

NOMINATIONS.

Executive nominations received by the Senate February 6, 1895.

LIEUTENANT-GENERAL.

Maj. Gen. John McAllister Schofield, to be Lieutenant-General.

POSTMASTERS.

William C. Fontaine, to be postmaster at Princess Anne, in the county of Somerset and State of Maryland, in the place of William F. Lankford, removed.

Lee C. Atwood, to be postmaster at Conneaut, in the county of Ashtabula and State of Ohio, in the place of Marquis D. Townsend, whose commission will expire February 27, 1895.

D. H. Bell, to be postmaster at Bastrop, in the county of Bastrop and State of Texas, in the place of George F. Hannay, whose commission expired September 27, 1894.

John W. Hanson, to be postmaster at Lake Mills, in the county of Jefferson and State of Wisconsin, in the place of Charles L. Hubbs, whose commission will expire February 12, 1895.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 6, 1895.

SOLICITOR-GENERAL.

Holmes Conrad, of Virginia, to be Solicitor-General.

ASSISTANT ATTORNEY-GENERAL.

J. M. Dickinson, of Tennessee, to be Assistant Attorney-General.

COLLECTOR OF CUSTOMS.

William Richmond, of New York, to be collector of customs for the district of Niagara, in the State of New York.

POSTMASTERS.

Earl C. Corey, to be postmaster at Olivet, in the county of Eaton and State of Michigan.

Orrin R. Pierce, to be postmaster at Hudson, in the county of Lenawee and State of Michigan.

Michael L. Seibert, to be postmaster at Marlette, in the county of Sanilac and State of Michigan.

William Moore, to be postmaster at Trenton, in the county of Gibson and State of Tennessee.

Walter S. Powers, to be postmaster at Nashville, in the county of Barry and State of Michigan.

William P. Nisbett, to be postmaster at Big Rapids, in the county of Mecosta and State of Michigan.

Edward R. Lacy, to be postmaster at Holly, in the county of Oakland and State of Michigan.

E. E. Thrift, to be postmaster at Stockton, in the county of San Joaquin and State of California.

John H. Hayden, to be postmaster at Santa Maria, in the county of Santa Barbara and State of California.

Leigh B. Smith, to be postmaster at Muskegon, in the county of Muskegon and State of Michigan.

Ralph Crook, to be postmaster at Rouses Point, in the county of Clinton and State of New York.

Patrick Lillis, to be postmaster at Albion, in the county of Orleans and State of New York.

Henry K. Hartley, to be postmaster at Caldwell, in the county of Canyon and State of Idaho.

John L. Elliott, to be postmaster at Clinton, in the county of Middlesex and State of Connecticut.

Millard F. Charles, to be postmaster at Reading, in the county of Middlesex and State of Massachusetts.

Timothy F. Hagerty, to be postmaster at Woburn, in the county of Middlesex and State of Massachusetts.

Benajah P. Wills, to be postmaster at Mount Holly, in the county of Burlington and State of New Jersey.

Spalding Evans, to be postmaster at Lockport, in the county of Niagara and State of New York.

Walter L. Keith, to be postmaster at Campello, in the county of Plymouth and State of Massachusetts.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, February 6, 1895.

The House met at 11 o'clock a. m. Prayer by the Chaplain, Rev. E. B. BAGBY.

The Journal of the proceedings of yesterday was read and approved.

H. W. McCONNELL.

The SPEAKER laid before the House the following message from the President of the United States; which was read, and referred to the Committee on Claims:

To the House of Representatives:

I return herewith without approval House bill No. 5308, entitled "An act for the relief of H. W. McConnell."

The reports of both the Senate and House committees, which favorably reported this bill, disclose an intention to partially relieve the former postmaster at Jacksboro, in the State of Texas, from liability on account of two remittances of postal funds which he dispatched at different times during

the year 1883 to be deposited at Dallas, in the same State, and which were lost by robberies of the stage conveying the same. In dealing with the first remittance the committees report that the postmaster should be relieved of liability to the amount of only \$94, the loss of the remainder of the money being chargeable to his neglect and violation of postal regulations. As to the second remittance, the committees report that, by reason of like neglect and violation of regulations, the postmaster should be held responsible for the loss of all the money transmitted except the sum of \$42.

For these two sums, amounting to \$136, an appropriation is made for the benefit of H. W. McConnell.

The name of the postmaster intended to be relieved is H. H. McConnell, as appears by the records of the Post-Office Department. The person to whom the money appropriated should be paid is therefore not correctly named in the bill.

An examination of this postmaster's accounts discloses the further fact that the amount proposed to be appropriated for his relief is too large by \$42, that being the sum allowed him by reason of the second stage robbery. This item has already been credited to him in the adjustment of his accounts at the Post-Office Department, and its claim for its reimbursement has been thereby extinguished.

GROVER CLEVELAND.

EXECUTIVE MANSION, February 5, 1895.

RICHARD R. KNIGHT.

The SPEAKER also laid before the House the following message from the President of the United States:

To the House of Representatives:

In compliance with a resolution of the House of Representatives of the 2d instant (the Senate concurring) I return herewith the bill (H. R. 5377) entitled "An act granting a pension to Richard R. Knight."

GROVER CLEVELAND.

EXECUTIVE MANSION, February 5, 1895.

Mr. McETRICK. Mr. Speaker, the return of that bill was requested simply that we might have an opportunity of correcting a typographical error, and I ask unanimous consent that the bill be now taken up and the error corrected so that the bill in proper form may be sent back to the President.

The SPEAKER. Is there objection to considering this bill at this time?

There was no objection.

Mr. McETRICK. I move to amend by striking out the word "twenty-first" in the sixth line, and inserting in lieu thereof the word "thirty-first."

Also by adding at the close of the bill the words: "Provided, That if any pension be allowed under the general laws on account of the above-named soldier, pension under this act shall cease."

The report was all right, but there was a mistake made in printing the bill. The amendment gives the correct number of the regiment to which the soldier belonged.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

The message was laid on the table.

BERALTA REAVIS VS. THE UNITED STATES.

The SPEAKER also laid before the House a letter from the Acting Secretary of the Treasury, transmitting an estimate of appropriation submitted by the Attorney-General for fees and expenses in the suit of Beralta Reavis vs. The United States; which was referred to the Committee on Appropriations, and ordered to be printed.

NAVAL RETIRED LIST.

The SPEAKER also laid before the House a letter from the Acting Secretary of the Navy, transmitting a petition from the officers and enlisted men of the United States steamship *Minnesota*, relative to placing on the retired list noncommissioned officers and privates of the Navy; which was referred to the Committee on Naval Affairs, and ordered to be printed.

MILITIA.

The SPEAKER also laid before the House a letter from the Secretary of War, transmitting an abstract of the militia force of the United States for the calendar year 1894; which was referred to the Committee on the Militia, and ordered to be printed.

TICKFAW RIVER, LOUISIANA.

The SPEAKER also laid before the House a letter from the Secretary of War, transmitting, with letter of the Chief of Engineers, the report of a preliminary examination of the Tickfaw River and tributaries, Louisiana; which was referred to the Committee on Rivers and Harbors, and ordered to be printed.

STREET-CAR TRANSFERS, DISTRICT OF COLUMBIA.

The SPEAKER also laid before the House a communication from the Commissioners of the District of Columbia, transmitting, pursuant to House resolution of the 11th instant, information as to the reciprocal transfer arrangements between the various street railway companies in the District of Columbia; which was referred to the Committee on the District of Columbia.

GILA VALLEY, GLOBE AND NORTHERN RAILWAY COMPANY.

The SPEAKER also laid before the House a bill (S. 2697) granting to the Gila Valley, Globe and Northern Railway Company a right of way through the San Carlos Indian Reservation, in the Territory of Arizona.

Mr. SMITH of Arizona. Mr. Speaker, a bill to grant this right of way passed both Houses of Congress a short time ago, but it was vetoed by the President because it did not provide for obtaining the consent of the Indians. Such a provision has been inserted in the Senate bill just laid before the House, so as to meet the objection of the President, and I ask unanimous consent that the bill be now considered.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc., That there is hereby granted to the Gila Valley, Globe and Northern Railway Company, a corporation organized and existing under the laws of the Territory of Arizona, and to its assigns, the right of way for the extension of its railroad and for a telegraph and telephone line through the San Carlos Indian Reservation in said Territory, entering the reservation on the south side of the Gila River about 7 miles below Fort Thomas, continuing down said Gila River in a generally northwesterly direction, crossing the same at or near the San Carlos Indian Agency; thence running up or near the San Carlos River in a generally northerly direction to or near Aliso Creek; thence along or near Aliso Creek in a generally westerly or northwesterly direction to the town of Globe, in Gila County, Ariz., by such route as shall be deemed advisable by the company. Such right of way shall be 50 feet in width on each side of the central line of said railroad, and said company shall also have the right to take from the lands adjacent to the line of said road material, stone, and earth necessary for the construction of said railroad; also grounds adjacent to such right of way for station buildings, depots, machine shops, side tracks, turn-outs, and water stations not to exceed in amount 200 feet in width and 3,000 feet in length for each station, and to an extent not exceeding one station for each 10 miles of road within the limits of said reservation: *Provided,* That no part of such lands herein granted shall be used except in such manner and for such purposes only as are necessary for the construction and convenient operation of said railroad line, and when any portion thereof shall cease to be used such portion shall revert to the nation or tribe of Indians from which the same shall be taken: *Provided further,* That no right of any kind shall vest in said railway company in or to any part of the right of way herein provided for until the consent of such Indians as are entitled to such compensation shall be obtained thereto in such manner as the President of the United States shall direct, and until plats thereof, made upon actual survey, for the definite location of said railway, and including the points for station buildings, depots, machine shops, side tracks, turn-outs, and water stations shall be filed with and approved by the Secretary of the Interior, and until the compensation provided for has been fixed and paid: *And provided further,* That when any public road or highway is interfered with by said railway said company shall repair the same or construct a new road where such interference may occur in such manner as not to obstruct the public use of such road or highway.

SEC. 2. That before said railroad shall be constructed through any land, claim, or improvement held by individual occupants according to any treaties or laws of the United States compensation shall be made such occupant or claimant for all property to be taken or damage done by reason of the construction of said railroad. In case of failure to make satisfactory settlement with any such claimant the United States district court at Arizona shall have jurisdiction, upon petition of either party, to determine such just compensation in accordance with the laws of Arizona provided for determining the damage when property is taken for railroad purposes; and the amount of damages resulting to the tribe or tribes of Indians pertaining to said reservation in their tribal capacity, by reason of the construction of said railroad through such lands of the reservation as are not occupied in severalty, shall be ascertained and determined in such manner as the Secretary of the Interior may direct, and be subject to his final approval: *Provided, however,* That said railroad company file with the Secretary of the Interior a bond, in such amount and with such sureties as the Secretary shall approve, conditioned for the payment of just compensation for said right of way to said individual occupants and to said tribe or tribes, as hereinbefore provided, and said company may thereupon proceed to construct and operate its railroad across said reservation.

SEC. 3. That said company shall cause maps showing the route of its line through said reservation, and including the grounds for station buildings, depots, machine shops, side tracks, turn-outs, and water stations, to be filed in the office of the Secretary of the Interior before constructing any portion of said railroad.

SEC. 4. That said company is hereby authorized to enter upon said reservation for the purpose of surveying and locating its line of railroad: *Provided,* That said railroad shall be located and constructed with due regard to the rights of the Indians and under such rules and regulations as the Secretary of the Interior shall prescribe.

SEC. 5. That the right herein granted shall be forfeited by said company unless the road shall be constructed through the said reservation within three years after the passage of this act.

SEC. 6. That Congress shall have at all times power to alter, amend, or repeal this act and revoke all rights hereunder.

There being no objection, the House proceeded to the consideration of the bill; which was ordered to a third reading, read the third time, and passed.

On motion of Mr. MCRAE, a motion to reconsider the vote by which the bill was passed was laid on the table.

BOUNDARY DISPUTE—GREAT BRITAIN AND VENEZUELA.

Mr. LIVINGSTON. I ask unanimous consent for the consideration of the resolution which I send to the desk.

The Clerk read as follows:

Joint resolution (H. Res. 252) relative to the British-Venezuela Guiana boundary dispute.

Whereas in the present enlightened age of the world, when international disputes in general, and more particularly those pertaining to boundary, are in constant process of adjustment by joint commission or by outside arbitration; and

Whereas since the existing boundary dispute in Guiana between Great Britain and Venezuela ought not to constitute an exception to the general rule, but should more naturally come within the scope and range of modern international precedent and practice, in that it turns exclusively upon simple and readily ascertainable historical facts; and

Whereas since it would be extremely gratifying to all peace-loving peoples, and particularly to the impartial friends of both parties, to see this long-standing and disquieting boundary dispute in Guiana adjusted in a manner just and honorable alike to both, to the end that possible international complications be avoided and American public law and traditions maintained: Therefore,

Be it resolved by the Senate and House of Representatives, etc., That the President's suggestion, made in his last annual message to this body, namely, that Great Britain and Venezuela refer their dispute as to boundary limits in Guiana to friendly arbitration, be most earnestly recommended to the favorable consideration of both the parties in interest.

The SPEAKER. Is there objection to the consideration of this joint resolution?

Mr. SAYERS. I should like to have some explanation of the resolution. I do not see any reason why Congress should be putting its hands into the affairs of other people.

Mr. MCCREARY of Kentucky. The joint resolution has been called up by the gentleman from Georgia [Mr. LIVINGSTON], but I desire to say it has been reported by the Committee on Foreign Affairs. It was carefully examined in the committee. It is in accordance with the suggestion of the President, and was unanimously reported to the House.

Mr. SAYERS. Do I understand the gentleman to say that the President recommended the passage of this resolution?

Mr. MCCREARY of Kentucky. He did not recommend the adoption of the resolution; but he alluded to the matter in his message, and said substantially that the settlement of this boundary line should be referred to friendly arbitration.

Mr. DINGLEY. The President, as I understand, simply stated what he had done during the year. He did not ask Congress to intervene in the matter. It strikes me that this is reaching out farther than Congress with so much business on its hands ought to go.

Mr. COOMBS. Large American interests will be promoted by a friendly settlement of this question.

Mr. HITT. It struck me as the resolution was read that it was not quite in the language which was agreed upon in committee.

Mr. MCCREARY of Kentucky. Oh, yes.

Mr. HITT. Let the resolution be again read.

The Clerk again read the resolution.

Mr. HITT. That is not precisely the language that was agreed to in committee; but it is a mere matter of phraseology. The resolution received the concurrence of all the committee, because it was decided that it should simply express the sense of the House.

Mr. DINGLEY. This may be establishing a precedent which may become exceedingly mischievous in the future. If the House of Representatives or both Houses of Congress can pass resolutions of this kind in relation to matters of foreign affairs exclusively within the jurisdiction of the President, we may be led into a course of proceeding which may become exceedingly mischievous hereafter.

Mr. LIVINGSTON. Mr. Speaker, in submitting this resolution I am not conscious of any motives other than such as ought to actuate an impartial friend of both parties to the contention. It is not necessary at this time to review at length the history of the case, nor do I care to discuss the relative merits of the adverse claims. My purpose is to obtain an authoritative expression of the House in favor of arbitration as applicable to this particular case, and as affording an equitable and honorable means of amicable adjustment.

