

THE MESSAGE.

President Cleveland Discusses the Financial Problem.

Attributed Panic to Congressional Silver Legislation—Recommends Repeal of Purchasing Clause.

THE PRESIDENT'S VIEWS.

TO THE CONGRESS OF THE UNITED STATES:

The existence of an alarming and extraordinary business situation, involving the welfare and prosperity of all our people, has constrained me to call together in extra session the people's representatives in congress, to the end that, through a wise and patriotic exercise of the legislative duty with which they solely are charged, present evils may be mitigated and dangers threatening the future may be averted.

The Unfortunate Financial Plight.

Our unfortunate financial plight is not the result of untoward events nor of conditions related to our natural resources; nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment and with satisfactory assurance to business enterprise, suddenly financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, though heretofore satisfactory, are no longer accepted. Values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business.

Attributed to Congressional Legislation.

I believe these things are principally chargeable to congressional legislation touching the purchase and coining of silver by the general government. This legislation is embodied in a statute passed on the 14th day of July, 1890, which was the culmination of much agitation on the subject involved, and which may be considered a truce, after a long struggle, between the advocates of free silver coinage and those intending to be more conservative.

Silver Depreciation.

Undoubtedly the monthly purchases by the government of 4,500,000 ounces of silver, enforced under that statute, were regarded by those interested in silver production as a certain guaranty of its increase in price. The result, however, has been entirely different, for, immediately following a spasmodic and slight rise, the price of silver began to fall after the passage of the act and has since reached the lowest point ever known. This disappointing result has led to renewed and persistent effort in the direction of free silver coinage.

Future Results.

Meanwhile, not only are the evil effects of the operation of the present law constantly accumulating, but the result to which its execution must inevitably lead is becoming palpable to all who give the least heed to financial subjects. This law provides that in payment for the 4,500,000 ounces of silver bullion, which the secretary of the treasury is commanded to purchase monthly, there shall be issued treasury notes redeemable on demand in gold or silver coin, at the discretion of the secretary of the treasury, and that said notes may be reissued.

Parity Between Gold and Silver.

It is, however, declared in the act to be the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law. This declaration so controls the action of the secretary of the treasury as to prevent his exercising the discretion nominally vested in him, if by such action the parity between gold and silver may be disturbed. Manifestly a refusal by the secretary to pay these treasury notes in gold, if demanded, would necessarily result in their discredit and depreciation as obligations payable only in silver, and would destroy the parity between the two metals by establishing a discrimination in favor of gold.

Redemption in Gold.

Up to the fifteenth day of July, 1893, these notes had been issued in payment of silver bullion purchases, to the amount of more than one hundred and forty-seven millions of dollars. While all but a very small quantity of this bullion remains uncollected and without usefulness in the treasury, many of the notes given in its purchase have been paid in gold. This is illustrated by the statement that between the first day of May, 1892, and the fifteenth day of July, 1893, the notes of this kind issued in payment for silver bullion, amounted to a little more than fifty-four millions of dollars, and that during the same period about forty-nine millions of dollars were paid by the treasury in gold for the redemption of such notes.

Gold Depletion.

The policy necessarily adopted of paying these notes in gold has not spared the gold reserve of \$100,000,000 long ago set aside by the government for the redemption of other notes, for this fund has already been subjected to the payment of new obligations amounting to about \$150,000,000 on account of silver purchases, and has, as a consequence, for the first time since its creation been encroached upon.

We have thus made the depletion of our gold easy and have tempted other and more appreciative nations to add it to their stock. That the opportunity we have offered has not been neglected is shown by the large amounts of gold which have been recently drawn from our treasury and exported to increase the financial strength of foreign nations. The excess of exports of gold over its imports for the year ending June 30, 1893, amounted to more than \$57,500,000.

Between the 1st day of July, 1890, and the 15th day of July, 1893, the gold coin and bullion in our treasury decreased more than \$130,000,000, while during the same period the silver coin and bullion in the treasury increased more than \$147,000,000. Unless government bonds are to be constantly issued and sold to replenish our exhausted gold, only to be again exhausted, it is apparent that the operation of the silver purchase law now in force leads in the direction of the entire substitution of silver for the gold in the government treasury, and that this must be followed by the payment of all government obligations in depreciated silver.

Must Part Company.

At this stage gold and silver must part company and the government must fail in its established policy to maintain the two metals on a parity with each other. Given over to the exclusive use of a currency greatly depreciated according to the standard of the commercial world, we could no longer place a claim among nations of the first class, nor could our government claim a performance of its obligation, so far as such an obligation has been imposed upon it, to provide for the use of the people the best and safest money.

