

SILVER.

SPEECH

OF

Hon. Thomas B. Reed,

OF MAINE,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 26, 1893.

The House having under consideration the bill (H. R. 1) to repeal the 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. REED said :

Mr. Speaker, I am not certain of the wisdom of any member of this House, and least of all of my own. I am quite conscious also how difficult it is for anybody to know anything about currency in general, and how especially difficult it is to provide a remedy for a derangement of currency at any particular time. Nevertheless, while I have grave doubts of the wisdom of each individual, including myself, and no doubt whatever of the difficulty of the task, it is a comfort to me to fall back upon a well-established belief in the wisdom of all, even when shown by the decisions of the Congress of the United States. It may not be an absolutely righteous decision which we shall reach, nevertheless it is a comforting assurance to believe that that decision will be sufficient for the emergency, especially since it is accompanied by the certainty that no other wisdom is possible at the present time. Upon us and the people who are influencing our votes rests the decision of this and of other very important questions.

Crises like the present are not uncommon in the history of the world ; indeed, they seem to be essential to human progress, and to arise out of the characteristics of human nature itself. Probably if wise men, now alive, had been consulted in the formation of the nature of mankind there would not have been these fluctuations which now disturb us, and which disfigure the history of the time. If we could have had that perfection of wisdom which is exhibited, so far as I have ever known, only in a greenback oration [laughter], we should have the human race proceeding on the upward grade steadily, without faltering and without relapse. But, unfortunately, human nature was not framed in that way. Instead of a continuous upward movement, always rising, always going forward, the movement of the human race seems to be a series of upward starts and of falls of almost proportionate length. The general progress has always been onward, but there have been many times when the movement has seemed to be to the rear. In the history of civilized nations these alternations have not been infrequent. The great rises and the great falls have extended over long periods of time. At intervals there have been minor falls as well as minor upliftings. We seem to be now at the beginning of one of those declines, the like of which happens after a long period. Unless all indications fail, we are in a situation very much like that which afflicted England in 1793 and in 1825, and which began to afflict us in the year 1873.

After each long period of recuperation something starts the confidence of the human race in itself and the confidence of the nation in itself, and men feel a sudden courage to undertake all enterprises and to indulge in every effort tending to progress. Each one seems to encourage the other. Each enterprise seems to be an assistance to the other. The result is, that for a series of years prosperity seems to increase ; men are busy, capital is busy, and prosperity without limit seems to be within the reach of the race and of the nation. Suddenly, from some cause entirely unanticipated, a doubt is cast upon the reality of the progress which has been made. Something awakens the element of caution in the race or nation, and, thereupon, rapidly and steadily, confidence disappears. Men feel that it is necessary to take an exact observation of the situation before resuming strenuous efforts. When that hour arrives there is no possibility of retreat or of change. The race or the nation has determined to examine into its condition, and the result is apparent disaster, misfortune, defeat, destruction of industries, and a general paralysis of business and of labor. There is a general liquidation of human affairs. Each man discovers what he is really worth, and the nation finds precisely what its absolute wants and needs are. If the period of prosperity could be expressed in a single word, that word would be confidence ; and if the period of adversity, as we call it, could be expressed in a single word, that word would be distrust.

During the period of progress, during the period of increased endeavor, where all capital is employed and every man is at work, confidence reigns supreme. Every man believes in his own success and in the success of his neighbor. Consequently he is free to take goods and property at the general valuation ; and the people who sell property are ready to take the checks and instruments by which property is transferred. When the period of doubt sets in values become uncertain, because it is felt that a readjustment must be had. Checks and evidences of transfer are scrutinized with care, because men who were wealthy yesterday may be poor to-day. So, also, production ceases because the producer has great doubts whether

the production of his mill or his workshop will be capable of sale, and, above all, whether he will gather in the proper payment. How far this element of distrust may go depends upon the seriousness of the previous inflation of values; and after a time, when men find precisely how they are situated themselves, and how their neighbors are placed, there begins slowly to revive the confidence which distinguished the former period, in small measure at first and afterwards in larger measure, until finally we reach another period, where confidence reigns and productiveness is at its utmost. This alternation between extreme production and production reduced to its lowest terms, is something which the philanthropist may regard with horror; but which the man who has observed the history of the world is obliged to regard with tolerance. While these fluctuations occur often in the history of the human race, each one occurs from its own separate and special cause.