As you are doubtless aware, sir, this boundary dispute in Guiana, between Great Britain and Venezuela, is one of long standing. It originated as early as 1827, nearly seventy years ago, and it has gone on until it has now reached its culminating point. It can no longer remain open without very serious consequences to the South American Republics. It not only directly threatens the hopeless dismemberment of our sister Republic of Venezuela, but it indirectly menaces the political autonomy of one or two others of our transcaribbean neighbors. We can not afford to be indifferent to a controversy like this.

A glance at any good map of the country will show that the great Orinoco River and its navigable affluents constitute the key to more than one-quarter of the South American continent. The possession of the mouth of that river and of its numerous tributaries by such a power as Great Britain would in the course of a few years, and as a necessary consequence, revolutionize the commerce and political institutions of at least three of the South American Republics. For more than half a century past Venezuela has been asking Great Britain to submit her claim to friendly arbitration. Declining all these overtures, England has gone on absorbing territory in the valley of the Orinoco and on the Atlantic Coast, until she now occupies an area west of the Essequibo River more than twice as large as the entire State of New York.

It is very well known that Great Britain has no title to territory in Guiana other than such as she derived from Holland in 1814. It is very well known, also, that the present boundary limits of Venezuelan Guiana are identically those of the old Spanish viceroyalty of 1810. And it is equally well known to those who have taken the trouble to investigate the matter, that the Essequibo River was regarded as the divisional line between Spain and Holland from 1640 to 1814. Thus for a period of a century and three-quarters the Essequibo was recognized as the rightful boundary. There have been no concessions since 1814; and in 1810 Venezuela succeeded to the title held by Spain.

How, then, shall we justify Great Britain's aggressions west of the Essequibo? Sir, they can not be justified. She, indeed, attempts to justify herself by some pretended treaty with a nameless tribe of Indians in the mountains of the interior. But think of the consequences of such a pretension! It not only reverses her whole policy with respect to the United States, but strikes at the root, so to speak, of a long-established principle of American public law.

On the discovery of America, the principle adopted was that first discovery gave title to the government by whose subjects or by whose authority it was made. The title thus acquired was good against all adverse claimants. The nation making the discovery had the sole right of acquiring the soil from the Indian occupants, and of establishing colonies and settlements thereon. The discovering nation claimed and exercised the right to grant and convey these lands, subject only to Indian occupancy; and such grants have been uniformly held legal and valid. Half the territory of the United States is held by just such title as this. It will never do to abrogate that rule now, even for the sake of peace with Great Britain. It would not only invalidate the title to more than half of our public domain, but would involve the whole continent in endless international disputes.

No, sir; the United States can not afford to yield this point. There is no longer any territory on the American continent open to occupancy and conquest by European powers. The principles of the Monroe doctrine are older than the special Executive message of December, 1823. They are as old as the Constitution itself. They were the logical sequence of the Declaration of Independence of 1776 and of the Treaty of Ghent which followed. They stand out in bold relief in the annals of President Washington's first Administration, and were reiterated with emphasis in his farewell address. They were subsequently reasserted by John Quincy Adams while Secretary of State. And they have been reasserted and upheld by every Executive of the United States who has ever had occasion to refer to them, from Washington to Cleveland.

Sir, we can not afford to falter now. To abandon that doctrine and repudiate the whole traditions of our Government touching its policy toward the South American Republics now would be not only an act of bad faith, but would involve us in international disputes and complications the end and consequences of which no man can foresee. It would be not only such a surrender of national prestige as would make us the jest of the civilized world, but it would be such an act of pusillanimity as the people of the United States would never ratify. Be assured, sir, they will hold their representatives to strict account on this matter. We can not evade the responsibility if we would, and we ought not if we could. There is but one honorable course before us. Come what may, we have no choice but to resolutely maintain our self-respect and our honor and prestige as a nation.

Venezuela, unable to repel these bold aggressions upon her territory by the means usually resorted to by strong powers, has appealed to the moral sense of the civilized world. She does this in a consciousness of the rectitude of her cause, and in the hope of some just and honorable termination of the dispute by arbitration. Our Government has not been indifferent to these appeals. It could not afford to be. Time and again has the executive department delicately and courteously tendered its good offices as the impartial friend of both parties. It has even gone so far as to tender its services as arbitrator in the dispute, if acceptable to both parties. It is understood that Spain has made similar overtures, and as many as ten of the Spanish-American Republics have addressed the British Government in a like sense. And all this has been done with the less hesitancy because the dispute in Guiana turns upon simple and easily verified historical facts.

Briefly stated, these facts are as follows:

1. Venezuela, as the successor in title to Spain, supports her claim by the treaty of Munster of 1648; by the ordinances of the Spanish colonial government of Cumina of 1742; by the treaty of 1750 between Spain and Portugal; by the state papers of the Dutch Guiana colonial government of 1758; by the Royal Spanish schedules of 1768; by the official declarations of the Madrid Government of 1769; by the official instructions of the Spanish cabinet to the governor-general of Venezuela in 1779; by the Spanish order in council of 1780 directing the foundation of the town of San Carlos near the mouth of the Essequibo River; by the official report of the Spanish royal commissioner who explored the Cuyuni River, in the remote interior of Guiana, in 1788; by the treaty of Aranjuez between Spain and Holland in 1791; by the official note of the secretary of the Dutch West India Company of 1794; by the official request, made in due form, by the British minister at Caracas in 1836, that Venezuela establish light-houses and beacons at Barema Point, at the Orinoco Delta; by the official note of August, 1841, attesting the acknowledgment by a British law court in Demerara of Venezuela's absolute jurisdiction over the Moroco River, and by a similar act of recognition as late as 1874, growing out of a homicide committed by a British subject in the Moroco Valley.

2. On the other hand, Great Britain, as the successor in title of Holland, in 1814, supports her claim by the allegation that in 1657 the Dutch had erected two temporary forts, known as "New Zealand" and "New Middleburgh," near the mouth of the Pomaron River; by alleged concessions granted by a Dutch trading company as the successor, in 1674, of the Dutch West Indian Company, for trading with the settlements on the Essequibo and Pomaron rivers; by the armed conflict, in 1797, between the Dutch and Spanish settlers at "Fort New Zealand," in which the Dutch are claimed to have been victorious, and by alleged treaties with the Indian tribes (dates and names not given), whereby England engaged to "protect" those tribes against white encroachments.

These are the allegations in evidence on both sides. Surely nothing could be more natural, or simple, or just, or more in accordance with modern international precedent and usage, than a reference of such a dispute to friendly and impartial arbitration. And this, as I have said in a statement filed with the resolution before the House, is all that Venezuela asks or has ever asked since 1841.

But what has hitherto been the attitude of Great Britain on this point? She has been ready and willing enough to submit her boundary disputes (and all other disputes, for that matter) with the United States to arbitration, but she has as persistently denied to Venezuela what she has been ever ready to ask of stronger powers. Why is this? Is it because she is conscious of the frivolous nature of her claim and of her physical ability to demand of a weaker power what she can not justify by principles of law and right reason?

Sir, it is not for me to answer these questions. They are, however, uppermost in the minds of all disinterested parties, and I trust, for the honor of the great English-speaking race and for the credit of our Christian civilization, that Great Britain may speedily reconsider her course in this matter and agree to submit her claim to the decision of a joint commission or to outside friendly arbitration.

Arbitration has become firmly incorporated into the public law of the American free States. It has been very generally adopted by the Christian nations of the world, and by none more readily than by England herself. Even at this moment there is understood to be a special envoy in this Capitol, bearing a petition signed by a majority of the British House of Commons, praying the President of the United States to agree to submit all differences between that country and this to friendly arbitration. This is praiseworthy and commendable. But why not begin the good work by petitioning their own Government at St. James to accede to Venezuela's standing offer to refer the Guiana boundary dispute to the decision of arbitration, as recommended by the President in his late annual message? Then the Parliament of Great Britain might, with entire consistency, and with a conscious rectitude of purpose, ask this Government to refer all its differences with England to arbitration.

Mr. DINGLEY. Why not let the President take care of this matter?

Mr. HITT. There are some precedents in our history where Congress has expressed its sense in matters of this kind, especially in response to suggestions coming from the Executive, either in letters from the Secretary of State to the chairman of the appropriate committee, or, as in this case, in a message from the President.

Mr. DINGLEY. Did the President do more in his message than state to Congress what he had been doing during the year? Did he ask Congress to act in this matter?

Mr. HITT. The message does not ask Congress to express any opinion in the matter; but it was thought proper by the committee that we should go so far as to express approval of arbitration in this case in view of the discussion going on in this and other nations touching the general doctrine of arbitration as a method for the settlement of international disputes.

Mr. MCCREARY of Kentucky. I think if gentlemen will listen to the reading of the latter part of this resolution there will be no objection to it. It simply declares—

That the President's suggestion, made in his last annual message to this body, namely, that Great Britain and Venezuela refer their dispute as to boundary limits in Guiana to friendly arbitration, be most earnestly recommended to the favorable consideration of both the parties in interest.

I do not see that this can do any harm. It is true that it may not do any special good; but I do not see that it can do any harm.

Mr. DINGLEY. Possibly not. But suppose, this precedent having been established, we should be asked at the next session to pass a similar resolution relating to matters of dispute between Great Britain and France or Great Britain and Germany? Are we not by a resolution of this kind entering upon a policy of intervention which may be mischievous?

Mr. LIVINGSTON. This relates to a matter on our continent. Our trade and other relations with those people are involved in this settlement.

Mr. DINGLEY. I have no particular objection to the resolution, except a fear that it may furnish a precedent for mischievous legislation in the future. And I do not see any good that it can accomplish.

Mr. HITT. I do not altogether like the language; but I will not object.

There being no objection, the House proceeded to the consideration of the joint resolution; which was ordered to be engrossed for a third reading, and was accordingly read the third time, and passed.

ENROLLED BILLS SIGNED.

Mr. PEARSON, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles; when the Speaker signed the same:

A bill (H. R. 6186) to pension Maria Davis;
A bill (H. R. 8253) to establish a national military park at Gettysburg, Pa.; and
A bill (H. R. 8635) to regulate navigation on the Great Lakes and their connecting and tributary waters.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. PLATT, one of its clerks, announced that the Senate had passed with amendments the bill (H. R. 8388) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1896, and for other purposes; in which the concurrence of the House was requested.

ASA HALL.

Mr. HOOKER of New York. I ask unanimous consent for the consideration of the bill which I send to the desk.

The bill (H. R. 8178) to correct the military record of Asa Hall was read.

Mr. TAYLOR of Indiana. I wish to ask whether this bill has been considered in Committee of the Whole at any Friday night session.

Mr. HOOKER of New York. I desire to make a brief statement of this case.

Mr. TAYLOR of Indiana. I should like an answer to that question.

Mr. HOOKER of New York. No, sir; it has not.

Mr. TAYLOR of Indiana. Then I object.

ADDITIONAL ENROLLING CLERKS.

The SPEAKER. The gentleman from Ohio [Mr. PEARSON], chairman of the Committee on Enrolled Bills, has a resolution he desires to submit. It will be read, and, if there be no objection, considered.

The resolution was read, as follows:

Resolved, That the chairman of the Committee on Enrolled Bills be, and he is hereby, authorized to appoint, for the remainder of the session, two additional assistant clerks for the Committee on Enrolled Bills, said clerks to be paid by the Clerk of the House of Representatives out of the contingent fund of the House, such compensation per diem as may be fixed by the Committee on Accounts of the House.

There being no objection, the House proceeded to the consideration of the resolution; which was adopted.

On motion of Mr. PEARSON, a motion to reconsider the vote by which the resolution was adopted was laid on the table.

ORDER OF BUSINESS.

Mr. BLACK. I demand the regular order.

The SPEAKER. The regular order is the call of committees for reports.

MINERAL LANDS, CALIFORNIA.

Mr. KRIBBS, from the Committee on the Public Lands, reported back the bill [H. R. 8794] as a substitute for the bill H. R. 8551 to provide for the examination and classification of certain mineral lands in the State of California; which was referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report, ordered to be printed.

RATIFICATION OF TREATY WITH CERTAIN INDIANS IN OKLAHOMA.

Mr. MADDOX, from the Committee on Indian Affairs, reported back the bill (H. R. 2877) to ratify and confirm a treaty with the Comanche, Kiowa, and Apache tribes of Indians in Oklahoma Territory, and to make appropriations to carry the same into effect; which was referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report, ordered to be printed.

THE CURRENCY.

The SPEAKER. Under the order previously made the House will now resolve itself into Committee of the Whole House on the state of the Union for the consideration of the currency bill.

The House accordingly resolved itself into Committee of the Whole on the state of the Union, Mr. RICHARDSON of Tennessee in the chair.

The CHAIRMAN. The Clerk will report the title of the pending bill.

The Clerk read as follows:

A bill (H. R. 8705) to authorize the Secretary of the Treasury to issue bonds to maintain a sufficient gold reserve and to redeem and retire gold notes, and for other purposes.

The CHAIRMAN. The gentleman from Pennsylvania, at the time the committee rose on yesterday, had been recognized, and is entitled to the floor.

Mr. BROSIUS. Mr. Chairman, the members of the Banking and Currency Committee will bear me out when I say that we made a strenuous effort to report to the House a bill that would meet with some favor. That it has not been a shining success is too obvious to need to be stated. The diversity of views presented on the measure yesterday emphasized an observation that all make daily, that there are two classes of people—one who think that there is no headway to be made unless the boiler is ready to burst, and the other that there is no safety in proceeding at all if there is a drop of water in the boiler.

It may be well in this case to avoid extremes. There is a middle ground whereon reasonable men can stand. I am not sure that the distinguished gentleman from Maine [Mr. REED] in the proposition submitted by him on yesterday did not place himself firmly upon that middle ground whereon men of reasonableness can embrace, although individually I would like to take hold of the situation with a little firmer hand.

The situation is peculiar. The United States Treasury is sick; it is in distress; the white flag is up. Shall this House pass by on the other side like the priest and Levite, or shall we like the good Samaritan render help? It is my deliberate judgment that assistance should be proffered at once, and this Congress will die in disgrace if it does not do something to relieve the distress of the situation. It does not matter what causes produced the dilemma, by what route we arrived in the "dismal swamp" of danger and distress; it is our plain duty to get out of it if we can. The majority, charged with the responsibility of government, seem unable to meet the exigency with suitable legislation. It results that without the aid of the minority inaction will continue until the 4th of March.

A situation of that kind must make every member of this House sensible of the claims his country has upon him, and of the duty which imposes its command upon him to assist, at least not to hinder, the majority from doing the best they know how to do to relieve the situation, provided the mode of relief proposed is free from danger to any public interest.

THE SITUATION.

What is the situation? We are descending an incline, at the bottom of which yawns a chasm of financial disaster the extent and duration of which no man can forecast. We are half way down, and are moving at a progressively accelerating speed.

Our revenues are inadequate to meet our expenditures, and our gold reserve is rapidly shrinking, and would most likely have been entirely exhausted before this had it not been replenished by an increase of our indebtedness of \$100,000,000.

