

## THE SILVER DEBATE.

Synopsis of the Discussion in the United States Senate.

On the 30th Mr. Sherman (rep., O.) spoke on the bill to repeal the silver purchasing clauses of the Sherman act.

He said that if the repeal of the purchasing clauses of the act of July, 1890, were the only reason for the extraordinary session it would seem to him insufficient. It was, however, justified by the existing financial stringency. On one side the country and the people agreed, and that was that both gold and silver should be continued in use as money. Monometallism pure and simple had never gained a foothold in the United States. If senators wanted cheap money and an advance in prices free coinage of silver was the way to do it; but they should not call it bimetallism.

Senator Sherman then proceeded to discuss the history of the act that bears his name. He was not in favor of the free coinage of silver, and he believed it as much as any one for the monetarization of silver, and was only in favor of the purchase of silver for purposes of coining. The conferees of the two houses agreed upon their differences, and in that agreement secured the repeal of the Bland-Allison act. Senator Sherman reminded senators that when they criticized the law that was misnamed after him, they should remember that this law now on the statute books was far better than either the house bill or that passed by the senate. The decline in the volume of silver was due, Senator Sherman said, to the fact that we were called upon to pay our debts—debts payable in gold. England was the only country in the world that we should either be ashamed of nor hate her; we are her children and partake much of the characteristics of the parent stock. England's losses in the Argentine Republic had to be made good and she returned our securities and demanded the gold needed to save her own institutions from going down. For the first time also in a number of years the balance of trade was against us and we had to make the difference good.

With regard to the Sherman law, the Senator Sherman said he believed in "giving the devil his due" and was ready to stand by the law, not as a measure in which he took any special pride, for he was compelled to do it in order to avert disastrous legislation. But without this law we could not have kept our country in 1891 and 1892 had it been called upon them to meet the difficulties now staggering us. He was not a new convert to the repeal of the law, and a year ago he had introduced a bill to suspend the operations of the law. It was worded almost exactly like that of Senator Voorhees. Why did not the democratic senators then see the dangers they now see, and come to the help of the republicans when they sought to suspend the law? Not a democratic vote was had then and democrats must answer why.

The president, in the midst of the panic, appeals to us to support the law, and he will not make this appeal to me in the same way he has no sympathy with him in politics, but I believe that in this matter he is right, and that it is my duty to respond to his call. I will cooperate in any measure that will tend to maintain the harmonious use of silver and gold as standards of value. I hope that the next measure of relief which my friend from Indiana (Senator Voorhees) will provide will be a broad, liberal measure, authorizing the president or the secretary of the treasury, whichever he prefers, to exercise the power, if necessary, to sell securities in order to maintain the party of all our country.

Senator Sherman then began a discussion of the various coinage laws of the United States, with special reference to the act of 1873, which had, he said, been the subject of so much misrepresentation and falsehood in this debate. He denied Mr. Voorhees' statement that that act (the act of 1873), was a "stealthy demonetization."

Senator Voorhees replied that he never intended to refer to the senator from Ohio, for four years ago he had effectively cleared himself from any participation in that matter.

"It is strange," said Senator Sherman, "that the vote on this bill that the distinguished senator from Nevada (Senator Stewart) voted for, was the 'dead fish' voted against it." The last remark was a reference to an epithet applied to Senator Sherman, during debate in the house last week. Senator Stewart reported that in due time he would explain how he came to vote for the bill. Senator Sherman quoted from speeches made by Senator Stewart in the senate in 1873 and 1874 these words:

"I want the standard gold, and no paper money that is not redeemable in gold. By this process we shall come to a specie basis and when the laborer shall receive his dollar it will have the same purchasing power of a dollar. Gold is the universal standard of the world. Everybody knows that."

Recurring to the suggestion of authorizing the issue of bonds Senator Sherman said:

"I am willing to trust your executive officers. If you are not, it is a strange attitude in political affairs. I would give them power to protect the credit of the government against all enemies at home and abroad. If the fight must be for the possession of gold, I would use our cotton and our corn and our wheat, and I would protect our credit against all mankind. As to silver, I would say that we prefer to wait awhile until the skies are clear, until we see the effects of the suspension of silver coinage in India and see what arrangements can be made for another international monetary conference. In the meantime let the United States stand on its strength and credit. I think that soon all these clouds will be dissipated and that we may go home to our friends with the conviction that we have done a good work for our country at large."

Mr. Teller (rep., Col.) concluded his speech on the national bank circulation bill. He assumed from newspaper articles which he quoted that a scheme had been organized early in the season in New York for the purpose of creating a financial panic that would compel at an extra session the repeal of the purchasing clause of the Sherman act. He would not have anyone infer that the bankers had intended to create the condition of affairs that now existed, but he did believe that they had intended to create distrust that would compel the president to address an extraordinary session and thus secured a first reading of the purchasing clause, and, second, on the question of issuing a large amount of government bonds. But the panic had got away from them. They had rather overdone the business, had frightened the people more than they had intended to. Now they had nobody but themselves to blame and they should not complain. He attacked the national banks, declaring that, as banks of issue, they had been as great failures as they had shown themselves to be as banks of deposit and banks of exchange. It was the prerogative of the United States to issue its own currency and this was a good time to reform its banking system. He would not, by his vote, give power into the hands of the banks of the country. He would not enable them any longer to paralyze the business of the country as they were doing to-day. If he had a fair opportunity to wipe them out he would wipe them out as quickly as he could. He was opposed to the present system. He desired to withdraw from the banks the privilege they now possessed.