In former times they used to be more especially confined to each particular country and were not simultaneous; but modern times have bound the earth together, so that it is impossible for even the greatest nation to disregard the other nations of the earth. The railroad has diminished distance and the telegraph has obliterated time. The ocean steamers plying between the different hemispheres, the trains of cars which sweep across the continents, have made business a far different thing from what it was in the earlier ages. Without undertaking to give the particulars of the change, it is enough to say that the world, which in the days of Magellan it required three years to circumnavigate, can be circumnavigated to-day in a period of two months. This binding together of the whole world by obliteration of time and distance has bound together the business of the world, and hence these periodic changes occur in greater or less measure throughout the world, not always exactly simultaneous, but always more or less sympathetic.

Nevertheless, in each particular nation the cause is peculiar to itself. Each nation produces its own means of temporary prosperity; also its own causes for temporary depression. The fact that these depressions are nearly simultaneous does not in any way militate against the suggestions just made. If anyone desires to notice the connection between the different countries he has only to go back to the crisis which occurred in the year 1890. It was found that there was a great scarcity of money in the United States, so great that under the influence of universal clamor more than forty millions of currency were let loose from the United States Treasury among the people of the United States. I do not think at the time that anyone here fully comprehended the cause, although some wise men had an inkling of it; but there was felt to be a constant drain of currency which was taking from us not only the money which we previously had in circulation, but the large sum which I have mentioned from the Treasury of the United States. When the course of events reached its end it was discovered that the great money center of the world, London, the capital of England, had been severely drained by a most tremendous set of enterprises in a distant nation of South America.

The effect of that tremendous call upon the money center of Europe, which resulted in the shaking down of the house which was the synonym, especially in the United States of America, of credit, of enterprise, and of solidity—the house of Baring Bros.—drew upon the resources of the United States with a vigor that no one would have dared to prophesy a year before.

But the United States at that time was sound in every way, and had not yielded to any disposition to inflation; consequently the storm was weathered and we continued upon our career of prosperity and of labor. The country was prosperous because everybody was at work, because capital was thoroughly employed, and all the goods that were produced were consumed and were necessary for the wants of the people. In the year 1890, from a variety of circumstances which it is not necessary now to discuss, for the country cares very little today whether anybody was or was not to blame for the passage of the Sherman act, conspired to make the passage of that act an absolute necessity. The passage of that act pledged the United States to purchase every month, and issue its value in currency, 4,500,000 ounces of silver.

At the time when that act was passed every patriot sincerely hoped that the expectation of the friends of silver, that that purchase would result in solving the problem of bimetallism for this country and placing silver on a par with gold, would be realized. That the friends of silver entertained that view I cannot doubt, because it was expressed to me in terms of the utmost confidence. At the time, the passage of the act caused very little fear on the part even of the wisest; but a series of events, which are so fresh in the memory of every man who hears me that I need not recapitulate them, caused a drain of gold from the United States to Europe.

That drain of gold sounded the alarm to the American people that the period of prosperity through which they had passed, and which was then in existence; which was shown by the employment of capital and the employment of labor, had reached a period of suspicion; a period always reached in such forward movements of the human race, and always to be anticipated, but never in reality anticipated. At no time when any nation in the world has been at one of these periods of prosperity have men in general suspected that the period of prosperity was about to close. Every man is in the whirl of ambitious effort, carried away by it, swept in the direction of it, and hence does not know what is about to happen. The stroke of the clock which shows that the time of settlement has arrived is always a surprise; and, from the nature of things, and of human beings, always will be a surprise.

Last May it became apparent that we had reached a period when a wise and judicious man would be careful to curtail the amount of his obligations. Some wise men had done so beforehand; other wise men had waited until that period. The banks then commenced to examine their collaterals, to call in their loans, and to put themselves in a position of safety so far as possible. The first element of dissatisfaction and doubt which pressed itself upon the people was the fact that there was a continuous and unaccountable drain of gold. That drain of gold amounted, in round numbers, to a very great sum, so nearly equalling the amount of the issue under the Sherman law that it seemed almost conclusive that the displacement of currency which was happening was on account of the issue under the Sherman law, because it

seemed to be driving out the same proportion of gold which was the equivalent of its own amount. Whether that reasoning was sound or safe or correct is in no wise a matter of discussion. The fact that the feeling existed was sufficient for all the purposes of practical life.

Men felt that it was absolutely necessary, even if that question was a question of doubt, so long as it was a question at all, that they should curtail their enterprises in the future, and that they should put themselves in order for a storm. Then followed what seems to be one of the characteristics of such a period—universal distrust. The first distrust arose from the doubt whether the United States was not rapidly approaching a system which would inevitably result in a silver standard and a lowering of the value of the dollar as compared with the gold standard, upon which the United States was then undertaking to base itself. This has nothing whatever to do with the question of the righteousness of the double standard or of the single standard. The United States at that moment was making gold its standard, and any questions as to whether it was to fall or not to a silver standard was a question which instantly aroused the desire of the people to hoard, first gold, then, as the distrust spread, all kinds of money, for we not only began to doubt the Government of the United States and its policy, but also to doubt the solvency—not the present solvency, but the future solvency—of all the institutions of the country.

