it away from American industries, and are endeavoring to loan it abroad and invest it in securities that are payable in gold, which is good from one end of this continent to the other, and from one corner of the civilized world to the other. That has been the cause.

Now, why does such a cause as that exist? Why shall we not do something to restore the confidence both of foreign people and of home people in the faith, in the good credit and the soundness of the American dollar? Here is the greatest field for investment that can be found in the civilized world to-day. We have 3,000,000 square miles of territory, a large portion of it yet uncultivated; magnificent rivers and grand and glorious forests; the finest climate to be found upon the globe; every room for investment; the land calling for capital, farmers calling for capital, manufacturers calling for money, labor calling for the dollars which will give it employment,

Why should not capital come here and why will it not come here when such a grand opportunity lies before it? The rate of interest in London is 3 per cent; in Paris it is 3 per cent; in Berlin it is 3 per cent, and all Europe is overflowing with money; all the great money centers have a superabundance and no field for investment at home. They are all anxious. They are overwhelmed with a desire to invest their money wherever they can receive a reasonable compensation with a good, sound, and safe security. And here we are, giving 6 per cent for money, and in some cases 8 and 10 per cent.

Let the capitalist abroad once come to understand that the dollar he loans here is to be paid him back in the same dollar when it finally comes to his hands again, and just as good as he loaned, and European capital will come over here in overwhelming volumes, to be invested in this country, and to continue to build up and make it great and glorious and grand and prosperous, as it ought to be under our free, equal, and just laws. [Applause.]

Now, my friends, can we by ourselves maintain the free and unlimited coinage, I mean without international agreement, of

the silver dollar at any satisfactory ratio, and at the same time have a sound and stable currency and make it equal to the gold dollar?

To be perfectly frank, when I began the consideration of this question I intended to vote for a ratio of 20 to 1, and at that ratio for the free and unlimited coinage of silver. But the more I have studied the question the more I have found that we would just be in the same trouble that we would be in with a ratio of 16 to 1. A ratio of 16 to 1 prevailed when, in this land? When France was coining silver at 15½ to 1. When Germany was making silver her sole money metal. When Italy, Switzerland, Belgium, Holland, and all the commercial countries of Europe save England were coining silver at a ratio of 15½ to 1. And how much did we coin in this country? Why did we not coin more than we did? We coined practically none at all, except for subsidiary coinage, down to 1873, because the very moment the silver miner found that he could get an ounce of gold in France or other European countries for 15½ of silver, he naturally went there with his silver instead of coming here, where it took 16 ounces of silver to purchase one of gold.

So I say, when we are asked to return to this old ratio of 16 to 1, under that ratio we never coined any silver money, and we had no silver money, practically, outside of the subsidiary coinage, ever in circulation. Now, with a ratio of 16 to 1 we could not coin it in those days when France, Germany, Italy, Spain, and all continental Europe stood ready to uphold our hands and maintain us in that coinage and accept silver as money. That being so, what can we do to-day, when we alone, practically, among the civilized nations of the world propose to establish a ratio of that character.

Mr. CAPEHART. Would the gentleman be willing to vote for any ratio?

Mr. PENDLETON of West Virginia. No, sir; not now, but will vote for an agreed ratio with three or four of the leading commercial nations.

Mr. CAPEHART. Did your constituents in the convention which nominated you, less than a year ago, give any expression of opinion on that subject?

Mr. PENDLETON of West Virginia. None whatever, except to adopt the national platform at Chicago.

Mr. CAPEHART. I have the platform on which the gentleman was elected, and if he will pardon me I will read it.

Mr. PENDLETON of West Virginia. I yielded to the gentleman for a question. I did not yield for a speech.

Mr. CAPEHART. This was last year, less than a year ago.

Mr. SIMPSON. Let us hear it.

Mr. CAPEHART. (Reading)—

That we are in favor of a bimetallic currency of gold and silver—

Mr. PENDLETON of West Virginia. And so am I.

Mr. CAPEHART. (Reading)—

and the free coinage of both metals, establishing such parity between the two as shall keep both in circulation.

Mr. PENDLETON of West Virginia. That is what I am in favor of; I want just such a parity as will keep both in circula-

tion, and that is what Grover Cleveland is in favor of, and that is what every bimetalist is in favor of.

Now, I say, how can we maintain any of these ratios when we find there is no other civilized nation with whom we are prepared to deal that will sustain us in any such ratio? We find ourselves again in the situation of having one money that is current throughout the civilized world, and another coin that is current only here. The same old result will follow as followed before. Gold will leave the country and we shall be left here entirely on a silver basis.

So that I can not see how we can maintain any of these ratios. Silver is treated as a commodity by nearly all the civilized world. Its value depends to-day very largely upon the supply and demand of the article, and if we adopted the ratio of 16 to 1 we should find silver worth how much? Fifty-eight cents on the dollar. Suppose we should adopt the ratio of 20 to 1, we should find silver worth 80 to 85 cents on the dollar. Suppose we should adopt a ratio of 50 to 1, then silver might be worth a dollar and a quarter. But my objection would still be the same—the lack of stability, the continual fluctuations of our metal, while the balance of the world would have a stationary currency that was good not only abroad, but also here, and which would give them absolute dominion over us.