On the 31st ult. Mr. Wolcott (rep., Col.) spoke agains the repeal of the purchasing clause of the Sherman act. He said there was no criticism to be made respecting the policy of the administration. Criticism of the secretary of the treasury was also misplaced because he was a member of the president's household and committed to his policy. Nor was there any opposition to the bill because of his message, for he had always been a consistent opponent of silver coinage. The west knew last year that whoever was elected its reliance must be placed in congress, which had more than once risen above the personal wishes of the executive.

He sarcastically referred to the great number of senators who, professing to be bimetallists, held that an international agreement was necessary, and pointed out that thereby they accepted the single gold policy of England. Senator Wolcott paid his respects to Senator Voorhees and said that his change of front was remarkable. He attacked the senator's record on silver and national banks, and quoted from the senator's article last year in the *North American Review* to show lack of consistency, and asserted that now for the first time he (Voorhees), supposed to represent the masses, and Sherman,

supposed to represent the classes, were in complete accord in financial matters.

Free coinage by separate act, he said, was impossible, as the president would undoubtedly veto such a measure. Any man who voted for Mr. Cleveland as a bimetallist would vote for the man in the moon. Why not act now on the whole financial question? If this should pass and silver be, as it must, absolutely dethroned and degraded, he knew of no reason why any senator who believed in free coinage should ever cast his vote in favor of protection in any form.

He then directed attention to a statement of the statement that the repeal of the Sherman act would restore confidence. This was a bankers' panic, and if you asked a banker to-day how the repeal was to restore confidence he could not tell you. It seemed unaccountable that in panic times banks should not desire an increased volume of the money. Their plan was, however, after repeal to ask for the issue of \$100,000,000 of gold bonds, and they had good reason to believe that a complete finance committee would authorize such a bill.

The people of the far northwest favored the resumption of free silver coinage because they believed in bimetallism. They were not inflationists; they did not advocate fiat money. They believed that, as Senator Jones had happily put it, the robe of state which nature had imposed offered a better safeguard for the people than the wisdom or un wisdom of their rulers. They opposed the single standard because there was not enough gold to do the business of the world and furnish its inhabitants with the currency they needed. Twenty years' experience had emphasized the experience of centuries. Silver had not depreciated, but gold had appreciated.

The question as to whether silver should be demonetized by this bill was national and not local. If he represented any other section, with his knowledge of the possibilities of the great west, he would be equally tenacious for the preservation of the white metal as a standard of value. No man removed from the money centers and realizing the illimitable resources of this republic and its constantly increasing needs would ever stand for the contraction of a currency already insufficient.

There could be no stronger bulwark of a country's safety than that she produce her own coin for her own people and is not demanded for the use of other nations. If the mining states alone were to go by unconditional repeal they would suffer without a word in the interest of a mistaken policy for the public good; but there was no section of the country that was not likewise being devoted to disaster and impoverishment.

If the contest for the people was to be won it must be because against the selfish demands of the east was arrayed the united votes of the south and the west. They were standing together on this great question to save the common country from greater suffering and impoverishment than even the horrors of war could inflict, and by their united votes to maintain not alone the standard of both gold and silver, contemplated by the constitution and consecrated by centuries of usage, but to maintain as well the standard of American independence and American manhood.

Mr. Caffery (dem., La.) delivered his maiden speech and added to the unconditional repeal of the purchasing clause of the Sherman act. He warned the senator from Colorado (Mr. Wolcott) that if he expected to smile away the serious money troubles of the country as Cervantes had laughed away chivalry and romance from Spain he was doomed to signal failure. The whole country, Mr. Caffery said, was face to face with a financial situation unprecedented in any age or in any country. With \$63,000,000,000 of wealth with factory and farm overflowing the country with fabric and food; with banks entirely solvent and firms entirely prosperous; with a people blessed by Providence beyond the measure of blessings bestowed on other lands and other people, they were suddenly arrested in the midst of activity. Depositors drawn from the banks; investors abstained from new enterprises and discontinued old ones; banks were closed with safes full of assets and business men suspended with stores full of goods. The time for the moving of crops was near at hand and the farmer was paid with promises to pay, and the employer with a sufficient bank account could not pay his baker or his butcher. Men were thrown out of employment by thousands, and already was heard the distance the tramp of the army of the unemployed toward the capital, and by various forms of relief. Cotton would be sold abroad for gold, and paid for in exchange calculated in silver, with a discount for fluctuation. The United States would sell in a gold market and buy in a silver market. Beside, the embarrassments and difficulties of domestic exchange would be intolerable.