When suspicion and doubt of that kind once enter the minds of 65,000,000 of people there is no knowing where it will end. That it took serious possession of them is shown by the simple fact that out of the United States banking houses alone one hundred and ninety millions of deposits were drawn by depositors from all parts of the country. How much was drawn out of State banks and out of trust companies, how much has been drawn out of savings banks no one will ever probably know; but so much has been drawn, so much has been hoarded, so much has been kept out of circulation, that we are suffering to-day all the calamities of a restricted circulation in the midst of an abundant supply of money.

This, then, at the present moment is the situation in which we find ourselves. I have, in thus narrating the outward circumstances which have attended our present position, failed to state what is, after all, according to my judgment, the main underlying cause of the present condition of affairs. At the last election the Democratic party was brought into power by a curious combination of circumstances, as the result of a hundred causes—not with careful and candid deliberation, but as the result, in a large measure, of the apathy of the American people.

The vote shows what I declare, and the recollection of every individual to whom I am speaking can be safely appealed to. While this thing has not been specially manifest during this discussion, while there has been little talk with regard to it, nevertheless, the consciousness of this fact underlies our entire situation. I do not intend in alluding to this fact in any way refer to party politics. I do not undertake to raise any question as to whether the system of protection is a wise one or not. I do not undertake to dispute the proposition on the part of the Democracy that protection is a tax, wicked and iniquitous. [Laughter.] For the purpose of discussion, and for that purpose only, I am quite free to admit that protection is a fraud, and that virtue resides only in a revenue tariff; but there remains, even if it be admitted that the propositions of the Democratic platform are righteous every one—there remains the fact that the system upon which the manufactures of this country have been regulated for thirty years is threatened with a total change; whether that change is to be for the better or not no man can know.

What the Democratic party purpose to do with the power which is in their hands, nobody can say. They do not even know themselves; and hence they are not able to impart it to others. For my part, I do not expect the Democratic party to be utterly bad. [Laughter.] I do not believe they will be permitted to be so if they should so desire. [Applause] Such is the restraining influence of the people, even after election, that I believe that through all the disguises, through all the masks which this election has thrown over the wishes of the people, nevertheless those wishes will be carried out. But at this present moment no man can know what will be the result of the action of this Congress upon the manufactures of this country.

If the reformation of the tariff were in the hands, even, of its friends, if a change in the tariff were contemplated by those men who are in favor of the principle of protection, instead of in the hands of those who denounce it, I should feel entirely confident that business would be stagnant or remain at a standstill; but when this reformation of the tariff is in the hands of men opposed to the present system, those manufactures of the country which are built upon the present system must necessarily call a halt.

If their goods which they manufacture are to be in competition with the manufactures of other lands, where the cost of production is upon a different basis, where labor is differently rewarded, as a matter of fact no manufacturer in this country will dare to manufacture goods until he knows the basis upon which his labor is to go into the production of his articles of sale. Until that question is settled you may be sure that the manufacturers of this country will never dare to manufacture more than the absolute necessities of the people require. Prominent among the symptoms of the present condition of affairs is the closing of mills in all parts of the country. The currency question has something to do with that, but that which is of most importance is the uncertainty as to the basis upon which manufactures are to go on. Manufactures to-day are, in no respect, the subjects of chance or of miscalculation. All the elements of costs are so thoroughly understood, all the elements which enter into production are so thoroughly comprehended, that it is impossible for manufactures to go on, except upon the basis of small but sure profits.

Unless the manufacturer can see his way directly to that, he has no object in running his mill; and unless in the future he can see that that mill can go on satisfactorily there is no object on earth for him to continue his manufactures and his organization. Therefore, you may depend upon it, that until the question is settled—until men know the

terms upon which they are to employ labor, until they know the terms upon which they are to compete with foreign competitors—no loom will be in motion more than is necessary and no wheel will turn except with the prospect of immediate profit.

I will not undertake to dwell at this present time—for I do not want to confuse the issue—upon those unfortunate parts of the Democratic programme which are at present in abeyance, like the establishment of State banks and other financial measures, which we may possibly have to struggle with. [Laughter.] I can characterize in a single phrase the cause of the present condition of affairs. It is the undiscoverable uncertainty of the future of both the currency questions and the questions of protection and revenue tariff.

It will be seen from what I have said that I do not regard the Sherman act as in itself alone responsible for our present condition of affairs; that I believe that the causes of our present disaster underlie that; that the necessary stoppage of hundreds and thousands of mills all over this country is at the bottom of our disaster. Nevertheless, I do believe that the Sherman act and the accumulation of silver in the Treasury was the earliest indicator of the disaster which we are approaching, and that it has played a part not entirely unfortunate in warning us so that we can be saved from still further misfortune and doubt.