The Treasury is the only place where gold redemption is compulsory, and is the only custodian of gold which is without means of protecting itself against incursions from foreign claimants or domestic hoarders and speculators. Its necessities force it to pay gold on demand without means under its control of replenishing the supply. As the stock diminishes the rush to get what remains increases, for a deficit in the reserve clouds the credit of the notes that rest upon it. There is a widespread apprehension that we are approaching a crisis. This condition of alarm induces hoarding, especially by the great corporations whose loans are held abroad, and who are anticipating the contingency of having to pay a premium on gold to liquidate their obligations; and also by the banks, which have large and increasing holdings of gold over against any exigency that may happen, and private individuals seized with fright, and speculators inspired with hope, are gathering gold and making special deposits over against the day of misfortune on the one hand and opportunity on the other. This hoarded gold will be released when the present doubt is dispelled and it is established that there will be no premium on the yellow metal.

EXODUS OF GOLD.

Bearing upon the problem we have for solution, and illustrating the accelerated process of depleting our gold reserve, I attach to my remarks the following statements:

Statement of net gold in the Treasury in the years named.

Net gold in Treasury January, 1880	\$194,655,264
Net gold in Treasury January, 1890	177,386,285
Net gold in Treasury January, 1891	141,728,097
Net gold in Treasury January, 1892	119,574,904
Net gold in Treasury January, 1893	108,181,713
Net gold in Treasury January, 1894	65,650,175
Net gold in Treasury January, 1895	44,705,967

This statement shows the rate of speed at which the Treasury in the last seven years has descended into low southern latitudes in finance. "Easy is the descent into hell" in more senses than one.

REDEMPTION.

United States notes and Treasury notes redeemed in gold by calendar years.

Year.	United States notes.	Treasury notes.	Total.
1879	\$11,456,536		\$11,456,536
1880	543,800		543,800
1881	28,750		28,750
1882	115,000		115,000
1883			
1884	810,000		810,000
1885	2,927,400		2,927,400
1886	9,349,507		9,349,507
1887	1,339,945		1,339,945
1888	\$475,181		\$475,181
1889	959,548		959,548
1890	339,273		339,273
1891	9,016,727	\$686,870	9,703,597
1892	15,963,813	20,296,747	36,260,560
1893	44,493,512	32,062,778	76,556,290
1894	123,941,059	17,804,045	141,745,104
1895 (to February 2)	43,414,358	1,624,825	45,039,183
Total	265,174,409	72,475,265	337,649,674

It will be observed from the foregoing statement, and it is worthy of note, that from January 1, 1879, to January 1, 1892, a period of thirteen years, there was withdrawn from the Treasury about \$38,000,000 on account of the redemption of greenbacks and Treasury notes. While in the single year of 1894 nearly \$142,000,000 were redeemed, and in the single month of January of this year more gold was drawn from the Treasury in the redemption of legal-tender notes than in the thirteen years from January 1, 1879, to January 1, 1892. The difference in industrial, financial, and commercial conditions in the two periods accounts for the difference in the rate of gold redemption and depletion. In the former period notes were employed in effecting exchanges, in the course of business; general confidence prevailed, gold was not wanted at home or abroad, and never is when confidence exists and business is active, people employed and money in use; but when business is suspended, consumption diminished, people idle, enterprise crippled, and money redundant for lack of use, and confidence is succeeded by doubt and distrust as in the latter period, gold is sought and obtained.

WHERE THE GOLD GOES.

What became of all the gold we have lost is not easy to determine, though we can account for much of it. Our indebtedness abroad is large, exceeding, it is said, \$2,000,000,000, and our interest account has not been less than \$80,000,000 for some years. Americans are supposed to spend abroad annually nearly \$100,000,000. We are supposed to pay \$40,000,000 for foreign freight and insurance, making an aggregate of \$220,000,000.

In 1894 we had a good trade balance, amounting to \$152,294,824; our net shipment of gold abroad was \$81,200,351 and of silver \$36,540,194, making a total of \$270,000,000 in round numbers, which we have sent abroad in excess of what we received.

When we consider in connection with these figures that the Treasury lost last year \$141,745,104, it is entirely obvious that all this vanishing gold did not go abroad.

In the months of November, December, and January last the withdrawals of gold from the Treasury on account of United States notes and Treasury notes of 1890 amounted to \$84,746,069, while the shipments abroad in the same three months amounted to \$36,230,602, showing an excess of withdrawals over exports of \$48,515,467. I attach here an official statement covering the withdrawals and export in the last three months.

Withdrawals from Treasury on account of United States notes and Treasury notes of 1890.

November, 1894	\$7,799,747
December, 1894	31,907,139
January, 1895, to February 2	45,039,183

84,746,069

Exports of gold.

November, 1894	\$428,213
December, 1894	9,802,389
January, 1895	26,000,000

36,230,602

Excess of withdrawals over exports..... 48,515,467

On what particular account the gold leaves us it is difficult to say. What amount of foreign funds have been called home from the money centers of this country because they no longer find use on account of the redundancy of our money; what amount of stocks and bonds of our great railroad and industrial corporations have been returned on account of the cloudiness of our financial situation; what amount of Western mortgages, State and municipal bonds held abroad have matured and been paid, I do not know.

It is stated that \$7,000,000 was sent to London recently to meet the maturing bonds of the State of Massachusetts, but in the general murkiness of the subject it is not safe to even conjecture what amount of our gold has gone abroad or what amount is

hoarded at home. It is not unlikely that misers and speculators are putting away large sums. If we could open the private boxes in the banks and the secret places in the homes of the people, I have no doubt large amounts of the yellow metal would be found. I heard of one man offering a bank \$150,000 in gold as a special deposit, which to the great credit of the bank it declined to receive.

Discouraging as the situation is, some comfort can be extracted from it. The foreign obligations we have paid will not have to be paid again. The gold that liquidates a foreign debt puts it out of the way, and it will not return to plague us. The consolation, however, derived from this consideration in no sense saves us from the mortification of having so conducted our financial affairs as to produce the widespread doubt and distrust which has caused the movement of gold from our shores.

Now, Mr. Chairman, it is too obvious to need to be stated that a situation of this kind requires the steady hand and reassuring voice of the Congress of the United States, declaring in distinct and unequivocal terms its determination to stand guard over the Treasury of the Republic and its financial system, to support and sustain its credit at all times and under all circumstances by appropriate legislation.

FUNDAMENTAL PROPOSITIONS.

Two propositions are fundamental. We must maintain our gold reserve, and we must provide the means of paying the expenses of the Government.

No man will dispute with me the propositions that the obligations of the Government must be paid, the financial honor of the United States must be maintained, the commercial credit of this Republic must be kept above suspicion, and all kinds of currency in the people's use must be kept at a parity with the best.

The first requirement might be met to some extent by requiring one-half the duties on imports to be paid in gold, and I would favor so amending the bill. I see no objection to it. It would not be a discrimination against other money, but would be paying equal honor to both. It may be said with some truth that those who take legal tenders to the Treasury and demand gold in exchange discriminate against the paper money they surrender. To meet that discrimination the Treasury is compelled to replenish the reserve. The only means of doing this under existing law is by the sale of bonds, and this bill proposes no other means.

Mr. BRYAN. May I ask the gentleman a question?

Mr. BROSIUS. With pleasure, if in the line of my argument.

Mr. BRYAN. I only caught a part of what the gentleman said a moment ago. Do I understand you to insist that there should be sufficient gold kept in reserve for the redemption of any kind of Government paper, silver certificates as well as Treasury notes?

Mr. BROSIUS. I have not said that.

Mr. BRYAN. Do you believe that?

Mr. BROSIUS. I will not answer that question now. It is not involved in this discussion, and I do not care to go into it. It is not a practical question now. I am quite clear in my mind that we should go a certain length, and I am endeavoring feebly to present my views; and when the silver-certificate question comes up I will give careful attention to it.

I was observing when my friend from Nebraska came in that a suitable means of replenishing our gold reserve would be to require one-half of the duties on imports to be paid in gold, and I was observing that following that method of replenishing our gold reserve was not dishonoring or discriminating against any portion of our money, because it really bestows equal honor upon both.

Excluding this mode of relief there are but two ways known to honest people of doing these two indispensable things—one is to raise sufficient revenue by customs or taxes, and the other is to borrow what we need to meet the demands of our gold reserve and those of our creditors.

The former and natural and customary means of supplying the needs of Government meets with the disfavor of the majority, and it need not therefore be considered in this connection except to say that in my judgment the deficiency in the revenue is the chief sinner in the comedy of errors which has brought us to our present unhappy pass. If we had an abundant revenue there would be no occasion to pay out the legal-tender notes that are redeemed and they would remain harmless in the Treasury until such times as they could be paid out without danger of being used to embarrass the Treasury.

Mr. BRYAN. Will the gentleman permit a question?

Mr. BROSIUS. Certainly.

Mr. BRYAN. I believe that the amount of gold withdrawn out of the Treasury within the last two months has been something like \$70,000,000, while the excess of expenditures over receipts in the same time has been less than \$20,000,000. Will the gentleman explain how the supplying of that deficit would help the gold reserve, when gold is being drawn out so much more rapidly than the greenbacks are being reissued?

Mr. BROSIUS. My answer to that is that my friend from Nebraska is laboring under a misapprehension. The fact, or rather

the assumption, upon which he proceeds is not warranted in fact. I think there is a mistake in his statement about the revenues.

Mr. BRYAN. Does the gentleman mean to say that the excess of expenditures over receipts has been more than twenty millions in two months?

Mr. BROSIUS. The excess of expenditures over receipts yesterday was \$800,000. The day before yesterday it was over \$700,000. During the last year it has been \$35,000,000, according to statements that I have seen, and \$100,000,000 already appropriated are awaiting payment. When the gentleman puts his suggestion in an interrogative, it reminds me of a question which many years ago stirred up the wise men of England, and France as well. The question was, "Why is it that when you put a pound fish into a bucket full of water the water does not run over?" They could not answer it; but a Yankee got hold of it and put the fish into the bucket full of water and found that the water did run over, and that was the answer to the question.

Mr. BRYAN. But the fact is that the deficit has not exceeded twenty millions in two months, while the gold drawn out of the Treasury has been about seventy millions.

Mr. BROSIUS. I trust that my friend will allow me to proceed with my argument. He understands how difficult it is for arithmeticians to agree in their figures in regard to financial matters. One hundred millions of gold have been borrowed within a short time, and that must be reckoned with in any comparison that is made of the expenditures with the revenues of the Government.

So that, Mr. Chairman, our only recourse now is to borrow money to maintain the gold reserve and to provide for the running expenses of the Government to the extent to which our receipts are lacking. I say we must adopt that policy or we must suffer the consequences that are certain to ensue, namely, gold suspension, with all that that implies.

THE BILL PROPOSED.

What is the measure proposed?

It authorizes the Secretary to borrow money to meet the obligations of the Government of whatever kind. Nobody doubts that he ought to possess that authority, excepting the few who tarry in hope, with an all hail of welcome on their lips to the expected catastrophe of gold suspension. Some say he already has the power and periodically exercises it. That is true, but there is a cloud upon the legitimacy of that power under the existing law, and the conditions and limitations imposed by that law are not suitable to the circumstances of this time, and it is expedient to remove the doubt and give the people the benefit of bonds for a longer time and at a lower rate of interest, and which will sell at par.

COIN OR GOLD.

The main proposition being conceded, why should we contend about the details? Any kind of a bond is better than no bond. It matters little to the present or future generations whether it is payable in coin or in gold.

Mr. TAWNEY. What effect would it have upon the outstanding obligations of the Government to now use the word "gold" instead of "coin"?

Mr. BROSIUS. That is a very pertinent inquiry and right in the line of my thought. I was about to say, Mr. Chairman, that, interpreted in the light of the declared purpose, deliberate pledge, and distinct policy of the United States, the terms are identical in meaning. Our existing bonds are payable in "coin" in the letter, but in the spirit and purpose and intent of the United States they are payable in the best money that is in vogue at the time they mature. Would it do any serious harm to express in words our meaning, purpose, and intent, when we issue bonds, that intent being to pay them in the best money in the world? My friend from Minnesota asks me what effect such a declaration would have upon the existing obligations of the Government.

I will direct my friend's attention to the resolution adopted by Congress in 1869, and in passing I may say that I listened to observations upon this floor not later than yesterday that did scant justice to the policy of the Government and the meaning of that resolution of 1869 to strengthen the credit of the United States. Gentlemen will remember that at the time of the passage of that resolution some of the obligations of the Government were payable in "lawful money" and some were payable in "coin;" so that the contrasted forms of money in contemplation when that resolution was adopted were not gold and silver, but coin and paper. That resolution declared the purpose and intent of the United States to be to liquidate all those obligations, whether payable in terms in "lawful money" or in "coin," in coin, because coin was the best money of the world at that time, and the word had no specific reference either to gold or silver, because silver then was better than gold and at a premium in the market.

Let that thought find a place in your minds, that when that resolution of 1869 was adopted the contrasted forms of money were coin and paper, while here the contrasted forms of money

are gold and silver, and not coin and paper. Now, when one is better than the other it is right to presume, and I, for one, never shall presume anything else of the United States, than that it intends to pay its obligations in the best money that the world knows.

Mr. McKEIGHAN. Will the gentleman permit a question in the line of his remarks?

Mr. BROSIUS. Certainly.

Mr. McKEIGHAN. Is it not a fact that the paper obligations which were set aside by the act of 1869 bore a greater rate of interest because they were payable in "lawful money," and that there was a change of the contract in favor of the creditor and against the masses of the people? I would like an answer.

Mr. BROSIUS. I will answer my friend with great pleasure, but I will first state his inquiry, because I do not think it was heard distinctly. The inquiry of my friend from Nebraska is this: When the act of 1869 was passed was not a higher rate of interest paid on the obligations that were payable in "lawful money" than on those that were payable in "coin"? I answer affirmatively. On some of the obligations payable in "lawful money" 7.3 per cent interest was paid while the obligations payable in "coin" bore only 6 per cent interest.

That demonstrates the very point I am making. "I thank thee, Roderick, for the word." I was trying to impress upon the House the fact that at that time the contrasted forms of money were paper money and coin, and coin was better money than paper, and therefore the holders of paper obligations got more interest. To-day, under the conditions under which we are attempting to legislate, the contrasted forms of money referred to in the bill before us are not coin and paper, but gold and silver, and following the policy of the United States to pay in the best, if we use the word "gold" we are only expressing the intent and purpose of the Government to pay its obligations in the best money the world knows at the time of the maturity of the obligation.

It may be suggested in support of the contention in favor of gold payment that while the word "coin" has always been used in our bonds heretofore, it must be remembered that when our bonded war debt was created silver was at a premium over gold, and when the existing law was passed, which is the only authority for the issue of bonds, silver was not in circulation to any extent, and since that time it has depreciated to 50 cents on the dollar. So that the word "coin" in a money obligation has not the same ring it had when it was first employed in our bonds to express the money of payment. Changed conditions and sentiments at home and abroad are facts with which many wise men think we should reckon in the proposed legislation, lest the bonds fail to find a market in Europe where it is hoped and expected some of them will go to arrest the export of gold.