On the 1st Mr. Vance (dem., N. C.) spoke against the repeal bill. He said the effect upon the condition of mankind which would follow the destruction of half the currency of the world—amounting in the aggregate to \$7,500,000,000—it would be impossible accurately to determine. Still this process of destruction has gone on quietly since 1873 and its result is seen in the lower and many things than have been known in the memory of man. The repeal of the law without any substitution of another will not restore the standard of silver money for this generation, unless a revolution of the people should restore it, as it did during the fraudulent demonetization of 1873. Let no man doubt that this movement is the result of a conspiracy among the money-holders of the world. Our own secretary of the treasury has said so. It had been repeatedly announced that the intent of this combination was to increase the value of gold in the hands of those who held it, and increase the value of securities by making them payable in gold. The method of the attack was the creation of a panic. Some foreigners believed the cry that we intended to go to a silver basis and sent back some of our securities, and the clamor that began in a false pretense ended in a howl of real terror. Never was there a more senseless clamor or more criminal disturbance of public confidence. If the Sherman law sent out gold it surely brought it back. If not what made it return? The fact that in the midst of this clamor our resources are so great as to be able to check the outflow of gold and to turn the tide in our direction ought to restore confidence to every man whose confidence is worth securing.

When the democratic platform denounced the Sherman act as a "cowardly makeshift" it did mean a makeshift for free coinage of silver, the use of gold—makeshift for bimetallism or monometallism? If the framers of that plank meant that it was a cowardly makeshift for gold monetarization, was not the language of the platform itself both a cowardly and a lying makeshift for the truth? Finally, if the language of the platform taken altogether meant only that we were to abandon the bankers, bondholders and stockbrokers first, and unconditional repeal, accompanied only by a short trumpet blast in the belly of the act, saying that it is a policy at some future time—the Lord knows when—to do something further, the Lord knows what—in the direction of carrying out the other promises of the platform, were not its makers and upholders of that declaration of policy and purposes open to the charge of insincerity and of so framing words as to deceive the people whose sufferages they were seeking? If such an interpretation of the platform was as contented for here by those who will vote for repeal, and precluded by the president, it had been announced during the campaign of the last year, Mr. Cleveland would not have carried North Carolina by 50,000 votes, and he believed further that he could not have carried a single electoral vote south of the old ratio."

Mr. Peffer (pop., Kan.) called up the amendment offered by him, and said:

"The administration had come to congress demanding a particular act—the repeal of the Sherman law. It had suggested no policy which would admit of the usual compromise in legislative proceedings. The administration had demanded the pending bill or nothing; and that the people whom he represented had accepted the challenge. They proposed to give no quarter, as the administration proposed to here by those who will vote for repeal, and precluded by the president, it had been announced during the campaign of the last year, Mr. Cleveland would not have carried North Carolina by 50,000 votes, and he believed further that he could not have carried a single electoral vote south of the old ratio."

Mr. Peffer turned his attention to the New York newspapers. He declared that the insincerity of the metropolitan press was to him intolerable and that the people of the west had no patience with it. Before Mr. Peffer concluded the senate adjourned.

aggregate production and coinage of gold and silver in all the nations of the world from 1873 to 1893, the recapitulation being as follows: Gold, production, \$2,210,000,000; coinage, \$2,787,000,000; silver, production, \$2,400,000,000; coinage, \$2,322,000,000. And Senator Cockrell laid stress upon the fact that the coinage of gold exceeded its production by \$57,000,000, while the coinage of silver was \$78,000,000 less than production.

On the 4th Mr. Cullom (rep., Ill.) spoke in favor of unconditional repeal. He said, among other things:

"Opinion is unanimous that the condition of affairs in this country demands immediate attention and prompt action by congress. Unfortunately for the country there is no agreement of opinion among the people of the congress as to the cause of the distress that has so swiftly and unexpectedly come upon us, or as to the remedy of paramount importance—the remedy for it."

"I am not one of those who believe that the act of 1890 is in a great degree responsible for the existing financial condition. Other causes have aided in producing the distrust. I am for its repeal, however, because, in my opinion the government cannot afford to buy silver and coin or issue paper on it, and call it a dollar, or deposited as security for the dollar, is worth less than sixty cents. Such a performance would embarrass any government."

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"The people want silver. But first of all they want to have all of the circulating medium of equal value without regard to material. We now have a per capita circulation of \$24.02, which is about as much as we ever had. Therefore, there is no ground for believing that the present situation has been brought about by a scarcity of money. The trouble is the lack of confidence which caused the hoarding of money. Men are afraid to leave their money in banks or to use it in business. I believe that if the silver purchases were suspended it would not be long before some more satisfactory plan for its use would be devised. So long as the Sherman act remains we will come no nearer free coinage. Royal will not touch gold the standard of value. Unless we are prepared to go to a silver basis we cannot alone support bimetallism. Repeal will bring about an agreement among nations."

At this point Senator Cullom entered upon an argument to demonstrate the unsoundness of the proposition that a fixed ratio could not be maintained between gold and silver, and, continuing, he said:

"The United States must adopt a policy which will do justice to all classes and all sections of the country. Universal bankruptcy would be fatal to the creditor class as to the debtors."

"I sympathize with the people of the states, but it is necessary to have in mind the interests of all the people and to secure free coinage, if at all, upon an enduring basis."

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