We are now, therefore, in this condition of affairs: We are on a down grade to that period of recuperation, economy, and self-denial which, in some cases, may lead to very grave and serious suffering; for there can be no doubt whatever that the threatening aspect of affairs, while it threatens this country as a whole, capitalists and laborers alike, is more especially, in the future, threatening to the laboring people of the country. When mills shut down, they shut down because they must ascertain by Democratic legislation what the basis of their future manufactures is to be. If their basis is to be competition with foreign countries upon less favorable terms, they will be obliged to meet those less favorable terms by reducing the cost of manufactures themselves. The cost of manufactures, of the finest kinds especially, is largely in the pay which is given to laboring men.

As the gentleman from Mississippi [Mr. CARROLLS] has very candidly, and at the same time very accurately said, the wages of labor have been steadily rising in this country, until they have reached a point unexampled in the history of the world up to this time. If the American manufacturers were to compete alone with each other, it is possible that the standard of wages might be maintained; but if they are to compete with people abroad, where wages are less, where skilled labor is at a much lower price, then there can be no doubt that a reduction of the wages of labor will follow. Indeed, all over the country there are signs that that will be the case; and there are signs also that the workingmen are recognizing the fact that their labor is one of the elements, the strongest element, perhaps, in the cost of production, and that that cost of production cannot be measured by any arbitrary standard, but must be measured by the standard of competition. Such being the case, we may expect more or less misfortune to happen to our people. I do not believe that the Democratic Congress, influenced as it will be by the pressure on the part of the people of the United States, will so revise the tariff that the workingmen will be brought back even to the condition of the workman under the Walker tariff; but that there will be doubts and difficulties and reductions I have not the slightest doubt. The capitalist has met with his misfortunes. He has seen his stocks, his bonds, his holdings, and he will soon see his real estate reduced beyond any fear which he entertained a year ago; and in due time will come the reduction of the wages of labor, unless by great good fortune the laboring man, by demonstrations on his part, should show that he understands this question in such a fashion that he will refuse to allow it to be misunderstood by his member of Congress.

Now, in this matter I do not expect to be accused of any party bias, for this does not in any way involve the question of the propriety or the righteousness of a change in the tariff. Let that be as it may. The very fact that there is a change requires readjustment all over the country of all the relations of mankind to each other, and such a readjustment cannot take place simultaneously with the period of prosperity. It is evident, then, from what I have said, that two questions must be settled as the indispensable preliminary of our arrival at that period when prosperity will commence again. With the settlement of the question of the tariff I shall undertake to have nothing to do today. That will come at its proper time, when people begin to realize that that is the serious matter which underlies this whole situation. For the present we have another question before us, and one which we will have to determine upon its merits.

It is perfectly true that the Democratic party is responsible for whatever occurs in the future, and whatever does not occur. They have the President; they have an enormous majority in the House of Representatives, and they have the Senate to themselves. For the first time in thirty years they have been removed from the low level of criticism of the acts of others, and have been lifted to the high level of responsibility and of performance. It could not be expected that they would change their nature in the twinkling of an eye. Elections might put them into power, but only the lapse of time can give them proper sense of responsibility. The time will come when the Democratic members of Congress, instead of disputing with each other what the Democratic platform means [laughter], will be disputing with each other as to what the necessities of the country demand. Until that period of responsibility shall fairly rest upon their shoulders, and also afterwards, they can rely upon the assistance of the Republican party in the minority as they relied upon them in the majority, in the direction of sound government, of responsibility, and of honest administration of affairs. [Applause on the Republican side.] While we leave the question of tariff to itself, there remains for us to consider the proposition which has been submitted to us by the President of the United States as to the method of dealing with the financial question. The action of the President and the action of the majority of the Democratic party, acting together, has limited our scope of action. I am sorry that we have not been permitted to exhibit our wisdom in the way of amendments; that we have not been allowed to take the vote of the House as to the various propositions to

meet this affair, which would seem satisfactory to us. We are confined to those propositions which the whole Democratic party have finally determined to submit to us.

I shall spend no time in pointing out the contrast between this action on the part of the Democratic party and their claims during the Fifty-first Congress. I shall waste no time in citations showing how the rights of the minority are outraged, according to them, for I recognize now, as I recognized then, the necessity and duty of the party in power assuming the responsibility of its actions. I am only sorry that this question cannot be settled, and settled righteously, within the bounds of the Democratic party itself; but, as I know, and every man in this country knows, the majority of the Democratic party would decide against the good sense of the nation.