But I do not wish it to be implied that I am strenuous about using the word "gold" in these obligations. I am perfectly content to use the word "coin." I am not discussing the question because I think it very material. I am rather discussing it to impress the fact that it is a mere subsidiary matter which ought not to divide the House. I shall vote for either word, if we can pass a bill. I was going to say there might be an objection to the use of the word "coin"—an objection I heard the other day—that in view of the rapid increase in the production of gold it might be possible that before these obligations mature silver may be the better money; and if the obligation is a gold one the United States might yield to the solicitation of opportunity and pay in the inferior money—gold—and thus tarnish the fair fame and good name of the United States.

Why, sir, Mr. Rothschild, the great banker and financier of London, paid the United States a beautiful compliment the other day. When he was asked which he would prefer, American obligations payable in coin or in gold, he said, "I would rather have them payable in coin, for at the rate that gold is being produced now, and in anticipation of the enlarged production in the near future, it is not impossible that silver may be the better money when these bonds mature. And, at any rate, I know that the United States, as long as it enjoys the option, will always pay its obligations in the best money in the world." I believe with Mr. Rothschild, and therefore I think it not a matter of great importance whether you put the word "gold" or the word "coin" in our obligations.

CANCELLATION OF NOTES.

Whether the notes that are redeemed shall be canceled or retained in the Treasury without being reissued except in exchange for gold I do not think is a matter of great importance as long as they are disabled for active duty. Whether they are tied hand and foot so as to be harmless or killed outright, it comes to the same thing in effect.

To go on borrowing gold to meet an endless drainage would be as vain a task as that of the daughters of Danaus, doomed to draw water from a well and pour it eternally into a perforated cask. Such a process of redeeming notes that are never redeemed is not consonant with reason, and sound statesmanship requires that we kill with the utmost dispatch what has been called the

auriferous tapeworm that wriggles back and forth between Wall street and the Treasury.

I am not sure that in view of all the aspects of the situation existing and in anticipation it would not be wise to cancel the notes as they are redeemed. There are at least two considerations in support of this view. First, there is no utility, outside of mere sentiment, in retaining the notes in the Treasury to be exchanged for gold. That would make them gold certificates in fact though not in form, and it would be better on grounds of general reasoning to adhere to the gold certificates already authorized than add another form which would be in some degree unsuitable.

The other thought bearing on this point is the expectation, arising almost to a belief, that the entering upon the policy of redeeming and canceling will so far reassure the public mind, compose its agitation, allay its fears, and dispel its doubts of the ability and purpose of the United States to redeem its obligations in the best money and keep all its currency equally good, that we will experience a progressively diminishing activity in the redemption business, and in a short time the presentation of notes in any considerable amounts for redemption will cease and our difficulties vanish. If that expectation should be realized a comparatively small number of the legal-tender notes would be canceled and the buying of gold would cease.

EXCHANGE OF BONDS FOR NOTES NOT APPROVED.

But these suggestions are not intended to go to the length of supporting that portion of the bill which provides for the exchange of the bonds for the legal-tender notes. This has in contemplation the conversion of all the legal tenders into interest-bearing indebtedness without regard to the necessity for so doing, it being a distinct end to get rid of that class of currency entirely. I totally disavow any acquiescence in such a purpose.

The people of the United States do not desire to be rid of the limited number of greenbacks now in our currency excepting so far as it is necessary to afford present relief, and I believe the process of cancellation should be limited to the notes presented for redemption and should cease as soon as sufficient relief is afforded, so that the destruction of our greenback currency shall not exceed the actual necessities of the situation, nor our people be unnecessarily burdened with interest by the needless conversion of non-interest-bearing into interest-bearing indebtedness.

Of course, if the expectations I have indicated are disappointed, and it is established by actual experience that we can not maintain our gold reserve with our greenbacks in circulation, then they must go, but that assumption I will not admit except on the compulsion of absolute demonstration.

VARIETY IN THE ISSUE OF BONDS.

Nor does there seem to be much substance in the inquiries whether there shall be one or many kinds of bonds authorized. In my judgment the only bond that should be issued is the best bond for the purpose intended. After that I do not see it very important to trouble the market with an inferior bond.

The most marketable bond is a long-time bond, but I have no doubt of the ability of the United States to float a 3 per cent bond payable in coin or in gold for a short or a long term. I would therefore make the bond suit the convenience of the United States in respect to time. It is not likely that we will be ready to pay any of these bonds within five years, and if we make them payable at the pleasure of the United States after five years we would enjoy the privilege of payment whenever we were ready and not until then. To name a time of maturity when they must be paid it seems to me unnecessary, though it can do no harm and I do not object to it.

SHOULD BE KEPT AT HOME.

Then I would provide that such amounts of the bonds of the denominations of \$20, \$50, and \$100 as could be disposed of in that manner should be placed for sale at such national banks and post-offices in the United States as shall be selected by the Secretary of the Treasury, so as to give our own people the first opportunity to take the bonds, until the home demand is supplied. This would popularize the loan and inure greatly to the advantage of the Government. If all our existing bonds were held at home it would afford a large element of relief in our present situation, if it would not have prevented it altogether. Our gold indebtedness abroad imposes an enormous burden upon us which we must meet and must continue to meet until it is paid or is transferred to our own people.

France, with the fabulous debt of \$4,000,000,000, suffers little inconvenience because it is owing to her own people. The only remedy conceivable for this state of things is to restore confidence at home and abroad in our integrity and our solvency, so that not only our securities will remain abroad but our interest be reinvested at home, otherwise the foreign drain will continue, for no financial legerdemain has ever been discovered to escape paying our foreign balances in gold when the rate of exchange is at or above the gold shipping point.

This, Mr. Chairman, being the situation, and in view of the ex-

treme urgency with which the matter presses upon our consideration, can it be possible that we can not secure sufficient unity of view and action to do the one thing and the only thing left for us to do—to authorize the Secretary of the Treasury to borrow the means of carrying on the Government and rescuing the United States from impending disaster and dishonor?

PROMPT ACTION DESIRED.

Mr. Chairman, the mischief works while we wait; the difficulties deepen while we dally with our duty; promptitude is of the essence of our obligation to act, and therefore I believe that any union of minds and voices in this Chamber that will bring succor to the country and spare us national disgrace will be an honorable and patriotic alliance.

AVOID POINTS OF CONTROVERSY.

That action might be unimpeded by the delays of controversy and the peril of final disagreement, I have sought in my humble way to have the bill as free as possible from causes of division among us, for I have believed it would promote the passage of a measure to limit its scope to the very mischief to be remedied. A bill, short, sharp, and decisive, that goes directly to the purpose in view, without circumlocution, without the baggage of incidental and unnecessary meddling with other and different matters of legislation, will be much more likely to pass this House than one containing a variety of unrelated provisions which multiply the points of controversy and invite contention and disagreement over matters in which one and another sees a service to some special interest.

There is hope of agreement only in minimizing the grounds of controversy, and hence I have tried to keep out of the bill provisions looking to the reorganization of our financial system, which undertaking is not, in my judgment, suitable to the circumstances of our situation, and can be wisely deferred to a more appropriate season instead of engaging our minds when they are already taxed to the limit of their capacity in finding a way to strengthen the Treasury and insure the solvency of the Government.

What then, Mr. Chairman, stands in the way? Are we kept from agreement by an unworthy pride that is ashamed to yield or an equally censurable obstinacy that delights to contend?

It is not patriotic nor wise to waste time and further embarrass the situation by hypercriticism and captious and carping complaints of the details of the proposed measure as long as it is in substance calculated to answer the end proposed. If it bridges the chasm it ought to pass in one form or another.

In one of the trying hours of Mr. Lincoln's experience during the war, when he keenly felt the unkindness of those who carped and caviled at his conduct, when he bent and swayed under the mighty responsibilities of the war, he illustrated the situation in this striking manner. He said, "If all your property was in gold, and you had put it in the hands of Blondin to carry across Niagara on a rope, would you shake the cable or keep shouting at him, 'Stand straighter; walk faster; walk slower; lean north or south?' No; you would hold your breath and your tongue as well."

The Administration is trying to keep the gold in the Treasury to save the honor of the United States, and it is unpatriotic to catch at unconsidered trifles to impede the consummation of the undertaking. Or is it mere partisan politics that hinders us? Perish the thought! The representatives of the people must be patriots before they are partisans. Will any member dispute the proposition that in the situation which invites our consideration, with a crisis looming, huge and hideous, in the twilight future, we ought to see nothing but the best interests of the country?

The member of this House who in this supreme exigency suffers his vision to be obscured, his judgment to be warped, and his conclusions to be vitiated by prejudice, passion, or partisanship discredits himself in the eyes of his country and will be held to strict accountability by his constituents. There is but one word that can express the inspiring and controlling influence of this hour, and that word is "patriotism." [Applause.] There is but one word that can denote the action which that overruling inspiration commands, and that word is "duty." He who is insensible to the one or disobedient to the other is not a safe custodian of his country's interests and was misdirected when he was sent to this body.

I indulge the hope that no member of this House entertains views of public duty which constrain him in determining his action upon this measure to ask who initiated it, but only is it wise legislation; not which side of this Chamber is advocating or opposing it, but only is it calculated to meet the need of the hour and mitigate the afflictions we are suffering by restoring the confidence of our people in the money of the country.

I am profoundly moved by the conviction that this is the time and this the occasion (if I may be pardoned for using an illustration a second time in this presence) for us to emulate the generous sentiment expressed by Philip of France in the Crusades, when he said to Richard of England: "Let the only strife between the lions of England and the lilies of France be which shall carry

them farthest into the ranks of the infidels." So I pray you, let the only strife between the parties represented in this Chamber to-day, in the presence of this impending crisis, be which shall carry the banner of honorable, patriotic, and effective relief farthest into the ranks of the opposition. [Applause.]

Mr. LITTLE. Mr. Chairman, after so much has been said upon this question I feel as though it was but little less than an intrusion to undertake to add anything further.

But I desire to say at the outset of my remarks that I think the country and this House may congratulate itself upon the fact that the issue, the great issue now pending here and to be settled by the people of the United States, can not be longer disguised.

The country must take note of the fact that there are two distinct principles predominating in this House, participated in by my friends on the other side of this Chamber and harmonizing with the ideas of a portion of my Democratic friends on this side. In other words, sir, it is a question of whether or not this country shall remain upon the single gold basis—a single gold standard—with the currency of the country placed in the hands and under the control of the national banks, while at the same time the silver money of the Constitution is made merely pocket change.

This question is affected by all the bills and propositions pending before the committee, and in passing I desire to say—and I am sorry my friend is out of his seat—but I say be there all honor to the gentleman from Tennessee [Mr. PATTERSON] who has the boldness to throw off the blind and stand before the American people the advocate of that which he is convinced to be for the best—the single gold standard. But, sir, for many years, not only from the other side, but, I am sorry to say, on this side of the House also, Representatives have been masquerading before the country as the friends of free silver and the bimetallic money of the Constitution, when every act, every vote, and every step they have taken on this floor has led in exactly the opposite direction. The fact is that the various factions of the Democratic party are becoming swallowed up in two great factions. One of these, according to the position occupied by my friend from Tennessee [Mr. PATTERSON], might be denominated the Federalized Democracy, while on the other hand stands the great body—the masses of our party and the Representatives on this floor who opposed banks of issue and favor free coinage—who may be denominated, as they truly are, the Constitutional Democracy.

Mr. Chairman, the bill (H. R. 8705) introduced by the gentleman from Illinois [Mr. SPRINGER], in short, provides for the issuance of \$500,000,000 in gold bonds bearing interest at 3 per cent, also payable in gold, for the purpose of maintaining the gold reserve and retiring \$346,000,000 legal-tender notes commonly called greenbacks, and about \$150,000,000 silver certificates; and for greatly enlarging the present national-banking system and thereby substituting national-bank notes for this money.

Mr. Chairman, I congratulate this House and the country upon the fact that the purpose of those who advocate this bill is no longer concealed or disguised; that the intent of those who succeeded in the unconditional repeal of the purchasing clause of the act of 1890, who were not deceived, now becomes apparent; that the promises of the good times that would follow this legislation, without any substantial recognition of silver, was a fraud and a sham, or the result of misguided statesmanship; that the strained constructions that were then put on the silver plank of the Democratic platform was a deception intended to disarm the great masses of our party and deceive the representatives of the people.

Until now, Mr. Chairman, emboldened by former successes, and with our people rendered desperate with their wants, after this gold craze has led the Government and the people to the brink of ruin, we are now commanded by the "tyranny of pre-conceived opinions," from a high source in our party, to abandon our platform and our principles and support this measure which is at war with every interest of the Government and the people.

The bill is radical Republicanism, yea, Federalism, both in its terms and its policies; and I am advised that many of its most objectionable features have been dictated by the Republican members of the committee, and that they have been permitted to do so with a view of securing their support.

The questions presented by this bill, fairly stated, are: Shall the greenbacks and silver certificates, the money of the people, be retired? And shall the entire currency of the country be turned over to banking corporations at an expense to the people of \$500,000,000 in gold interest-bearing bonds?

In other words, shall the Government surrender its highest, most sacred, and sovereign power to supply the country with gold and silver money, and paper convertible into such coin on demand, in sufficient quantities to meet the demands of trade and truly promote the happiness and foster the prosperity of all our people to banking corporations, and empower them to rule and govern our people, and pay as a bonus for this unconditional surrender to the money changers of the East in principal and interest more than one thousand million dollars in gold?

The unconcealed purpose of the bill is to divorce the Govern-

ment, not from the banking business, but from the money of the country; and when you do you will divorce it from the power to protect the great interests of our people and surrender them to the most cruel tyrant that ever cursed a free country.

This bill means, Mr. Chairman, the permanent establishment of the gold standard in this country. It means cheaper wheat and cheaper cotton; it means to place a permanent embargo upon our future prosperity and greatness as a free people and a great Government; and any man who supports it and claims to be the friend of the free coinage of gold and silver is deceiving no one but himself, or else deserves a free ticket by the shortest route to the nearest lunatic asylum in the country. [Laughter.] And any man who masquerades before the country as a Democrat and votes for this bill is either entitled to the forgiveness of his political associates on the ground of ignorance of his party's principles or else he ought to pack his gripsack and walk into the Republican camp, where the principles and doctrines of this bill are taught and advocated.

Mr. Chairman, we are asked by the friends of this bill to take another step in the wrong direction; to take another step toward fastening the single gold standard on the people of this country, contrary to their express wishes and desires. We are asked not only to chain the present generation, but to mortgage the earnings of posterity, in order to forever fix on this great country a single standard of value. On the other hand, by the substitute offered by the gentleman from Tennessee [Mr. Cox]—a much better measure in many respects than the original bill—but it violates that principle of Democratic faith that has ever been the watchword of the party when it has stood, as it has for years, as a wall against the aggressions and demands of the money power to place the currency of the country in the hands of the national banks. We believe the currency of this country ought to be furnished by the Government, that it ought to be composed of gold and silver, as it was written by the Constitution at the formation of the Government.