The First Question.

If, as many of its friends claim, silver ought to occupy a larger place in our currency and the currency of the world through general international cooperation and agreement, it is obvious that the United States will not be in a position to gain a hearing in favor of such an arrangement so long as we are willing to continue our attempt to accomplish the result single handed. The knowledge in business circles among our own people that our government cannot make its flat equivalent to intrinsic value, nor keep inferior money on a parity with superior money by its own independent efforts, has resulted in such a lack of confidence at home in the stability of currency values that capital refuses its aid to new enterprises, while millions are actually withdrawn from the channels of trade and commerce to become idle and unproductive in the hands of timid owners. Foreign investors, equally alert, not only decline to purchase American securities, but make haste to sacrifice those which they already have.

Menace Not to Be Disregarded.

It does not meet the situation to say that apprehension in regard to the future of our finances is groundless and that there is no reason for lack of confidence in the purposes or power of the government in the premises. The very existence of this apprehension and lack of confidence, however caused, is a menace which ought not for a moment to be disregarded. Possibly, if the undertaking we have in hand were the maintenance of a specific known quantity of silver at a parity with gold, our ability to do so might be estimated and gauged, and perhaps, in view of our unparalleled growth and resources, might be favorably passed upon. But when our avowed endeavor is to maintain such parity in regard to a amount of silver increasing at the rate of \$50,000,000 yearly, with no fixed termination to such increase, it can hardly be said that a problem is presented whose solution is free from doubt.

Sound and Stable Currency.

The people of the United States are entitled to a sound and stable currency and to money recognized as such on every exchange and in every market of the world. Their government has no right to injure them by financial experiments opposed to the policy and practice of other civilized states, nor is it justified in permitting an exaggerated and unreasonable reliance on our national strength and ability to jeopardize the soundness of the people's money.

Above Party Politics.

This matter rises above the plane of party politics. It vitally concerns every business and calling and enters every household in the land. There is one important aspect of the subject which especially should never be overlooked. At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuation of values; but the wage-earner—the first to be injured by a depreciated currency and to receive the benefit of its correction—is practically defenseless. He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortunes of others, nor hoard his labor.

The Greatest Sufferer.

One of the greatest statesmen our country has known, speaking more than fifty years ago when a derangement of the currency had caused commercial distress, said: "The very man of all others who has the deepest interest in a sound currency, and who suffers most by mischievous legislation in money matters, is the man who earns his daily bread by his daily toil." These words are as pertinent now as on the day they were uttered, and ought to impressively remind us that a failure in the discharge of our duty at this time must especially injure those of our countrymen who labor, and who because of their number and condition are entitled to the most watchful care of their government.

Importance of Immediate Relief.

It is of the utmost importance that such relief as congress can afford in the existing situation be afforded at once. The maxim: "He gives twice who gives quickly," is directly applicable. It may be true that the embarrassments from which the business of the country is suffering arise as much from evils apprehended as from those actually existing. We may hope, too, that calm counsels will prevail and that neither the capitalists nor the wage-earners will give way to unreasoning panic and sacrifice their property or their interest under the influence of exaggerated fears. Nevertheless, every day's delay in removing one of the plain and principal causes of the pres-

ent state of things enlarges the mischief already done and increases the responsibility of the government for its existence. Whatever else the people have a right to expect from congress they may certainly demand that legislation, condemned by the ordeal of three years' disastrous experience shall be removed from the statute books as soon as their representatives can legitimately deal with it.

Tariff Reform in the Near Future.

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

Prompt Repeal Recommended.

I earnestly recommend the prompt repeal of the provisions of the act passed July 14, 1890, authorizing the purchase of silver bullion, and that other legislative action may put beyond all doubt or mistake the intention and ability of the government to fulfill its pecuniary obligations in money universally recognized by all civilized countries.

(Signed) GROVER CLEVELAND.

Executive Mansion, Aug. 7, 1893.

THEY LACK HOMOGENEITY.

How the Growth of Our American Cities Is Greatly Curbed.