I am very glad for even the poor privilege of recording our votes in the direction of our thoughts and beliefs and ideas. While I am in favor of the repeal of the purchasing clause of the Sherman act, and have always been since the failure of that act to realize the hopes of the men who believed in a silver currency, I do not think that the repeal of that act will be an immediate cause of the revival of the prosperity of this country. I am in favor of its repeal, however, for two reasons. First, it seems to me to be deeply settled in the public mind, from causes which can be easily understood, that the Sherman law is the cause of the unreasonable hoarding of currency throughout this country. It has been made the foundation of distrust by a variety of causes. The President of the United States deemed it to be his duty, and I make no question without regard to it, in the most public manner to appeal to the last Congress to repeal the Sherman act, announcing in every way in which he was capable of announcing his belief that the continuance of that act was the forerunner of disaster.

Coming from such a source as that it is no wonder that the people of foreign countries believed that the danger from the Sherman act was as great as it possibly could be. Then, in addition to that, the bankers who desired to call a halt in the condition of affairs which existed last year, who believed that the time of settlement had arrived, joined in that objection. Then, the Democratic papers, scenting out the disaster that was upon us, and being desirous of charging it to some other party than their own, trained all their guns upon the Sherman act. The Sherman act itself had no defenders. The silver men, although they were glad to get it, stood prepared to declare that it was not what they wanted. Those who had yielded to the demand for that act in the earnest hope that what they desired might turn out to be just and right were in no condition to defend it at all. It had not answered their hopes. Wherever there is an attack upon one side and no defence on the other there is sure to be a very shining victory. [Laughter.] Hence, the popular mind is so filled with the idea that the existence of the purchasing clause of the Sherman law is an element of disorder, that if we remove it we shall do more to restore confidence than anything we can do in the world.

What would a restoration of confidence in this country mean just now? It would not mean, in my judgment, a revival at once of business prosperity, but it would be a tremendous relief to those who are endeavoring to carry on the business of this country without bankruptcy and disaster. It would, in my judgment, and I do not intend to be in the least degree bigoted with regard to such a matter—I do not pretend to be overconfident that my judgment is right—but, in my judgment, it would have such a reassuring effect that we should be temporarily assisted by capital from beyond the seas, and that that very assistance would result in the loosening of hoarded money, which is now to be found in stockings and in every possible receptacle; and the result would be ease of money. And those who are carrying on a sound and safe business would be rescued from the disaster which threatens them, and the country would be saved from many unnecessary failures.

It is sometimes customary here to make remarks indicative of great contempt and hatred of banks and of corporations. I expect during the next year or two to hear a great many such declarations. In this country corporations are sometimes brutal. They are difficult to approach. You cannot reason with them, and they have to have iron-clad rules, and very few men have dealings with corporations without having their tempers ruffled and their feelings hurt. Nevertheless, a fundamental purpose and object of all corporations is to gather together the odds and ends of money in such quantities that large business operations can be carried on by wealth which is aggregated out of small sums; and, in the main, large corporations represent little holders. This is especially true with regard to banks; and whatever vituperation may be visited upon those institutions in the future, I say to you now that in my judgment the banks of this country are doing a patriotic and honorable work, and are at this moment the mainstay of this country against failure and future disaster. [Applause.] If, therefore, this proceeding will relieve them and will give them confidence, if it will send back the depositors to their counters, if it will ease the rates of money, we shall be able to get over this disaster with less harm, less misfortune.

But I am in favor of the repeal of this act for another reason. I am desirous not only of weathering this storm with as few sails blown to pieces as possible, but I am also looking for the upward movement, which is sure to come, and which can only be postponed by bad management and bad actions. It is sometimes the fashion to be very contemptuous of foreign capital; but it is as sure as the rising of to-morrow's sun that when we take our next upward turn it will be by the aid and assistance not only of the capital of the United States, but of the capital of the whole world. The transaction of borrowing, as I hope to show before I get through, and the practice of lending is not disadvantageous to either party.

When, as I have said, we reach the time for an upward movement, the capital of the whole world should be ready, not for its sake, but for ours, and we should be ready to receive it. Whether the world be right in its doctrines with regard to money or not is a question which I shall not at present undertake to dispute; but to-day, and so far as we can judge in the future, our hold upon the world's capital depends and will depend upon

our being in accord with the world as to our views in regard to payment. Sometimes gentlemen, in their patriotic flights of eloquence, exaggerate even the greatness of the United States of America. It is perfectly true that the United States, under thirty years of Republican rule, has made enormous progress. It is true that our nation is, perhaps, the wealthiest on the face of the earth. It is true that our wealth has increased year by year, and that in the future it will increase still more. Nevertheless, there remains the fact that our country is larger than our wealth; that the possibilities of the United States are a thousandfold in advance of any progress which it has yet made.