But, gentlemen on this side of the House, or at least some of them, claim that they are friends of free silver, when it lies trembling at their feet like the victim of an assassin, and they will not raise their hand in an effort to give it that constitutional standing to which it is entitled. Mr. Chairman, the American people are beginning to understand this deception and this unfriendliness. When it was sought to repeal the purchasing clause of the Sherman Act of 1890, for the purpose of giving the country financial relief, the country was alarmed, the Treasury was threatened; but we went on, and that legislation was consummated; and now it is claimed we are menaced by a like situation, and a demand is made that we shall take another step; and again the country is alarmed, and again the Treasury is endangered by practices brought about by the Department itself, a danger that they have created, a danger that they have maintained until it has become one of the serious menaces to our finances.

We see to-day, however, that the danger is not what you claim it is. The Government is not in danger; the Government is able to pay its debts; but you seek, instead of issuing coin bonds, if such shall be necessary under the provisions of the present law—you seek to take another step binding the advocates of the bimetallic money in this country so as to make them still further helpless and issue gold bonds and enlarge the banking system and retire the greenbacks and legal-tender currency. I hope, Mr. Chairman, that gentlemen will not be much longer deceived by these false issues. The issue is here now upon us; it must be met; it must be fought out on this floor and by the American people. It is a question whether you are willing to surrender your birth-right and the principles of our party and step over to the position occupied by my friend from Tennessee, who commends the present system.

And now, Mr. Chairman, I shall address myself to the fundamental objections to both bill and substitute. Upon the very threshold we are confronted with the fundamental question of constitutional government, as to whether the Government shall control the currency in the interest of the whole people, or whether the Government shall abandon the exclusive power to issue and coin money, and delegate that power to the proposed system of national banks, in open violation of the plain letter and undisputed intent of the Constitution.

In other words, whether the Government, in the exercise of its constitutional functions, will, by the coinage of gold and silver and the issue of coin notes convertible into such coin on demand, supply the trade and commerce of the country with an abundance of honest money, give new life and energy to our business, and call back to our suffering country the messengers of happiness and prosperity; or whether it will aggravate the present conditions by placing the entire currency of the country under the paternal control of banking corporations, without Government control, to be used by them as their owners may direct in their own interests and without regard to or responsibility for the public weal.

This, Mr. Chairman, is the transcendent question presented by this bill and substitute? The present national banking system is fast going into disuse. The high premium on bonds and the tax imposed do not make them an inviting field for speculation. Their power is limited and their days are numbered; but with this substitute enacted into a law we will have a new national banking system, with the old remaining.

The gentlemen shall not shirk responsibility by the claim that it is only a question of preference between the national banking system, as now established by law, and the one proposed by the substitute. This is a false issue raised by the friends of the measure, and can serve no other purpose than to direct public attention away from the dangers and constitutional tendencies of this measure, for under its operation we will have both systems.

Some of the advocates of this bill, however, be it said to their credit, emboldened by the universal decay of our prosperity, assert that the Government should be divorced from the currency of the country and that this function of the Government should be forever surrendered to private corporations, and they appeal to the gentlemen on this side of the House to show their ability to manage the affairs of the Government by making it a law while Democrats are in power.

Democrats on this floor are the keepers of their own consciences (and I believe the gentlemen on the other side are not burdened with anything of that sort), but as for myself, speaking in the light of history, and with a patriotic devotion to constitutional government, I am unalterably opposed to the establishment or perpetuation of national banks of issue under the proposed system or any other.

I condemn, and always have, our present national banking system as unjust and as taking a part of our currency and putting it in the hands of private individuals to be used for their own profit.

I condemn it as being undemocratic; I condemn it because it requires the Government to surrender to a favored few a constitutional power that should be exercised for the common good of all the people; I condemn it because it is in open violation of the traditions and teachings of the Democratic party and her great leaders from the infancy of the Republic down to the meeting of the present Congress, when the friends of this bill discovered this new article of faith that arouses the ire of our Republican friends, who have heretofore held undisputed sway as the champions of national banks and the advocates of corporate greed and power.

In their deep dismay I recommend for their consideration the following lines from the pen of Mr. Young:

Our dying friends come o'er us
Like a cloud, to damp our brainless ardors and
Abate that glare of life that often blinds the wise.

[Laughter.]

It is claimed by the friends and advocates of the substitute bill that in the event it becomes a law it will accomplish three things:

First. That more than \$500,000,000 in greenbacks, silver certificates, and currency certificates, etc., which are now, under the rulings of the Secretary, redeemable in gold, will be retired, and that the national bank notes issued under this bill and redeemable in currency of the United States to the amount of about \$1,667,000,000 will be substituted therefor.

Second. That it will stop the continuous drain of gold from the Treasury of the United States and maintain the credit of the Government.

Third. That it will divorce the Government from the currency of the country and place it in the hands and under the control of the banks established under this act and furnish an elastic currency.

As to the first and third propositions, I believe the bill, in the event of its passage, will accomplish what is claimed for it. As to the second proposition, I believe it will utterly fail to relieve the Treasury of present embarrassments and greatly aggravate existing conditions.

The first and third propositions are, in my judgment, the very opposite of what sound finance and enlightened statesmanship would approve. The second proposition, and the one the bill will not accomplish, is one greatly to be desired by the friends of the Government.

To this I wish first to address myself.

Let us look for a moment at the provisions of the substitute. Under it the banks may issue, in bank notes, 75 per cent of their paid-up and unimpaired capital by depositing with the Treasurer of the United States 30 per cent of its circulating notes in Treasury notes (greenbacks), silver certificates issued under the Sherman law of 1890, or currency certificates issued under the act of June 8, 1872, the notes so issued to be redeemable in the legal currency of the United States.

Now, upon what line of reasoning or upon what principle of monetary science it can be expected to better conditions by increasing the volume of redeemable paper currency of the country under the name of bank notes without any additional supply of the money of ultimate redemption no man can tell, but it is claimed

that by the deposits of these notes and silver certificates in the Treasury of the United States as a redemption fund with which to redeem the bank notes they will be retired and not be presented to the Government for redemption, and in that way the Government will be allowed to retain its gold.

To show the utter fallacy of this claim it is only necessary to call the attention of the House to a few primary truths in monetary science.

First, I believe it has never been denied that a redundancy in the redeemable paper currency of any country will drive out the precious metals; and the intensity of the operation of this principle will depend upon the volume of redeemable money, and the supply of redemption money in the country affected thereby.

If this country is ever so unfortunate as to have this system inaugurated, you will see the bank notes drive out of circulation all other currency; you will see the gold leave our shores, and when this condition comes and confronts the business interests of the country you will see the gold speculators of the world gather up this redundant currency and present it for redemption, and if the gold is refused on the bank notes by the banks they will draw out of the redemption fund the greenbacks, silver certificates, and currency certificates, and demand their redemption in gold at the hands of the Government. Fear and alarm will seize the public mind, and in the mad rush to unload bank notes and absorb the gold of the country banks will fail, the gold reserve will disappear, ruin and disaster will run riot throughout the land, and universal bankruptcy will be the fruits gathered by the people as a penalty for the open violation of the fundamental principles of government and sound finance.

That this will be the result following the unlimited expansion of the credit notes, such as will take place under this bill, there being no restrictions upon the number of banks or the amount of currency issued by them, and no unity of liability, there can be no doubt. There is but one result—a redundancy of paper issue, loss to our Government of gold, and consequent distrust in our circulating medium.

For proof of this we have only to look at the history of banking institutions in our own country.

The establishment of the United States Bank in 1791 was followed by the issue of a large amount of redeemable currency, and this followed in turn by great monetary disturbances in the country, by the exclusion of the precious metals from our shore, and the refusal of the bank to redeem its own paper. General depression, panics, and universal loss throughout the country were the results.

Next was the establishment of the United States Bank in 1816, and a repetition of all the evil effects experienced with the first bank followed. When gold and silver were demanded for the redemption of this money it was found difficult to obtain, and even the "pet" banks, as those were called in which public funds were deposited, were obliged to suspend specie payment. During the discussion over the recharter of this bank, which occupied the attention of Congress for several years, the country suffered from a money panic, and general financial depression and distress were prevalent throughout the land.

In 1834 a measure was introduced into the House for equalizing the value of gold and silver and legalizing the tender of foreign coins of both metals. The good effect of the bill was immediately seen. Gold began to flow into the country through all the channels of commerce, foreign and domestic; the mints were busy; the specie payment, which had been suspended in the country for thirty years, was resumed, and gold and silver became the currency of the land, inspiring confidence in all the pursuits of trade and industry.

This happy condition in the finances of our country continued without interruption up to the beginning of the civil war.

These great banking schemes, be it said to the honor of the Democratic party, met the withering power of Jefferson's pen and the resistless courage of Andrew Jackson, and under their leadership the country was released from their unholy grasp. The finances were restored to a sound bimetallic basis that gave employment to our laborers, inspired our industries, vitalized agriculture, gave new life to commerce, and changed the flowing currents of gold and silver back to our shores.

And yet some Democrats of the modern school, noted throughout the country for their "backbone," with this lesson before their eyes, when threatened by a deficiency in the gold reserve, instead of striking a blow for honest money, instead of taking the gold speculators by the throat and, with the boldness of their ancient fathers, compelling them to release their grasp on the finances of the country, they fall upon their knees before these plutocrats, extol them as the authors of sound finance, and implore them to save the country. Instead of impaling the tyrant that smites the prosperity and threatens the liberties of the people, they lick the chains that bind them and kiss the hand that smites them; and if a Representative upon this floor has the boldness to ask the party leaders to follow the examples of the fathers of Democracy his

party loyalty is challenged and he is denounced as a silver lunatic or a Populite.

If I should charge you, the friends of this measure, as the facts of recent history would justify, as being "Scrippio-maniacs," and disloyal to the Democratic faith, you would take offense.

I do not think it lies in the mouth of any Democrat upon this floor or elsewhere to challenge the party loyalty of those who oppose these measures when their friends seek to make the party responsible for a national banking system that will put the organized money power in absolute control of the currency of the country, in undisputed violation of every tenet and principle of faith taught since the Government was formed.

The principles of this bill and substitute are as far from Democratic doctrine as the rising is from the setting sun; and its advocates are not "in shouting distance" of a single plank in the Democratic platform.

And yet, standing where you do, occupying the places of high honor in our party and trusted by the people to carry out its principles, when we upon this side of the question call attention to the principles of our party, as old as the Constitution and sacred to the hearts of the great masses of our people, you deride us as cranks.

History is repeating itself. Jefferson said:

I have ever opposed money of banks, not of those discounting for cash, but of those foisting their own paper in circulation, and thus banishing our cash. My zeal against these institutions was so warm and open at the establishment of the Bank of the United States that I was derided as a maniac by the tribe of bank mongers who were seeking to filch from the public, thus swindling on barren gains. But the errors of that day can not be recalled.

The evils they have engendered are now upon us, and how are we to get out of them? Shall we build an altar to the old paper money of the Revolution which ruined individuals but saved the Republic, and burn on that all the bank charters, present and future, and their notes with them? For these are to ruin both the Republic and individuals.

He says that at the establishment of the Bank of the United States his zeal against it was so warm that he was denounced as a maniac by the tribe of bank mongers who were seeking to filch from the public. Sad commentary is this upon the bankers of that day that they should, when the Government was struggling for existence, denounce so great and good a man as Mr. Jefferson.

Sadder still is it with us. We are not only denounced as cranks by the bankers and money changers of the country but by our own brethren.

These senseless epithets remind me of a line in Shakespeare's "Much Ado About Nothing," which says:

I'll devise some honest slanders
To stain my cousin with; one doth not know
How much an ill word may empowen liking.

But now, Mr. Chairman, let me examine the question from a broader standpoint.

Under our present laws and the rulings of the Treasury Department we are strictly on a gold basis, with gold as the sole unit of value. It (gold) being the only money of ultimate redemption, all our currency, whether issued by the Government or by banking corporations, must depend upon this unit for its value as well as for its ultimate redemption. Any material increase in the volume of the credit notes, without a like increase in the volume of the money of ultimate redemption, can only increase the demand upon the already overburdened supply of gold and greatly multiply the perils that surround the finances of the country.

The entire supply of gold in the United States in circulation and in the Treasury on November 1, 1894, as shown by the report of the Secretary, was \$517,289,492, which constitutes the only basis for redemption of all other currencies, which are more than three times that amount. If the Government can not maintain this condition with safety to the country, backed by its own credit, and the financial world anxious for its bonds at 2 per cent, and with its taxing powers, pray tell me how they expect national banks to carry this burden and at the same time more than double the amount of credit notes, without danger to the stability of our currency and peril to the business interests of the whole people.

By the overissue of these perilous credit notes and by the absorption of all other forms of currency, every man must know that gold will leave our shores; and, wonderful to state to an enlightened public, some of the men that now insist upon floating more than one and a half thousand millions of these credit notes, without any intrinsic value whatever, will then insist that the Government funds are in peril on account of a few millions of Government notes and silver certificates, when every silver certificate in existence is based upon 412½ grains of standard silver now in the vaults of the Government, and intrinsically worth, by gold measure, about 70 cents on the dollar.

As showing their wisdom, or as a Western lawyer once said to the Court who had just rendered an adverse opinion:

I desire, your honor, to read from Mr. Blackstone, not for the purpose of showing that your honor is wrong, but to show what a fool Blackstone was.

In the same generous spirit I quote from Mr. Jefferson's letter to John W. Eppes, of November 3, 1813. He said:

As to the public, these companies have banished all our gold and silver medium, which before their institution we had without interest, and instead of which they have given us two hundred millions of froth and bubble on which we are to pay them heavy interest.

Now, Mr. Chairman, as to the remaining questions, "Should the Government be divorced from the currency," and "Is it desirable under such circumstances to have an elastic currency?"

At this point I desire to call attention to the views of Thomas Jefferson. On May 28, 1816, in a letter to John Tyler, he said:

I sincerely believe that banking institutions are more dangerous than standing armies, and that the principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale.

Again, as far back as 1803, in a letter to Albert Gallatin (Jefferson's Works, volume 4, page 519), he said:

This institution (national bank) is one of the most deadly hostility existing against the principles and form of our Constitution. Ought we then to give growth to an institution so powerful, so hostile? Now, while we are strong, it is the greatest duty we owe to our Constitution to bring this powerful enemy to a perfect subordination under its authorities. The first measure should be to reduce them to an equal footing with other banks, as to the favors of the Government.

Now, Mr. Chairman, if any Democrat has further doubts remaining, I will submit for his benefit the authority of a man above all others we ought to be willing to credit. I refer to that unflinching friend of the people and courageous champion of their rights, Andrew Jackson. His views are as follows (message, December 2, 1834):

Circumstances make it my duty to call the attention of Congress to the Bank of the United States. Created for the convenience of the Government, that institution has become the scourge of the people. Its interference to postpone the payment of a portion of the national debt that it might retain the public money appropriated for that purpose to strengthen it in political contests; the extraordinary extension and contraction of its accommodations to the community; its corrupt and partisan loans; its exclusion of the public directors from a knowledge of its most important proceedings; the unlimited authority conferred upon the president to expend its funds in hiring writers, and the execution of printing, and the use made of that authority; the retention of pension money and books after the selection of new agents; have, through various channels, been laid before Congress. They were substantially a confession that all the real distresses which individuals and the country had to endure for the preceding six or eight months have been needlessly produced by it, with a view of effecting through the sufferings of the people the legislative action of Congress.

