

SENATOR BECK ON SILVER.

He Opens Fire on the Gold Bugs—
Hot Review of the Bondholders' Policy.

A Conspiracy Alleged to Compel Government to Pay Them Gold—Strong Plea for Bimetallism.

The Entire Subject Discussed in All Its Bearings Both Upon This Country and Europe.

From the Congressional Record.

The Senate proceeded to the consideration of the following resolution submitted by Mr. Beck:

WHEREAS, The laws of the United States require that all duties on imported goods shall be paid in coin; and it is provided by Sec. 3001 of the Revised Statutes that "the coin paid for duties on imported goods shall be set apart as a special fund, and shall be applied as follows: First, to the payment, in coin, of the interest on the bonds and notes of the United States; second, to the purchase or payment of 1 per cent. of the entire debt of the United States, to be made within each fiscal year, which is to be set apart as a sinking fund, and the interest on which shall, in like manner, be applied to the purchase of the public lands; third, to the Secretary of the Treasury shall, from time to time, direct, third, the residue to be paid into the Treasury".

Resolved, That the Committee on Finance be instructed to inquire whether the laws above stated now are or have heretofore been obeyed; and if they have not, to report by bill, or otherwise, such measures as will secure their enforcement.

Mr. Beck—Mr. President, no man will deny that the laws enacted by Congress are as imperative on the highest executive officials as on the humblest citizen, whether they approve them or not. I venture to assert that no man will contend that the laws recited in the preamble to the foregoing resolution either are now or have for many years past been obeyed. All sorts of excuses may be and have been offered for their violation, still the fact remains that the laws of the land have been disregarded by our executive officers, and the legislative power has been subordinated to the will of men whose only interest seems to be to make money out of them as they exist. There have no right to decide whether a law is good or bad, politic or impolitic; so long as it is law they must be compelled to render implicit obedience to it. They have officially informed Congress for years past that they neither require coin to be paid for duties on imported goods nor do they set apart the coin or its equivalent so received as a special fund to pay the interest on our public debt or to procure bonds for the sinking fund. On the other hand, they insist that the existing laws do not coincide with their views of what is politic they disregard them. I deny their right to do so, because I believe many of the evils the country is now afflicted with grow out of the disregard of the plainest provisions of law by our Treasury officials. I have no faith in the remedies which are now and have for years past been proposed for the evils they allege to exist. That the country is not as prosperous as it ought to be I admit, but I insist that the cause is not to be found in striking down our silver coinage or the currency based upon it, but rather in requiring our public creditors to take it as the law and the contracts they required us to make demand.

EQUALITY OF GOLD AND SILVER COIN.

I believe that it can be demonstrated that gold and silver coin, and the paper representatives of both, stand on an absolute equality before the law, and that three-fourths of our present troubles grow out of the refusal of our officials to the most reasonable of our custom-houses to our public creditors in the manner and for the purposes prescribed by the laws of the United States. Therefore, I have recited these laws, which are plain and simple, in the preamble; and in the resolution have asked the Committee on Finance to tell the Senate that they have been executed or not; and if not, to report measures which will secure their enforcement. I admit that even when that is done other combinations must be broken up between the people and their public creditors; but as far as the public creditors are concerned, I insist that the money which is loaned to them by the Government and for the purposes prescribed by the laws of the United States, should be paid in gold and silver coin, and not in paper.

THE CONSTITUTIONAL UNIT OF VALUE.

If the goldmines of Australia and of Australia had not failed to produce the standard gold and the Corncockle in the Leadville mines had not produced silver, so that the market value of the two metals as bullion on London had been reversed, the argument could be made quite plausible that the silver dollar was the constitutional unit of value in 1870 which the bondholders have a right to demand. There is not an outstanding obligation of the United States, nor of any State, municipality, corporation, or other body, which cannot be legally discharged by the payment of gold or silver coin.

Gold is the standard value prescribed by law in 1870, and the present gold and silver coin are both of the standard value prescribed by the law of July 14, 1870, and were then as now both full legal-tenders for all our obligations. All the bonds that mature in 1892 and 1907, amounting to about \$1,000,000,000, stand to-day unchanged, and payable as required by the act of 1870. The reason is that those bonds were not issued, the interest was not paid, and the time extended, but the same provisions govern them and the same conditions are written out as part of the contract in all of them.

In the face of these facts it is simply absurd for anybody to assert that they are payable in gold alone, or that the taxpayers of the country are under any obligation, express or implied, either to demonetize or stop the coining of the silver dollar, which is of the standard value required by the law of July 14, 1870, and the coinage of the silver dollar is not to be stopped, and the standard value of the silver dollar is not to be changed, and the time extended, but the same provisions govern them and the same conditions are written out as part of the contract in all of them.

These great interests are the unorganized, unequipped, and, therefore, neglected militia, whose strength can not be brought to bear with the effect of a single rifle of those thoroughly armed veterans, fighting for special interests.