There never was a time in the history of the United States when its development required more capital. It has reached that point where its richest treasures can be exploited; and the richest treasures of the land can only be exploited by the assistance of the treasures garnered up in past times in the whole world. When, therefore, we take our next upward rise, one of the greatest assistants which we shall have to develop our new regions will be capital from abroad. The spare capital of the United States, great as it is, will not be sufficient for our purpose. We, therefore, ought to put ourselves in such a position that when the time comes we may command the capital of the entire world, for we shall need it. This is by no means a day-dream. Within my own lifetime, and under my own eyes, has occurred an example of precisely what I am talking about.

When I first entered Congress years ago, I listened to a debate of precisely the same character as that to which I have listened this year. Hardly a new idea has been presented, hardly a new prophecy. There was the same attack upon wealth; there was the same laudation of the poor. Everything seems to me, as I sit and listen to the debate here in the House, as if the tide of time had rolled back and I were sitting here, a new member, listening to the wisdom of fifteen years ago.

Then the object of attack was the resumption of specie payments. Then on every hand men declared, and this Hall resounded with the declaration, that the resumption of specie payments meant the ruin of the debtor and the destruction of the country; that it meant handing it over to England and to the foreigner, and that the poor citizen of the United States was to lie forever prostrate at their feet; and yet I lived to see every one of those prophecies forgotten, and every man connected with them forgotten, too. [Laughter.] When specie payments were absolutely and actually resumed do you not remember what a tremendous upward start this country took? Do you not remember how the prices of all property in the country rose? How all property actually increased in value? How men were at work in the fields, in the marts, in the workshops, and everywhere all over the country everything was at the highest pitch of production?

It is because this country has been watered and fructified by the capital of the whole world; and the result at the end of the last census shows what tremendous progress we have made, and that progress has been because the whole world has helped us, has received more or less benefit of it. but we the greatest benefit of all, for all the great works which have been erected by foreign capital remain upon our soil. So my two reasons for voting for the repeal are, first, that it will restore confidence to the people and in some measure help us out of the first difficulties of our present condition; and second, when the time comes it will assist us on the upward path to the next period of prosperity and of progress.

Now, let me answer, so far as I am able, a few of the objections which have been urged against this repeal. First, it is said that it is a renewed demonetization of silver. On this question of demonetization of silver there has never been a really fair, open, and honest discussion. I do not believe either that the present time is one which will produce such a discussion. The subject has always been approached from the domain of prejudice and passion. There is one element in it which has always excited my disgust and also my astonishment. I have seldom heard the question of silver discussed without some gentleman presenting what he called the "stealthy demonetization of silver."

There is nothing which will arouse the wrath, dissatisfaction, and disgust of the American people like any charge of dishonesty or knavery or trickery in public affairs. The American people do well to be angry if silver was dishonestly demonetized. If any trick, if any game was perpetrated upon the American people, they do well to be angry. It is a false appeal to this sense of honesty and honor and fair play which has caused one of the most stupendous fabrications that has ever existed even in political life.

On every stump, at every hustings, in every city, with loud voice it has been proclaimed, as from a hill-top, that when silver ceased to be a standard of value of the United States, it was done by virtue of a stealthy conspiracy unknown to the American people. It is astonishing that such a statement should have lived so long. It is amazing that a falsehood of that kind should not have been burned out of existence long years ago. The fact about it is, and I have here the RECORD which proves my assertion, that it took three columns of the RECORD (vol. 18, 1876, page 288) to even characterize and describe the number of times that it was presented to the American people, the number of times that it was argued before Congress, and the direct declarations of what the purpose of the act was.

Why, I, myself have heard a man, an honored member of the House, whose name I will not state, in this very House of Representatives denounce the demonetization of silver as stealthy and "fiendish," and he himself introduced the bill which did it on the floor of this House, and squarely and openly declared that a double standard was impossible, and that the gold standard was the only thing we could possibly have. [Laughter and applause.]

This thing has been answered so many times that I shall not encumber my discourse with an insertion of proofs. I shall simply content myself with saying that there never was a more open, straightforward discussion since the beginning of time than that by which silver was demonetized, as it is so said, in this country. Here is the GLOBE, vol. 102, page 2306, and pages following, second session of Forty-second Congress, April 9, 1872. Anybody can look at it, and

for the second time in my life I make profer of it in open court. Now, it is said that if we pass this act we shall again demonetize silver. The gentleman from Georgia [Mr. LIVINGSTON] said the other day that there was no man in the House who did not proclaim himself a bimetal- list; thereby inferring that those who claimed to be bimetallists and did not vote his way were necessarily persons who were obtaining positions in this world by false pretenses.