Again, in the same message:

Events have satisfied my mind, and I think the minds of the American people, that the mischiefs and dangers which flow from a national bank far overbalance all its advantages. The bold effort the present bank has made to control the Government, the distresses it has produced, and the violence of which it has been the occasion in one of our cities famed for its observance of law and order, are but premonitions of the fate which awaits the American people should they be deluded into a perpetuation of this institution or the establishment of another like it. It is fervently to be hoped that, thus admonished, those who have heretofore favored the establishment of a substitute for the present bank will be induced to abandon it, as it is evidently better to incur any inconvenience that may be reasonably expected than to concentrate the whole money power of the Republic in any form whatsoever or under any restrictions.

Again, in the veto message, he said:

It is to be regretted that the rich and powerful too often bend the acts of government to their selfish purposes. Distinctions in society will also exist under every just government. Equality of talents, of education, or of wealth can not be produced by human institutions. In the full enjoyment of the gifts of Heaven and the fruits of superior industry, economy, and virtue, every man is equally entitled to the protection of the law. But when the laws undertake to add to these natural advantages artificial distinctions, to grant titles, gratuities, and exclusive privileges to make the rich richer and the potent more powerful, the humble members of society, the farmers, mechanics, and laborers, who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their Government. There are no necessary evils in government. Its evils exist only in its abuses. If it would confine itself to equal protection, and as Heaven does its rains, shower its favors alike on high and low, the rich and the poor, it would be an unqualified blessing.

Experience should teach us wisdom. Most of the difficulties our Government now encounters, and most of the dangers which impend over our Union, have sprung from the abandonment of the legitimate objects of government, by our national legislation, and the adoption of such principles as are embodied in the act.

Many of our rich men have not been content with equal protection and equal benefits, but have besought us to make them richer by act of Congress. By attempting to gratify their desires we have, in the results of our legislation, arrayed section against section, interest against interest, and man against man in a fearful commotion which threatens to shake the very foundation of our Union.

It is time to pause in our career; to review our principles, and, if possible, to revive that devoted patriotism and spirit of compromise that distinguished the sages of the Revolution and the fathers of our Union. If we can not at once, in justice to interests invested under improvident legislation, make our Government what it ought to be, we can at least take a stand against all new grants of monopolies and exclusive privileges; against any prostitution of our Government to the advancement of a few at the expense of the many, and in favor of compromise and gradual reform in our code of laws and system of political economy.

Now, Mr. Chairman, with these statements before us, uttered as a warning to the people of this nation by the two greatest statesmen, living or dead, since the establishment of this Government; the two men that did more than any two men that were ever called Americans to construct a Government of equal and just laws for all the people, how can a Democrat err? Mark the clearness with which they point out the evils of the national bank.

Hear the opinion of Jefferson, based on actual observation of the workings of the bank. He says:

I sincerely believe that banking institutions are more dangerous than standing armies.

Listen, will you, to the burning words of Jackson:

The banks created for the convenience of the people, that institution has become the scourge of the people.

If one great bank was more dangerous than standing armies, and the scourge of the people, let me warn the Representatives of the people in this Chamber to never give their assent to a law that will establish banks of issue in every part of our country; for I greatly fear that the step once taken can never be retraced.

Allow me to repeat what Jackson said about the interference of these banks in the legislation of the country. Hear him:

The bold effort the present bank has made to control the Government; the distress it has wantonly produced, are but premonitions of the fate that awaits the American people should they be deluded into a perpetuation of this institution, or the establishment of another like it.

Now, my friends, my countrymen, patriots, let this infamous selfish conduct on the part of this bank be a warning to us of the inevitable evils that lurk in the provisions of the impending bill and substitute.

If they, in the early struggles of the Government, at a time when the earth was still red with patriot blood, and when the shouts of the triumphant Americans at Yorktown were still echoing in the distance, could not be trusted, can we trust them now? If their greed for pelf and power was strong enough to impel them to stab our country to the heart after it had been established at such an enormous sacrifice of the best blood of the world, shall we to-day, as the representatives of a free people, place this power in their hands and bid them renew the attack upon our institutions? Never!

Shall we surrender to them, by legislation, the commercial and industrial interests of the nation? Shall we place the future happiness and prosperity of our laboring people, in the shops, in the mines, upon the railroads, and upon the farms, with the destinies of themselves and their posterity, in the hands and power of the merciless, heartless greed and avarice of a legalized money power? Never, while a patriotic devotion for the great, but plain masses of our people govern in the councils of our common country. Never! Never! [Applause.]

As a further proof of my position I will call a living witness, the Hon. John G. Carlisle, present Secretary of the Treasury. When a member of this House, charged with a part of the responsibility for legislation, in discussing the banking laws, he sounded the notes of alarm and gave utterance to principles that will live long after he has been gathered to the fathers, and will be a monument to his memory that will live while the Government lasts.

I desire to quote his language in full. He said:

But, Mr. Speaker, by far the most dangerous feature yet introduced into the national banking system is contained in that part of the fourth section of the act of June 20, 1874, which authorized the banks at any time and for any reason which they may choose to consider sufficient to deposit lawful money with the Treasurer, contract the currency to that extent, and withdraw their bonds; and, sir, it is not going too far to say that until this feature is wholly eliminated or materially modified there can be no assurance of safety to any legitimate investment or business enterprise in this country. If there was ever a doubt as to the dangerous character of the power which this part of the law gives to the banks over the business and property of the people, the arbitrary and unjustifiable proceedings of the last week ought to dispel it forever.

The power was conferred in the first instance, as I have said, for a special and temporary purpose, the equalization of the national-bank circulation, but when the resumption act of January 14, 1875, was passed, which removed all restrictions as to the amount of such currency and made the system entirely free, there was no longer any necessity for this clause and it should have been instantly repealed. It is a standing menace against the prosperity of the country. Armed with this destructive weapon, the banks may at any time without a moment's notice or a shadow of provocation strike down every industry and every commercial enterprise of the people.

The banks, or some of them at least, first began to pervert this section from its original purpose and abuse the power which it conferred on them by depositing lawful money and withdrawing their bonds from time to time, in order to speculate upon them in the market. They thus withdrew large amounts of their circulation and contracted the currency, not because the reduced demands of business made the outstanding volume of circulation unnecessary or unprofitable, but simply because they wanted to realize the high premiums on their bonds and speculate on the securities upon which the Government had already delivered to them 90 per cent in notes. These notes would be left outstanding for the time being, but an equal amount in Treasury notes would, of course, be withdrawn from circulation and held at the Treasury Department to redeem the bank notes as they might come in.

The Treasurer, in his last annual report, describes the process by actual transactions in his office; and as his statement on this subject can not be condensed without impairing its force, I give it in his own words. He says:

"Under the construction placed on the law, banks which have thus reduced their circulation have been permitted to increase it again as often and as largely as they chose, whether their legal-tender deposits were exhausted or not. An example will better illustrate these operations.

"In January and February, 1875, a certain bank reduced its circulation from \$308,490 to \$45,000 by deposit of legal-tender notes. Between September 28, 1876, and May 26, 1877, and before that deposit was exhausted, it increased its circulation to \$450,000. Between August 14 and September 10, 1877, it again reduced its circulation to \$45,000. On September 19, 1877, nine days after completing the deposits for this reduction, it again began to take out additional circulation, although \$402,550 of prior deposits remained in the Treasury, and by the 26th of that month its circulation had again been increased to \$450,000. July 22, 1878, it for the third time reduced its circulation to \$45,000, and September, 1879, again increased it to \$450,000, at which it now remains, the balance of the legal-tender deposit then in the Treasury being \$112,615."

No one will contend that this is a legitimate and proper method of conducting business under the national banking system, and yet it can be resorted to every day by every bank in the United States as long as the fourth section of the act of June 20, 1874, remains unrepealed. It disturbs value, affects the money market, and subjects the Government to unnecessary expense, merely to gratify a spirit of speculation and gain on the part of the managers of the bank and it ought to be peremptorily forbidden in the future.

Under this section the banks have it in their power to contract the currency and produce financial distress, involving every interest in the country and embarrassing the operations of the Government itself whenever they may think it will promote their special interests to do so. If they do not like proposed legislation in Congress or elsewhere; if they are opposed to the success of a particular political party; if they conclude that they ought to be exempt from all taxation, State and Federal; if they want additional privileges conferred upon them in respect to any matter connected with their business; in short, if their opinions and interests are not consulted in all cases whatsoever, they can resort at once to the tremendous power over all the fortunes of the people and thus bring the timid to terms and ruin all who refuse to accede to their demands. A plausible pretext can always be found or invented for the exercise of such a power as this, and powerful influences can always be brought to justify and sustain it.

The two Houses of Congress, representing the aggregate interests of 50,000,000 people, have, after mature deliberation, passed a bill which the banks have chosen to consider obnoxious to them, and forthwith—within thirteen days—they have contracted the currency to the extent of \$18,772,340, and precipitated a crisis which would have been disastrous to the country had it not been met by measures which they had no power to prevent. The prompt action of the Secretary of the Treasury in purchasing a large amount of bonds in the city of New York, and the course of the Canadian banks in throwing seven or eight millions of dollars of their loanable capital on the market, alone prevented a catastrophe from the effects of which we might not have recovered for many years.

When Secretary McCulloch, several years since, in pursuance of his contraction policy, began to retire and cancel legal-tender notes at the rate of \$4,000,000 per month it produced such consternation in business circles that Congress was forced to intervene at once and arrest the process by the passage of a joint resolution; but now we have seen nearly \$19,000,000 withdrawn in less than half a month, not by the Government, but by institutions in the management of which the Government has no voice, and still gentlemen here insist that the power under which this has been done and under which it may at any time be repeated shall not be taken away. Why, sir, the whole contraction of legal-tender Treasury notes, under the provisions of the resumption act of January 14, 1875, and May 31, 1878, when it was prohibited by law, was only \$34,318,984, not twice as much in more than three years as the bank contraction has been in less than two weeks.

This experience warns us that we can not safely permit this great power to remain in the hands of these institutions unchecked by legal restrictions. It is an engine of destruction standing in the very narrowest part of the way to the permanent industrial and commercial prosperity of the country; for there can be no such prosperity anywhere in the midst of sudden and enormous contractions in the currency; nor will prudent and experienced business men embark in large and expensive enterprises when the power to make such contractions is held by private and interested parties who acknowledge no restraints except public sentiment and their own views of the public welfare. By the law the volume of legal-tender notes is limited, to \$346,681,016, while under the policy of the Government nearly \$150,000,000 in gold and silver coin are permanently withheld from circulation and hoarded in the Treasury.

Of the \$454,000,000 of gold coin in the country the Government and the banks held, on the 1st day of November last, \$254,000,000, and the people only \$200,000,000. The circulation of State banks is taxed out of existence; the coinage of silver is limited by statute to \$4,000,000 per month; so it appears that by statute or public policy every form of currency which the people can use in the transaction of their business is restricted except national-bank notes. They alone are perfectly free from all restrictions, legal or otherwise, and upon them the people are compelled to rely, under existing circumstances, for the additional facilities of exchange necessary to enable them to carry on their growing industries and conduct their rapidly increasing commercial enterprises.

What a fatal policy it is, in view of these considerations, to retain on the statute books as part of our currency system a law which subjects all these great interests to the arbitrary will or mistaken judgment of 2,000 corporations.

At this point, Mr. Chairman, I desire to review briefly the position of the Democratic party on this question. In the times of Jefferson and Jackson their public acts and official records constituted a living platform for their party, and their views have been sufficiently stated.

In 1840 the Democratic party, in convention assembled at Baltimore, in the sixteenth plank of the platform, adopted the following resolution:

Resolved, That Congress has no power to charter a national bank; that we believe such an institution one of deadly hostility to the best interests of the country, dangerous to our republican institutions and the liberties of the people, and calculated to place the business of the country within the control of a concentrated money power, and that above the laws and the will of the people.

In the Democratic convention held at Baltimore on June 1, 1852, the following declaration was made, as embodying Democratic faith at that time:

Ninth. *Resolved*, That Congress has no power to charter a national bank; that we believe such an institution one of deadly hostility to the best interests of the country, dangerous to our republican institutions and the liberties of the people, and calculated to place the business of the country in the hands of a concentrated money power, and that above the laws and the will of the people; and that the results of Democratic legislation in this and all other financial measures upon which issues have been made between the two political parties of the country have demonstrated to candid and practical men of all parties their soundness, safety, and utility in all business pursuits.

Tenth. *Resolved*, That the separation of the moneys of the Government from banking institutions is indispensable to the safety of the funds of the Government and the rights of the people.

The convention which met at Cincinnati June 6, 1856, readopted the last two resolutions as a part of the platform.

From that time down to this hour a majority of the Democratic Representatives and Senators in Congress have uniformly voted against the establishment or rechartering of a national bank. No Democratic orator within the range of my knowledge or information has ever failed to denounce these institutions upon the stump as undemocratic and dangerous to the best interests of the country. For the first time in the history of the party we witness in some parts of the country and in this Chamber apparent zeal on the part of some of our brethren for these institutions, which have ever been condemned, denounced, and opposed by our party.

It has been continually asserted on this floor that the present banking system, bad as it is, is far safer than the proposed plan, and yet, by an investigation of the Secretary's report for the year 1894, you will find that, notwithstanding the fact that there was great demand for money throughout the country, of these precious friends of the Government and the people in times of need 79 went into voluntary liquidation, 21 were placed in the hands of receivers, and 143 insolvent banks demanded the supervision of the Comptroller.

This is a life-size picture to be read by the farmers and laborers of this country. It shows that in times of depression the country can not look to this source for safety.

Everyone knows that during the panic of 1893 these banks, as far as they could, withdrew all their money from circulation to meet an expected run. They furnished no relief and refused loans to all comers.

While times were normal their currency largely occupied the field, and when money was needed it was withdrawn, leaving a vacuum, the country helpless and without money, and the depositor to mourn his loss. The hard-earned dollars that he had accumulated by years of toil were swept away by these instrumentalities.

In a single year, when there was a universal demand for money, 243 of these institutions went to the wall, sweeping down in their course millions of dollars of the hard-earned savings of our more fortunate and frugal citizens who had deposited their money with them.

The fact is, as every careful observer of public events must know, that in times of financial distrust and panic we can not rely upon these institutions for succor. They are the first to observe trouble in the financial world, and they at once set about to husband all their own resources to meet an emergency. Their money is hoarded in their vaults, and by this very course of conduct upon their part the stringency will be heightened and the perils of the country will be greatly increased, and with all or nearly all of the currency of the country in their hands, if a crisis should arise in our finances, and the currency should be called in by the banks to meet emergencies or runs, as it would be, it would leave the country without money, and universal disaster, distress, and ruin would be the inevitable result.

The argument pressed by the friends of the present measure, that the gold is being exported and that our stock of gold will soon be exhausted, is not true in fact. By an examination of the report of the Secretary of the Treasury it will be found that the net exports of gold for the fiscal year was \$4,172,665 as against \$86,897,275 for the previous year.

It also shows that the net exports of silver for the fiscal year was \$31,041,359 as against \$7,653,813 for the previous year.