This is illustrated here at once by the zeal everywhere displayed by the combinations of bankers and bondholders and their able and well-paid press to maintain their bonds at a premium of 24 per cent., or rather to increase that premium to 30 or 40 per cent., at the expense of the already impoverished masses of taxpayers. It seems as though it was thought to be the duty of Congress to see to it that the people should be taxed to the bone, taking the poor poorer. Why should we be in a position to strike down our silver currency for fear of a fall in our outstanding bonds below 24 per cent premium? Have the representatives of the people any interest in maintaining, far less in increasing, the premium on bonds bearing 4 per cent. interest beyond 24 per cent. when we must soon become the purchasers of them at any premium, or else contract our currency which will barely pay the cost of production. As to them, certainly protection does not protect. The great American agricultural interests, which are employment to the great half of the laborers for wages, whose welfare is held up (properly so) as the highest aim of legislation, and whose products constitute at least eighty per cent. of our exports, receive no real consideration here and are not even ranked among the industries of the country over which Congress is asked or expected to throw its protecting arm.

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THE CRUSADE AGAINST SILVER.

But I agree that the Senate cannot inaugurate

measures to relieve the country from oppressions of that character; therefore I propose to seek relief in the treatment of our circulation, not in the currency, but by extending its usefulness.

The present gold and silver coin is only another evidence of the avariciousness of the combination of wealth; they have always secured all they demanded, however unjust their demands; they have succeeded in alarming the President and the Secretary of the Treasury as they have done several preceding administrations; they threatened to use the power which our laws give them over the currency, of withdrawing from circulation among the people, and, if need be, from the country, the gold they control, and thus damage even if it does not the interests of the people. Every concession increases their avarice and adds to their power. A stand must be made somewhere by the representatives of the taxpayers or an absolute surrender of all the monetary interests of the country into their hands must follow. A mere reference to the past legislation of Congress on this subject proves what I say. When it was first asserted, in 1863, by the bondholders

that the United States could lawfully pay off the 5-30

per cent. bonds, and when the outstanding principal of the public debt exceeded \$2,600,000,000, that the honor of the country demanded that the principal as well as the interest on the bonds should be paid in gold or silver coin, a cry of indignation was raised all over the land against such a demand by all honest, disinterested men. They were told, and told truthfully, that all the bonds held had been purchased with legal-tender notes at par; that for each \$100 greenbacks they paid to the Government they had received back for \$100, bearing 5 per cent. interest, payable in gold or silver coin, that the greenback when they exchanged it for the bond, was only worth 50 cents on the dollar in coin, and that it was an outrage in the face of the contract they had made, with the privileges given to many of them in addition as national bankers to have currency issued for them to loan out on the security of their bonds equal to 90 per cent. of the bonds deposited, to demand that the principal of their bonds should be paid in coin. They knew everybody knew that the gold standard was the only safe standard, and continue to have an endorsement on their back that "This note shall be receivable at its face value for all debts, public and private, except interest on the public debt and customs dues," so that there could be neither doubt nor dispute either as to the law or the fact. Nobody denied the impudent demand of the bondholders more emphatically than the present president of the Senate (Mr. Sherman).

It seems to me that they set up a claim as to the fact that the legal-tender note, indorsed as it was, which had purchased the bonds at its face value, should be received again by the bondholder in payment of the principal of the obligation he held, would not hesitate to deny the truth of the attraction of gravitation.

PAYMENT OF BONDS IN COIN.

Yet these men not only denied it, but in 1869 procured the passage of an act of Congress, against the vote and protest of the Senate, to say that the principal of the bonds should be paid in coin—gold and silver coin, as both are named. Legal-tenders were only worth 50 cents on the dollar in coin when the bonds were bought; they were worth from 60 to 70 cents when this act was passed. The act was simply legalized robbery. The bondholders and their attorneys in and out of Congress knew it, and knew that no court would sustain such a law. The indorsement could neither be erased nor swayed by the action of the legal-tender note, and so could plead ignorance either of the law or of the fact that it was to be received at par in payment of the principal of all our bonds.

Therefore they caused the act of July 14, 1870, to be passed, extending the time of payment, reducing the interest, and exempting the new bonds in express terms from all taxation. State, Federal, or municipal; and to prevent all mistake or misapprehension as to the character, quality, and weight of the money in which payment is to be made, it is provided in the act that the coin to be paid on each bond is to be of the standard value prescribed by law on the 14th of July, 1870. The present gold and silver coin are both of the standard value prescribed by the law of July 14, 1870, and were then as now both full legal-tenders for all our obligations. All the bonds that mature in 1892 and 1907, amounting to about \$1,000,000,000, stand to-day unchanged, and payable as required by the act of 1870. The reason is that those bonds were not issued, the interest was not paid, and the time extended, but the same provisions govern them and the same conditions are written out as part of the contract in all of them.

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FORBIDDEN SILVER COIN.

The workers for wages in England to-day get their pay in silver coin, and the question is never mooted by them as to the comparative bullion value of the silver and gold coin of that country. Even Germany, notwithstanding she pretended to have demonetized silver twelve years ago, coined in 1882 \$6,407,157 of it to add to her vast stock on hand; her laborers are paid in gold alone.

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