I think that he omitted from his mental diagnosis of the case the great fact that the founda- tion of all disputes is difference of definition. He means by a bimetallist a man who is in favor of two metals if he can have them, but of silver if he cannot. Other men may be bi- metallists in the sense that they are willing to have both metals if they can, but are unwilling to be put upon a silver basis without knowing it. If he would consider the range between those two definitions, I think he would find that most people are as honest in their desire to be bimetallists as he is himself. Bimetalism by a single nation does not seem to be possible; bimetalism by all the nations of the world seems to me to be not only possible, but feasible. As I understand it, the object of bimetalism, and the avowed object of monometallism, is to have a stable and persistent standard. The theory of the monometallist is that gold of itself is subject to less fluctuation, to less change than silver, to less fluctuation and change than both gold and silver together. The theory of the bimetalist is that if two lakes, liable to be disturbed by different causes, can be connected and made to flow into each other interchangeably, they will present a much greater expanse, and any change of level will therefore be much less—the change in each lake being distributed over both.

I can understand this theory as applied to the metallic standards of the world. I can understand that if gold by any accident should be undervalued in any country and driven out of that country, that would send it to the other countries; and the effect of that sur- plus of gold in the other countries would be to lower the price of gold, and, therefore, have a tendency to send it back to the original country; in other words, that the effect of the two lakes would be to cause a lesser variation in the level; but when you come to ap- ply that doctrine to a single country, you will perceive at once that it cannot be applicable, that the effect of undervaluing one metal will necessarily be to drive that metal out of the country. You do not have to indulge in any far-fetched theories to understand this. You do not have to discuss the question of the Gresham law at all. All you have to do is to apply yourself to the history of the United States; and the speech of the gentleman from Tennessee [Mr. PATTERSON], a brave and admirable speech, shows conclusively that this country, while it was pretending to be bimetallic in its standard, was never really so; that one metal drove the other out of the country; that the standard was not possible of maintenance as long as there was an overvaluation.

Now, to-day the proposition is that we shall undervalue gold over 40 per cent. If 3 cents on a dollar of undervaluation of silver drove silver out of this country, what will an undervaluation of 40 cents on a dollar do for gold? Does anybody have any question or doubt about it? Not the least. But you say if we undertake to establish a gold standard in this country, first, you will demonetize silver and drive it out of existence; and, second, you will raise the debts which people owe to some persons unknown, presumably enemies who ought to be despoiled. This first charge would be a serious one if it were true. If the adoption of a gold standard destroyed the uses of silver, it would certainly be a very grave misfortune to this country. In the first place, it would destroy a productive in- dustry of this country. For my part, I am never willing to do that. Second, it would de- stroy an industry which, in my judgment, is of more value to this country than a merely productive industry.

To my belief the regions beyond the Missouri River will one day or other constitute comparatively the great riches of this country. It would not be possible for me to prove this. It would not be possible for me to demonstrate this, perhaps, even to the people who live beyond the Missouri; but I have an abiding faith that such is the case. The wonderful possibilities of their soil has never been appreciated even by themselves. I be- lieve that the settlement and growth of this country depend greatly upon its mining inter- ests. I have, therefore, been ready all my life, by duties on lead, and by any action upon the silver question which seemed to me to be adequate and suitable to promote those in- dustries; and I should be sorry to believe that the maintenance of a gold standard would cause them permanent harm. I do not believe that the maintenance of a gold standard in any way militates against the reasonable use of silver as a coinage metal. The ques- tion whether there is to be a double standard or a single standard is entirely different from the question of the use of silver as money.

We have purchased, and have now in the vaults of the United States Treasury Depart- ment, thousands of tons of silver, yet there never has been a moment of time since 1872 when the standard has not been gold; the standard to-day is gold. The repealing of the purchasing clause of the Sherman act, therefore, would not in any way establish a standard. We are only refusing to establish a different one. The continuance of the purchases under the Sherman act would, in the estimation of the world, be a declaration that we intended to go on with our purchases to such an extent that we would find ourselves upon a silver basis after no great lapse of time. Now, whatever this country may desire to do—whatever its intentions are for the future—one thing seems to be clear: if the people are to go upon a silver basis they want to know that they are going to do so, and want to do it deliberately. If the plain question were presented to every American citizen whether he desired that this country should be upon a silver basis alone, gold being banished, the great majority of answers would be no. And this ground they would take without abating a jot their de- termination to coin and use both metals.