The gold produced in the United States for the fiscal year was about \$35,000,000, leaving us a net gain of about \$31,000,000 of gold for the fiscal year. Why we should be alarmed in the face of these figures I can not see.

But these figures show that it is not so much the foreign shipment of gold that embarrasses the Treasury as it is the gamblers of Wall street. After all this noise of the "calamity howlers" of the gold-standard persuasion we come out \$31,000,000 ahead in our gold supply for the last fiscal year. Let us give the exact figures for the fiscal year ending June 30, 1894. The amount of gold exported was \$76,898,061. The amount imported for the same time was \$72,449,119. And these show further that it is the gold speculators of our own country that are harrassing the gold reserve, for the double purpose of securing bonds and compelling legislation as contemplated by this bill, greatly enlarging their power and giving them the entire control of the currency of the country.

If the Government would exercise its rights under the law and redeem the currency notes in whichever metal suited the convenience of the Government, all these notes that are now used for raiding the Treasury would return to the channels of business, and these speculators would engage in other forms of business, with more respect for the law than they now have for the country.

Mr. Chairman, it has been stated in this Chamber that this is neither the time nor place for a discussion of the financial affairs of our country. The bill now under consideration seeks to revolutionize our entire monetary system and lead us in paths that were never trodden by the faithful and devoted statesmen who lived before us, and whose lives were spent in the effort to establish a Government for the equal benefit of all the people.

The great wrong was done this nation many years ago when the Republican party was in the height of its glory. When the silver money of our country was at a premium; when it was in universal favor with the great masses of our people, stealthily, like a thief in the night, and without an excuse, the party in power demonetized it.

This act was denounced as the greatest crime of the nineteenth century. As the years roll on, every day furnishes new proof of the truth of this declaration.

As everyone knows, the price of silver from that time gradu-

ally declined in the markets until now the silver in a dollar is worth only about 65 or 70 cents. This result of that legislation is the stock in trade argument of the enemies of silver.

Every possible scheme is suggested to rehabilitate our finances which does not seek in any way to remedy this wrong.

It does seem to me, not claiming to possess a superior knowledge upon this subject, that if we would exercise a little of the courage of our fathers and a little old-fashioned American common sense, and strike at the cause of our financial disaster, we could finally eradicate the disease.

If the human body is suffering from disease, the good family physician will seek to determine the cause of the disease and remove it, and with that accomplished, the patient speedily recovers.

Now, Mr. Chairman, our country is sick. It has been suffering under the weight of disease for years. Constitutionally strong, it rallies. Time and again it has staggered and as often it has rallied. But the disease goes on. Step by step it is gradually undermining the strength of our nation. The past shows that every expedient we have adopted, every treatment we have administered has failed to eradicate the disease. It is now apparent that we must adopt a more radical treatment and remove the cause of the trouble.

We all agree that the cause of our deplorable financial disease was brought on by the demonetization of silver. If we would with courage, and on lines of safety, restore this money to its constitutional place under our former monetary system, the country would speedily recover its wonted health and vigor.

Everyone at all skilled in the science of money must admit that the money of ultimate redemption alone is money, and that all forms of credit notes are but representatives of this money, and will possess the same value or purchasing power as the money of redemption so long as its redemption is secured and no longer.

This primary money alone is the standard of value, and measures the price or value of all properties, and while an increase in the volume of secondary money or credit notes may the better accommodate trade and in that way to some extent stimulate prices, yet it does not and can not regulate or fix values; and unless the credit money of the country is issued to such an extent that faith is lost in its ultimate redemption and it thereby becomes depreciated, can it in any material degree affect our prices. To materially affect them we must look to the money that regulates values.

Upon the volume of this standard of value, as compared with the demands of trade, depend our prices, subject, of course, to be affected by the laws of supply and demand. The general level of our prices, however, is fixed and measured by the volume of our money of final payment.

I call attention to these truths of political economy that stand admitted by all writers and students of this subject as a basis for what I shall say further on.

Mr. Chairman, no thoughtful man can view the present condition in our country without alarm—in a land where we boast of equal privileges under the law and at the same time we see amassed around us fortunes of such prodigious proportions as to amount to almost a menace to our institutions.

When we realize the fact that 30,000 persons in the United States own one-half the entire wealth of the nation, it is time for those who cherish our institutions to stop and reflect, and we who do so do not subject ourselves to the charge of being alarmists.

The great danger to all countries is the aggregation of the wealth in the hands of the few. It has marked the decay and downfall of almost every country and republic since the world was. As the wealth accumulates poverty increases, and it has been well said that for every millionaire that a nation produces it gives to that nation a thousand paupers.

In our own country this is apparent, for, as stated, 30,000 people own half the wealth of the country, and we have 32,000,000 of people that have not, in money and property, \$40 each between them and the poorhouse.

This only serves to show—

How wide the limit stands
Between a wealthy and a happy land.

If these great fortunes could be legitimately acquired there would be no ground for complaint; but the Creator never made two hands that could honestly earn a million dollars in a short lifetime.

These fortunes have been acquired through subsidies, class legislation, illegitimate speculation, and gambling in the properties of our people, who are powerless to help themselves when in their grasp.

When half of the money of the world was struck down by legislation the wealth of the wealthy was doubled—that is, it is worth twice as much now in any of the properties or products of our country as it was when silver was demonetized—and the farmer and laborer can pay only one-half the debt now that he could with the same property in 1873.

We see the awful fruits of this condition spread out all over the land. Go to the Southern and Western farmer, once happy and

prosperous, and view his condition. After exhausting all his powers of production, and denying himself and family all the luxuries of life, he is more fortunate than many of his neighbors if he can save his little home from sale under execution.

More pitiable still is the tenant element of our people; while the man who owns the farm is bankrupt and without hope, what must be the condition of this army of industrious, honest people, without home, without money, and without hope?

Not only these, but our laboring people in the shops and mines are occupying the same position. All are servants of the same master—gold.

It seems to me, Mr. Chairman, that this condition of our people ought to alarm every man who loves our institutions and bring us back to the Constitution, and to that line of statesmanship where we can legislate in the interest of all the people.

In the face of these conditions we are met with the proposition to establish a banking system, and place in their hands the currency of the country.

While I recognize the fact, Mr. Chairman, that many good and patriotic citizens are now engaged in the banking business, and that many more would engage in it under the new system, we must know that corporations are not conducted like the ordinary business affairs of our people.

It is the will and decree of the board of directors that governs. Personal responsibility, either to God or the country, is forgotten, and with the motto, "To make all we can and keep all we make; to hold all the power given us, to acquire all we can, and usurp the balance," they are ready for business.

By the course of business carried on by confederated capital they have merited the appellation of "Soulless corporations," without pity, without love, without patriotism, and possessed of all the elements of greed and avarice.

It is proposed to trust the currency of the country in their hands, to be managed for the common good of all the people.

It is not only proposed to turn the currency over to these corporations, but to go a step further, and give them the power, by law, to make their currency elastic.

Elasticity in the money of the country, under the control of the Government is to be desired, but this power in private hands is a power dangerous to our country. To-day they can have an abundant currency, and in a few days or weeks it can be withdrawn. When the products of our country are to be marketed and the currency ought to be abundant, it can be made scarce. In other words, a currency of this character can be used for the promotion of the interests of those who have it in hand, and to the detriment of trade, commerce, and the people.

To take this step would be, in my judgment, to establish a moneyed aristocracy in this country to enslave our people, to corrupt our politics, and to enthrone a king more powerful and heartless than any tyrant that ever outraged an honest and confiding people. They would strike down those who opposed them and build up those who espoused their cause. Their hands would be in every campaign. They would settle every close contest in our elections. By concerted action and the corrupt use of money they would, I fear, dictate our legislation and oppress our people. They could declare war and stipulate the terms of peace, and if the Government refused their exactions they would only be required to threaten the finances of the country and wreck it or compel compliance to their will. They could build up or tear down. Controlling the money of the country, they would control the labor; and the sons of toil would be the easy victims of their avarice and power.

That there is something materially wrong in the affairs of our country all admit. Our values are all demoralized; our cotton and wheat not worth the actual cost of production, on land rent free.

It is urged on the other side that there is an overproduction of these commodities, but on examination we find that our cattle, horses, and land, when put on the market, will not command one-half their normal value.

All properties of every kind, in every part of the country, goes without price. Our farmers and laboring people are exclaiming all over the land, "What can we do? We can realize money with nothing we have to sell. Our debts are increasing. The tax-gatherer makes his regular round, and without an advance in prices we see no hope or escape."

Our "sound-finance" friends will answer their appeal with "How can you get a dollar unless you work for it or give something in exchange?" They overlook the fact that it now takes twice as much property to buy a dollar in money under the present gold standard as it did when we were on a bimetallic basis.

The trouble is, and we had as well meet it like men, in our standard of value. The narrow gold basis is too limited to uphold our currency and support the annual trade carried on in this country, amounting to the enormous sum of \$60,000,000,000.

That gold, in the last few years, has increased in value or purchasing power fully one-half stands admitted by all statisticians and scientists who have investigated this subject, and I believe has

been denied by none. To make it perfectly plain, it now takes twice as much of any of the cereal products or other properties of the country to buy a dollar in gold as it did a few years ago. As proof of this statement I submit the following carefully prepared tables, and admitted to be approximately true. From 1867 to 1877 and in 1893, 500 pounds of the following seven articles would buy in the markets in Liverpool, England, the number of grains of gold as shown in the columns below:

500 pounds of--	Grains of gold.	
	1867 to 1877.	1893.
Wheat	360	177
Flour	505	286
Sugar	662	413
Iron	236	137
Lead	562	286
Wool	5,072	2,633
Leather	4,100	3,331

It will be seen by an examination of the above figures that in 1893 it took, in round numbers, twice as much of either of the above leading commodities to buy a given amount of gold that it did in 1877. It now takes more than it did in 1893.

As a further proof I submit the following table, showing the decline in the price of wheat, cotton, and bullion silver since 1872, which demonstrates the increasing value of the gold standard or measure of value.

Years.	Wheat (bushel).	Cotton (pound).	Silver (ounce).
	Dollars.	Cents.	Dollars.
1872.....	1.47	19.3	1.32
1873.....	1.31	18.8	1.29
1874.....	1.43	15.4	1.27
1875.....	1.12	15.0	1.24
1876.....	1.24	12.9	1.15
1877.....	1.17	11.8	1.20
1878.....	1.34	11.1	1.15
1879.....	1.07	9.9	1.12
1880.....	1.25	11.5	1.14
1881.....	1.11	11.4	1.13
1882.....	1.19	11.4	1.13
1883.....	1.13	10.8	1.11
1884.....	1.07	10.5	1.01
1885.....	.86	10.6	1.06
1886.....	.87	9.9	.99
1887.....	.89	9.5	.97
1888.....	.85	9.8	.96
1889.....	.90	9.9	.93
1890.....	.83	10.1	1.04
1891.....	.85	10.0	.90
1892.....	.80	8.7	.86
1893.....	.75	7.2	.75
1894.....	.40	4.3	.55

By glancing at these figures you can see how rapidly and certainly the purchasing power of gold has steadily increased. Take the average bale of cotton and go into the markets to buy money and you can buy only \$20 with it, whereas only a few years ago the same bale of cotton would have brought \$50 in money. It is this increase in the purchasing power of the standard of value, and consequent constant fall of prices, that is bringing want and misery upon so many deserving people. It is this idolized, dishonest, ever-rising gold-standard dollar that is costing our people their happiness, sweeping away their homes, putting idle men on the streets, breeding tramps, destroying agriculture, putting out the fires in our furnaces, breaking our merchants, putting railroads in the hands of receivers, destroying patriotism, and giving the country stagnation in all lines of business and destroying our commerce at home and abroad.

The single gold-standard advocates, in the face of these facts, point to the gold dollar as the "honest dollar," and as a measure of value as fixed as the yardstick.

Every dollar in bank notes or other redeemable money that is issued only increases the demand for and continues to appreciate gold. If this senseless war for gold continues for a few years longer its value will so materially increase that the people will find that they have only tasted the bitter cup which they must drink in the coming years.

It is urged in the next place that the United States can not uphold a bimetallic basis resting upon the free and unlimited coinage of silver and gold at the present ratio. Upon this point I desire to call attention to only a few facts, not having time to enter into anything like a full discussion of the subject.

In the first place, half of the people of the world use silver alone as money. The other half are divided between a bimetallic basis and a gold-standard basis.

The products of gold and silver in all the world for the year 1893, as shown by the report of the Secretary of the Treasury, was: Gold, \$157,288,100, and silver, \$209,165,000. Of this sum there was

coined in the world for the same time in silver \$135,389,753; there was used in the arts \$34,860,833; making a total of \$170,250,586, the annual product consumed, leaving an uncoined surplus of \$38,914,414.

If every dollar of this surplus should come to the United States it would amount to only a little over 50 cents per capita for our population, and would fall short over \$10,000,000 per annum of supplying the increase in our population with the present amount of money per capita.

It is claimed that the foreign silver would go to the melting pot and be flooded upon us; this is equally untenable. Our ratio is greater than any of the Eastern nations. Whether used there as legal tender or as subsidiary coin, there would be great loss, both in the shipment to the United States and the recoinage of it into dollars bearing a greater ratio.

Beyond all this there is a universal dearth of money throughout the world, and every nation is in need of more of the precious metals.

Not only that, but every dollar that sought our markets would be exchanged for our surplus products, and the more that came the greater would be our export trade.

As a last argument against silver it is claimed that we can not maintain the parity of the two metals at the present ratio.

The market value of silver was destroyed by depriving it of its use as money, thereby destroying the demand for it. If you will restore the demand you will restore the value. The supply of silver is limited by nature, and if you will make the demand unlimited by free coinage you will at once restore it to its rightful place and give it its normal value.

Exclusive demand increased the value of gold. Taking away the demand for silver decreased its value. Reverse this order and you will at once reverse the value of these metals.

Let the great nations of the earth deny gold its place as the unit of value, and refuse it free coinage, and extend these privileges to silver, and you will at once place silver at a premium over gold.

When silver was demonetized it was at a premium over gold. It was a favorite money with the people. Its small denominations made it convenient for the great masses of the people in their daily transactions.

For seventy-five years the two metals stood at a parity, or so nearly so that the business and trade of the country was not disturbed.

These two supplies furnished us a sufficient volume of money of final redemption to keep our finances in a healthy condition; and at a time when our trade and population were increasing one of the great money supplies was cut off. Our financial system has since then been growing worse and worse.

Nature has opened her doors to us and we will not enter; she has spread out before us her wisdom and we will not learn. We could, with just as much propriety, and more wisdom, say that, because nature furnished us with the swine and the cattle to meet the demands of food, we will go to the single standard and boycott the hog.

Nature furnishes us with two competing commodities for our bread supply—wheat and corn, and two for raiment—cotton and wool; and we could say with the same degree of wisdom that we will strike down either of these commodities. The same wise Ruler that furnished these great competing commodities in the necessities of life hid away in the treasury of nature the two precious metals, that they might supply the demands of trade, feed commerce, foster prosperity, and bring happiness to the coming generations. But these latter-day economists who cry out for "honest money" while our people are being robbed have outwitted the Master and set at defiance the laws of nature and the rights of man.