The great trouble with American municipal government, writes Barr Ferree in the Engineering Magazine, is the lack of homogeneity in the growth of great cities. Each city starts out independently and on a better plan than any other, and yet with very little thought of profiting by the experiences of older ones. American politicians are apt to plumb themselves on the advances they have made in their own departments, and some even go so far as to point with pride to the growth of their particular city. Yet with all our boasted progress the fact remains that the best governed cities, the most ably developed and thoroughly broadened municipalities are the old cities of the new world, in which the necessity for new growth and complete change from the old have been so wholly recognized as to compel the introduction of a new order of affairs. Nothing of the sort is to be seen in even the most active communities in America. New York cannot annex other districts because local politicians interpose objections which have no foundation save their own selfishness. Boston is hemmed in with so-called rival municipalities that hug their civil privileges and imagined independence with absurd pretensions of might and power. Philadelphia has, in truth, added vastly to her territory and stands quite distinct among seaboard cities in this respect, but she is wanting in the metropolitan spirit and capability of development which alone would make this increase of territory valuable. In the west a different feeling may be noted, and this, as well as their more rapid rate of increase, tends to make our western cities more prosperous, as well as more modern, than our eastern.

TO THE POINT.

A Two-Hour Argument Killed by a Shrewd Lawyer in Two Sentences.

The prosecuting attorney in the circuit court of an Illinois county some years ago was a lawyer whose early education had been defective, but who was so shrewd and "long-headed" that few more dangerous antagonists could be found at the bar at that region.

At one time, says the Youth's Companion, he had procured the indictment of a well-known scamp for theft. The amount alleged to have been stolen was five dollars, and at that time the penalty for stealing five dollars or more was imprisonment at hard labor in the penitentiary. For stealing less than that the punishment was confinement in the county jail without labor.

The evidence proved beyond dispute the stealing of a five-dollar bill of the State bank of Illinois, but the prisoner's counsel brought several business men to swear that it was not worth its face in gold; but all agreed that in ordinary transactions it would pass for five dollars.

Over this testimony the prisoner's counsel quibbled for two hours, while the prosecuting attorney listened in patience.

When his turn came he rose quietly and in his usual nasal drawl said:

"Gentlemen, I hope the learned counsel won't get offended if I don't talk but just one minute. All I've got to say is this: The prisoner don't pretend to deny that he stole our money, and all he asks of you is just to give him the privilege of stealin' it at a discount."

He sat down, and the jury sent the thief to the penitentiary without leaving the box.

COMING BOOKS.

PROF. BARRETT WENDELL, of Harvard, has in preparation a volume of essays treating of various phases of life in Puritan New England.

The final volume of the Putnam edition of Washington's writings will be issued this fall, the long delay in its appearance being due to the labor required in the preparation of the index.

THOMAS PAYNE's writings, as edited by Moncure D. Conway for publication by the Putnams, will fill four volumes. The edition will include his social, religious and literary writings, as well as those which pertain to politics.

DICK DONOVAN, of detective fame, has written a serial entitled "Eugene Vidocq: Tramp, Thief, Adventurer, Galley Slave, Detective." It deals with the life and sensational adventures of a notorious Frenchman, who died as recently as 1857 at the age of eighty-two.

PRESENT THEIR PLEA.

A Lengthy Platform Adopted by the Advocates of Silver's Claims—Congress Called Upon to Provide for Free Coinage—Close of the Chicago Convention.

CHICAGO, Aug. 3.—Following is the platform adopted by the silver convention on Wednesday. It is preceded by a lengthy preamble, which denounces the act of congress of 1873 by which silver was demonetized, the law being passed under circumstances of such secrecy that President Grant, who signed the bill, and many senators and representatives who voted for it subsequently repeated and publicly declared that they did not know until long afterwards that so great and grave a change had been made in the financial system founded by the fathers of the republic, and declares the purpose of its originators to be the striking down of one-half of the money supply—to wit, silver—to double the purchasing power of the remainder, gold, by making it the equivalent of everything possessed or produced by the labor of man, thus reducing the price of all commodities, arresting enterprise, impoverishing the toiler and degrading mankind. It declares that as a consequence of such legislation the people of the whole world stand in the midst of unparalleled distress and in the shadow of impending calamities which are beyond estimate. The ruling industry of the people who inhabit one-third of the area of this republic has been stricken down, property values destroyed and the workmen compelled to fly as from pestilence, and continues:

"Everywhere over this broad land the honest toilers, numbering hundreds of thousands, have been thrown out of employment, and will have to eat the bitter bread of charity or starve. The products of industry, the farm and the workshop, have depreciated in value as shown by official and public statistics, until production ceases to be profitable; the money of the country inadequate for the business of the land, has reacted to the banks; while the people, distrusting the banks, have demanded their deposits to hoard or hide them; mercantile houses are going to the wall by thousands because the masses have not the means to buy even the necessities of life; to supply the lack of currency the banks of the great cities have issued a substitute for money unknown to the laws, called clearing-house certificates; the movement of the great crops now being gathered demands a 10% amount of currency, while the banks are unable to furnish, and in the midst of these conditions the daily press are clamoring for the repeal of the act of July 14, 1890, called the Sherman act, although the repeal of that act means the stoppage of the issue of more than \$3,000,000 every month; thus shutting off the supply of funds for the business of the country in the midst of the terrible conditions which surround us; and ignoring the fact that to hold the balance level between the debtor and creditor classes the supply of currency must increase side by side with the increase of population and business; and that in this nation the growth of population is at the rate of about 37 percent every ten years, while the increase of business is much greater."