The next difficulty which we have to meet is the assertion that by the repeal of the Sher- man act we increase the burden of the debt upon the borrower. This would certainly be

a very grave misfortune, if it were true. The business of borrowing and the business of lending are alike honorable. Such transactions arise out of the nature of man's needs. Some men prefer a certain gain to the chances of great profit. Some men are willing to take the chance of the profit and pay the small gain which is necessary in order to obtain the stored-up wealth of another. Men who have money may not have enterprise and brains. Men who have brains and enterprise do not always have money. Borrowing and lending marries money and brains, to the great advancement of the world. If we were to make a law which only related to a single series of transactions, such as now exist in the United States, it might possibly be an advantage to the borrower to have the payment so adjusted that he would have the advantage of the transaction; but when the present race of borrowers is dead, or when the present borrowers have paid their money, there will still be forever a borrowing and lending world. In order to constitute the transaction of borrowing and lending, the first thing is the lender. Until he is willing to lend, the transaction cannot by any possibility take place. The first thing to do is to coax the lender to lend. After that, borrowing is possible, and not until then is it possible.

Hence, laws must be made so as to enable the lender to be satisfied of the certainty of return. If there is any uncertainty with regard to that, before he lends he will demand some advantage which corresponds to that doubt connected with the repayment. Money paid for the use of other money, in the nature of interest, is a different thing from money paid for the use of other money in the nature of a risk. A man will lend you money for 5 per cent. where there is no risk, and it may be he will not lend it to you for a hundred where there is; consequently, if you make your laws in such fashion that the borrower has an advantage in payment, the lender will be sure to demand an advantage in lending, and, generally, such an advantage as will cover all the chances. If you could make a man absolutely sure to-day in any part of the United States that what he loans out would certainly come back to him, you would lower the rate of interest a great many per cent. everywhere.

Therefore, any law which is made to reach the case of the lender and the borrower must be made in the spirit of fairness and of justice; and any proposition to a man to lend you money upon one standard to be paid upon another will necessarily be accompanied with such a rate of interest as will make up for the possibility of the lowering of that standard.

Hence, it cannot be to the advantage of anybody to have unjust laws made between the borrower and the lender; it is just as essential to the borrower that the transaction should be as fair as it is to the lender. I do not propose, however, to discuss the debt question at any length. That would be more suitable in a discussion such as may take place when our whole financial system is remodeled. These observations on debtor and creditor I make merely to supplement the admirable statement of the gentleman from Mississippi [Mr. CATCHINGS]; I might go on and discuss the proposition to re-establish the Bland act, but Senator HOAR, in his most excellent speech elsewhere, has shown that that act is worse than the one under which we are now living. Certain it is that had not the decline of the national bank circulation kept equal pace with the issue of the Bland dollar, that act would have long ago landed us where we are now.

The proposition to lower the ratio, I hail as the one good sign of this discussion. To drop from the bigoted determination that 16 to 1 is a heaven appointed ratio raised up by the Almighty, and proceed even to discuss market values, seems to give some slight hope that when we really undertake anew to reform our financial system we may approach it with some reference to existing conditions, and to the facts of the universe. As for the propositions now before us, we can all see that they are untenable. No one believes that we could maintain 20 to 1 any easier than 16 to 1 without the aid of the rest of the world.

What, then, is the pathway of duty? The unconditional repeal. That will either give relief or not. If not, then we must try something else, and the sooner the better. It is a matter of deep regret to all sensible men that we have delayed so long. Men are to-day struggling almost against fate and praying for relief. The banks are strained almost to the point of breaking. It is such a pity that we had to waste so much time in this weary welter of talk. We stand in a very peculiar position, we Republicans to-day. [Laughter.] The representative of the Democratic party just chosen President of the United States finds himself powerless in his first great recommendation to his own party. Were he left to their tender mercies [laughter] the country would witness the spectacle of the President of its choice overthrown by the party charged with this country's government. What wonder then that he appeals to the patriotism of another party whose patriotism has never been appealed to in vain? [Applause on the Republican side.]

Never, I say, in vain! The proudest part of the proud record of the Republican party has been its steadfast devotion to the cause of sound finance. When this country was tempted to pay its bonds in depreciated money the Republican party responded with loud acclaim to that noble sentiment of Gen. HAWLEY, that every bond was as sacred as a soldier's grave. It cost us hard fighting and sore struggle, but the credit of this country has no superior in the world. [Applause on the Republican side.] When the same arguments heard to-day were heard fifteen years ago sounding the praises of a depreciated currency and proclaiming the glories of fiat money, the party of Abraham Lincoln marched steadily towards specie payments and prosperity. [Applause.] What we were in our days of victory the same are we in our days of defeat—champions of true and solid finance. [Applause.] And when the time comes, as it surely will come, for us to lead this land back to those paths of prosperity and fame, which were trodden under Republican rule for so many years, we shall take back with us our ancient glory undimmed by adversity; our ancient honor, unshuffled by defeat. [Prolonged applause on the floor and in the galleries.]