That is the great cardinal objection with me to any such proposition as that which is made here. But if we should obey the platform adopted at Chicago and wipe out of existence the purchasing clause of the Sherman act, where would the country stand? Suppose before we plunge into the free-coinage field we make an honest effort to have other nations help us.

Let us not take this step alone and expose ourselves to be fleeced, bled, and plundered by all the nations. If they see us fighting alone, not one will come to our rescue. Some think that we would make debts greater. No at all. We shall, nevertheless, have all our present currency left to us. Not a dollar of silver will be demonetized, and not a debt would be increased the hundredth part of a cent in value. The same currency that we now expect to pay our debts with we would still have.

What would necessarily follow such a course? Simply this would come to pass: As soon as it was found that this country no longer intended to coin the silver of the world, as soon as it was known that continental Europe had ceased to coin the future silver product, and that the United States had joined with continental Europe upon that line of action, what country of all the civilized nations of the earth would be the first to call for the free and unlimited coinage of silver at a ratio to be agreed upon by an international convention? Why, the country called Great Britain would be the first to make that demand. Why? Because, with \$10,000,000,000 loaned out to the balance of the world, she would find it necessary to devise some means of bringing about, at some time in the near future, the payment of that ten thousand millions, amounting to one-fourth of the entire wealth of the British people.

Where is that money loaned? Mainly to countries that have only silver with which to pay, and as soon as Great Britain found that the gold for the payment of the interest and principal of

her vast foreign investments was exhausted she would naturally demand the remonetization of the metal in which alone that indebtedness could be paid. Further, when she found that all South America, with India, China, and other countries with which she carries on trade, and with whom the balance of trade is always in her favor—when she found that those countries had not the gold with which to pay her, she would be down on her knees again calling upon the nations of the civilized world to provide some means by which she could collect her loans and have her balances paid. In that way we should find that she would be knocking at our doors in less than three years, demanding that silver and gold should be again made the money of civilization, at a ratio to be agreed upon by an international convention. In order to have us remonetize she would gladly do the same.

That is the course I favor, and that is what I believe will come to pass if this Sherman act be stricken from the statute book of the United States. [Applause.]

Now, Mr. Speaker, as it is very difficult to speak in this Hall, and as I find that I am growing more than exhausted from the heat, I shall conclude by simply calling attention to one other point to which some of our friends have adverted with a good deal of what I think unjust criticism. I refer to what they call a departure on the part of a certain section of the Democracy from the national platform of the Democratic party. As I read that platform I can not find any other policy in it than the one that I have been attempting to lay down here. Let us read it:

We denounce the 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.

Its author is anxious for its speedy repeal. Its supporters are anxious for its speedy repeal. Its author was a good Republican, its supporters were good and honest Republicans, and they are, one and all, anxious for its speedy repeal, and so am I, in obedience to the dictates of the Chicago platform adopted by the Democratic party in convention assembled.

Further:

We hold to the use of both gold and silver as the standard money of this country, and to the coinage of both gold and silver, without discriminating against either or charge for coinage, but the dollar unit of coinage of these metals shall be of equally intrinsic exchangeable value, and be adjusted by international agreement.

As I understand it, the national convention gave us two roads of obtaining the free and unlimited coinage of the silver dollar; and if we could not do it and maintain a parity of the metals at a ratio of 16 to 1 or that of any other ratio by ourselves, then it left open to every Democrat, every true follower of the doctrines of that party, the other remedy. It left open to us that of international agreement.

I am satisfied that a ratio of 16 to 1, or a ratio of 17 to 1, will accomplish nothing, as well as a ratio of 20 to 1. But I am satisfied, along with Grover Cleveland and other good, honest, sterling Democrats, that the only way in which we can accomplish that full, complete, and ample remonetization of silver is by an inter-

national agreement made with three or four of the leading commercial countries of the world. When that is done, and I believe it will ultimately be done, and at no distant date, then the promises of the national platform of Chicago will be kept, the faith of Grover Cleveland will be maintained, and the Democratic party will have fulfilled every financial pledge to the people of this country for the future as well as it has done in the past; and I for one am content to wait for that, expecting we shall see the dawning of prosperity once more come upon this beautiful land of ours. [Applause.]

If we should fail in obtaining international agreement I should then favor an issue of Treasury notes redeemable on demand in gold. A gold reserve in the Treasury of one hundred millions sustains three hundred and forty-six millions of Treasury notes and one hundred and forty-seven millions of silver certificates, and no holder of a Treasury note ever calls for a dollar of that gold because the Government promises to pay in gold and the creditor is satisfied with the promise. This is confidence. Issue one hundred millions of bonds for another one hundred millions of gold. Put the gold in the Treasury as a reserve. On that issue \$500,000,000 in Treasury notes, the good old greenbacks, and send them into circulation from time to time as they are needed. Get them out among the people just as the first three hundred and forty-six millions were thrown into circulation. Not a dollar of the new gold would be called for as long as our faith was pledged. We would know that we could get the gold when we wanted it. Confidence would be just the same, money would be plenty, and this great old land of ours would march onward in happiness, honor, and long-continued prosperity.