The preamble quotes Hon. James G. Blaine as predicting that if the struggle in this and other countries for a single gold standard is successful it will produce widespread disaster in and throughout the commercial world.

After quoting from speeches made in the past by Secretary of the Treasury J. G. Carlisle, and by Senator John Sherman of Ohio, who, it declares, more than any other man is responsible for the demonetization of silver, to show that they clearly understood the evil consequences of shrinking currency below the legitimate demand of the business of the country, the platform declares as follows:

"1. That there must be no compromise of this question. All legislation demonetizing silver and restricting the coinage thereof must be immediately and completely repealed by an act restoring the coinage of the country to the conditions established by the founders of the nation and which continued for over eighty years without complaint from any part of our people. Every hour's delay in undoing the corrupt work of Ernest Seydel and our foreign enemies is an insult to the dignity of the American people and an enormous burden on their property and an attempt to place us under the yoke from which George Washington and his compatriots rescued us. We protest against the financial policy of the United States being made dependent upon the opinion or policies of any foreign government, and assert the power of this nation stand on its own feet and legislate for itself upon all subjects.

"2. We declare that the only remedy for our metallic financial troubles is to open the mints of the nation to gold and silver on equal terms, and to allow the free coinage of silver to 100 cents.

"3. That while the Sherman act of July 14, 1890, was a deviation from the intent to provide for the free coinage of silver, it is only obnoxious because it continues the practical exclusion of silver from the mints and reduces it to a money metal to a commercial commodity, nevertheless, we repeat, without the restoration of free coinage as to silver, would stop the expansion of our currency required by our growth in population and business, widen still farther the difference between the two precious metals, thus making the return to bimetallism more difficult, greatly increase the purchasing power of gold, still further break down the price of the products of the nation, the labor of the people, and the trade, and plumb still further all commerce, business and industry into such depths of wretchedness as to endanger peace, order, the preservation of free institutions and the very maintenance of civilization. We, therefore, in the name of the republic and humanity, protest against the repeal of the said act of July 14, 1890, except by an act restoring free bimetallic coinage as it existed prior to 1873.

"4. We assert that the unparalleled calamities which now afflict the American people are not due to the so-called Sherman act of 1890, and in proof thereof we call attention to the fact that the same evil conditions now prevail over all the gold standard nations of the world; we are convinced that it is the state of affairs in this country it would have been still worse but for the Sherman act by which the nation

has obtained to some extent an expanding circulation to meet the demands of a continent in process of colonization, and the business exigencies of the most energetic and industrious race that has ever dwelt on the earth, and we insist upon the execution of the same without evasion so long as it is upon the statute books, upon the purchase each month of the full amount of silver that it provides for, to the end that the monthly addition to the circulating medium the law requires shall be maintained.

"5. That we would call the attention of the people to the fact that in the midst of all the troubles of the times the value of the national bonds and the national debt money, whether made of gold, silver or paper, has not fallen a particle. The distrust is not of the government or its money, but of the banks, which have, as we believe, precipitated the present panic in an ill-advised effort to control the action of commerce on the silver question and the issue of bonds. We invite the bankers to attend to their legitimate business and permit the rest of the people to have their full share in the control of the government. In this way they will much sooner restore that confidence which is so necessary to the prosperity of the people. It must not be forgotten that, while boards of trade, chambers of commerce, bankers and money dealers are worthy and valuable men in their places, the republic can more safely repose upon the great mass of peaceful toilers and producers, and that the "business man's age" is rapidly terminating the business era of this country. The time has come when the politics of the nation should revert as far as possible to the simple and pure condition out of which the republic arose.

"6. We suggest for the consideration of our fellow citizens that the refusal of the opponents of bimetallism to propose any substitute for the present law or to elaborate any plan for the future indicate either an ignorance of our financial needs or an unwillingness to take the public into their confidence; and we denounce the attempt to unconditionally repeal the Sherman law as an attempt to secure gold monetarism in flagrant violation of the last national platform of all the political parties.

SECOND DAY'S SESSION.

CHICAGO, Aug. 3.—The second day's session of the silver convention was called to order by Chairman Thurman at 10 a. m. Wednesday. Ex-United States Senator Hill, of Colorado, was