By a violation of these plain truths the purchasing power or the value of gold has been doubled in the hands of those who held it.

The holdings of our people which consist of property has been reduced one-half by this legislation. The man who twenty years ago had \$1,000 in money and locked it up in his vaults can today buy property that would have then in the same money cost him \$2,000.

The farmer whose property twenty years ago was worth \$1,000 now finds it difficult to realize \$500 for the same property. And when we seek to remedy the wrong and reestablish property values throughout the country we are asked to increase the credit money and thereby further advance the price of gold and multiply the evils that vex the country.

If we would only embrace the opportunity to establish bimetalism and restore to the people their money as ordained by the Constitution, arrest the ever increasing perils of our country, and forever establish and maintain an American policy of finance, in the interest of our people and not in the interest of the creditor nations, we could rejoice in the fact that we had fulfilled the hopes of our party, and proclaim the truth that ours is still a government "of the people, by the people, and for the people."

England, when this country was in its infancy, tried in vain to conquer it by the sword, but was overwhelmed and defeated by the heroic and invincible spirit of the Americans.

What she failed to accomplish by the sword she has determined to achieve by the battles of peace. In the campaign against American interests she won the first great battle in 1873, when she induced this country to strike down silver and embrace the fatal heresy of the single gold standard.

From that time till this we have been the easy victims of her gold kings. We have stood with our breasts bare and without defense to receive the arrows of her greed, poisoned with British hate, until now we see this the greatest nation in the world on her knees and powerless before her ancient foe.

Her values are destroyed, her commerce crippled, her workmen idle, her great agricultural interests prostrate, her mines abandoned, her factories closed, and discord and discontent rife in the land.

Not only that, Mr. Chairman, but behold the representatives of that party under whose banner the great masses of our people, from shop, mine, factory, and farm, have waged the battles of freedom against plutocracy and monopoly since the Government was divided and powerless to act.

Mr. Chairman, while I am as strong in my convictions as any man, I stand ready to aid as best I can any safe and conservative legislation on the lines of our platform and for the good of the people.

I love my country, and, loving my country, I love my party. Her history and achievements are the glory of the nation. Her principles will live as long as free institutions endure, and around her banner the brave and unbought masses of our people, inspired by the intrepid spirit of our sires, will continue to struggle for equal rights, and, although we may now fail, the people who compose the Democratic party, whom we represent, will pass upon our course and vindicate the right.

To the principles of triumphant Democracy we must look for the accomplishment of our hopes and the vindication of the rights of the people.

When her principles are placed for execution in the hands of those who are neither wiser nor better than the party, who will carry out the wishes and represent the rugged honesty and patriotic devotion to principle of our plain people, those who will never abandon the conflict until the blessings of government, like the raindrops of heaven, are conferred alike on all our people, we will then lead this nation to a future that will pale the luster of all nations of all ages and meet the enthusiastic expectations of its patriotic founders.

As long as the fires of patriotism burn on the altars of our country and the love of justice and right rules the hearts of our people the undaunted and unconquerable hosts of Democracy will be found leading the attack upon the aggressions of greed and power.

In God's own might
We gird us for the coming fight;
And strong in Him whose cause is ours,
In conflict with unholy powers,
We grasp the weapons He has given—
The light, the truth, and love of heaven!

[Loud applause.]

Mr. GROW. Mr. Chairman, the question before us by the bill introduced from the Committee on Banking and Currency is the conversion of \$500,000,000 of noninterest-bearing debt into \$500,000,000 of interest-bearing debt. The object to be attained, as urged by its friends, is to take out of circulation \$500,000,000 of Treasury notes payable on demand, and, as is claimed, all in gold. That has been questioned by some members on this floor, and the Secretaries of the Treasury have been charged with the maladministration of their Department in construing the law that these notes are payable only in gold. These notes, it is claimed, are a standing menace to the gold reserve in the Treasury, and it has been asserted that the Secretary of the Treasury could just as well pay silver in their redemption.

I desire to read to the House the proviso in the law of 1882 which provided for the extension of the national banks. A part of the law is that the Secretary of the Treasury could receive in gold amounts exceeding \$20 and issue gold certificates therefor. But the proviso of that act reads, and I will read it for the benefit of the House and they can put their own construction upon it, for I think it hardly fair to charge upon the Secretaries of the Treasury since that time that it is by their construction of this proviso alone that the Treasury notes have been a menace to the gold reserve.

Under that proviso, when Mr. Jordan was Treasurer of the United States, referred to by the gentleman from Maine [Mr. REED] on yesterday, he so arranged the book accounts of the Department as to show this reserve by itself. Before that time the account had simply showed the balance in the Treasury, and from that time to this the gold reserve has stood in the reports of the Secretary of the Treasury like a special deposit—that is, what in bank practice

would be a special deposit. Now, one cause of the great raid upon this gold reserve to-day and for the last six months has been that the country knew the Treasury was paying out this special deposit for its current expenses. There is not a bank in the country that would not have a run upon it if it was known it was paying out its special deposits.

The present Secretary of the Treasury should have taken the position of his predecessors, that whenever the gold reserve fell below one hundred millions he would not touch it for current expenses, and if the current expenses of the Government could not be paid out of its actual receipts, then the lawmakers should take the responsibility of not furnishing sufficient money, and that he would maintain the honor and the credit of the Government by preserving the special deposit for the special purposes for which it was created. Now I will read the proviso, so that everyone can see for himself whether the Secretaries of the Treasury have exceeded or fell short of their duty or not. In the act of July 12, 1882, extending the charters of national banks, it is—

Provided, That the Secretary of the Treasury shall suspend the issue of such gold certificates whenever the amount of gold coin and gold bullion in the Treasury reserved for the redemption of United States notes falls below \$100,000,000.

Under that clause the Secretaries of the Treasury have been acting, whether Republican or Democratic; and there is no fairness in charging upon either side of this House that it has been a political Secretary that has made this ruling. It is now the law that requires that to be done. Whenever this reserve for the redemption of United States notes in gold and gold bullion shall fall below \$100,000,000 he must suspend the issue of gold certificates for gold deposits, because by this proviso \$100,000,000 is specifically reserved for the redemption of United States notes.

Now, I leave that part of the question and will devote the rest of my time to the proposition of changing \$500,000,000 of noninterest-bearing debt payable on demand into an interest-bearing bond debt, I care not how many years for payment. As to that policy it is for the House to determine whether it is wise, supposing these gold certificates and Treasury notes of 1890 are redeemable in gold. The argument of my colleague [Mr. BROSIUS] is conclusive as to the obligation of the Government in the paying of its debts. The creditor is entitled to receive the best legal tender in its possession and he has the choice or the Government would discredit itself when it refuses to pay in the best legal tender while claiming that all are of like value. Now, if these notes are a menace to the reserve required by law to be kept in the Treasury there is an easy way to take them out of circulation by retiring them into a noninterest-bearing debt with an indefinite time for payment by making them the basis of the circulating bank notes instead of bonds. I would put that plan against this plan.

The President of the United States has only recommended two things for the relief of the Treasury of the United States. In his message in December he said that the receipts of the Government during the fiscal year ending on the June previous were \$69,000,000 less than its expenditures, and its receipts have been less than its expenditures every day since then. His only recommendation then was a restoration of the old State banking system of furnishing a national currency as a remedy for these evils that have befallen the Treasury of the United States. He appealed to our patriotism to lay aside partisanship and help restore the old bank circulation—its "red-dog" and "wild-cat" currency. The older members of this House need no argument to prove the disastrous effects of that system upon the business of the country.

In his message a few days ago he simply recommends converting this noninterest-bearing debt into a bond debt of fifty years, bearing interest at 3 per cent. That is \$15,000,000 a year, or altogether \$750,000,000 to be paid in the form of interest on these bonds.

How can we take out of circulation without injury to business these demand notes? For I grant, Mr. Chairman, that it would be wise legislation to take the Government out of banking business in such way, however, as not to derange or injure the business of the country.

[Here the hammer fell.]

Mr. McRAE. Mr. Chairman, I yield now to my colleague, Mr. NEILL.

Mr. NEILL. Mr. Chairman, in undertaking to discuss the pending measure I do so with diffidence and a distrust of my ability to do the subject even a moiety of justice. I make no pretensions to large information or experience in the matter of finance. I am not the president of a national bank, never was a director in or had an account with one. From the standpoint of a number of gentlemen on this floor who seem to claim a monopoly of all information and knowledge on the subject, and who speak in an ex cathedra style equivalent to saying, "When I ope my lips let no dog bark," I suppose I should be silent.

But as the representative of an intelligent, liberty-loving, and patriotic people who have a common interest with their fellow-citizens throughout the United States in the great financial prob-

lem now confronting them, I feel it in some measure a duty to present briefly some of the reasons that impel me to oppose this bill, and I shall perform that duty as best I may.

I know full well that I appreciate the gravity of the present situation. It is as plain to my mind as to that of any gentleman in this House that the finances of the Government of the United States and of the masses of the people are not in good condition.

Prices are depleted, values are shrunken, business is stagnant, and labor is idle. The values of many of the products of the farmers and planters of our country have sunk below the cost of production. Thousands of honest and manly men, able, willing, and anxious to work and to earn a support for themselves and for those dependent upon and dear to them, are unable to find employment. The threshold of many an honest and virtuous home in these United States is darkened to-day by a gaunt and hideous specter whose name is Want. The eyes of millions of people are turned on Congress with an eager and intense desire that we may devise some means which will improve the present condition of affairs, stimulate trade, put capital into activity, enhance values, and give remunerative employment to honest labor. Whatever this Congress may be able to do in this regard should be done, and I would feel it my highest duty to the generous people whose immediate representative I have the honor to be, as well as my duty to the whole people of the United States, to cooperate with my colleagues on this floor, of all political parties, in the promotion of such ends.

But, sir, I am utterly unable to see how the issue and sale of \$500,000,000 in interest-bearing bonds, payable specifically in gold coin, will relieve one iota of the financial distress now prevailing in every part of the broad domain of this Union of ours.

Will it increase the price of a single product of the farm, the shop or the factory, or raise the wages of a single wage earner in the United States? I confess my inability to see in it any promise of such a result, nor have I heard in the arguments of the promoters of this bill anything which inspires my confidence.

The President of the United States in that most remarkable of all his state papers, the message sent to Congress on the 28th day of last month, uses this language:

With natural resources unlimited in variety and productive strength, and with a people whose activity and enterprise seek only a fair opportunity to achieve national success and greatness, our progress should not be checked by a false financial policy and a heedless disregard of sound monetary laws, nor should the timidity and fear which they engender stand in the way of our prosperity.

It is hardly disputed that this predicament confronts us to-day. Therefore no one in any degree responsible for the making and execution of our laws should fail to see a patriotic duty in honestly and sincerely attempting to relieve the situation.

In these utterances of the President my judgment entirely concurs.

Our progress should not be checked "by a false financial policy and a heedless disregard of sound monetary laws;" but greater than this and of overshadowing moment in the interest of humanity the toiling millions of people, of little or no property, should not be ground into poverty, squalor, desolation, and despair. And yet it is not overdrawing the picture to say that such is the case to-day.

Continuing, the President's message states:

The real trouble which confronts us consists in a lack of confidence, widespread and constantly increasing, in the continuing ability or disposition of the Government to pay its obligations in gold.

From this expression of opinion of the Executive I am bound to dissent. I think the assumption is unfounded, and from that error, which is fundamental, springs the whole faulty theory upon which the President and the small number of persons who agree with him on this subject desire to proceed in regulating the finances of the Government and, what is of vastly more importance, the finances of the people.

With deference and without the slightest intention of disrespect to the exalted station and the high personal character of the author, I challenge the correctness of the extract last above quoted.

That the bondholders, speculators, and gold sharks of Europe and America are desirous of having their obligations paid in gold and of continuing this country on a gold basis or single gold standard I quite agree, but the masses of the people of these United States, nineteen out of every twenty at least, are not in favor of any such a policy if it is to cost them anything more in values, as it assuredly will do.

It is not so nominated in the bond. The United States bonds authorized by the act of July 14, 1870 (at this moment I recall no others), are expressly redeemable in coin of the then standard value. What was coin of the then standard value? It included the silver dollar of the weight of 412½ grains coined under the provisions of the coinage act of 1837, as well as gold coins provided for by the same act and subsequent acts of Congress prior to July 14, 1870. There was nothing in the public-credit act of the 18th of March, 1869, in conflict with this. That act simply recited that "the faith of the United States is solemnly pledged to the pay-

ment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes and of all interest-bearing obligations of the United States except in cases where the law authorized the issue of any such obligations has expressly provided that the same be paid in lawful money or other currency than gold and silver." So that it is perfectly plain there is nothing in the statutes under which these bonds were issued, and which by a familiar rule of construction entered into and became a part of the contract, calling for these bonds to be paid specifically in the one or the other of the standard coins of the country, such as existed at the date of the act authorizing the issue of said bonds. I think it will not be questioned that I have stated the law of the case fairly.

But since the act of February 12, 1873, which practically demonetized silver by excluding it from the mints, as far as being coined into standard silver dollars is concerned, a theory has sprung up that there is some sort of implied obligation that these interest-bearing bonds should be paid solely in gold. I deny the obligation. It is without foundation in law, and there is no equity in it. A large number of these bonds were purchased at par and paid for in greenbacks worth at the time less than fifty cents on the dollar in gold.

But it may be said that some of the bonds were sold by the Government for gold, which is probably true as to all of them sold under the provisions of the resumption act of January 14, 1875, including the hundred million dollars disposed of by the present Secretary of the Treasury under cover of that act. But the fact that the bond purchasers paid gold does not, in my opinion, change their rights or their equities.

These people made their contracts with full knowledge of the public statute which entered into and became a part of the contract and was in fact set out in the bonds.

It is argued, however, that the bondholder who has parted with his gold should not be forced to accept in payment a depreciated and inferior money, and an especial plea is made in the President's late message in favor of the people who paid in \$116,000,000 in gold for the bond issues of January and December, 1894. Of all the people in the world it does seem to me that these fellows deserve the least consideration. With greenbacks and Sherman Treasury notes they first looted the Treasury of its gold, and then took the same gold and paid it back for the bonds purchased, and are now paraded as persons entitled to special favor as having performed a patriotic service to the country.

Why, Mr. Chairman, in my humble opinion that somewhat notorious gentleman, and possibly much-maligned individual, Bill Cook, who has until recently roamed the woods and prairies of the Indian Territory, Oklahoma, and Texas, at intervals holding up railway trains, and again besetting the pathway of the weary commercial traveler on lonely country roads, but with impartial hand relieving all alike of their cash, not scorning to accept even despised silver, is a Christian gentleman compared to these gold looters.

There is a class of eminently good people in our country engaged in sending out Christian missionaries to heathen lands, and also to the benighted and dark places in our own country, the slums of the great cities included.

Contemplating their pious work, it has occurred to me that in the interest of suffering humanity it would be a worthy act to secure Bill Cook's release from the yawning jail at Fort Smith, Ark., and send him down as a missionary to work among the gold sharks and Treasury robbers of New York City.

The bill under consideration, however, is a proposition to radically depart from all laws heretofore passed on that subject and to issue bonds—\$500,000,000 of bonds—payable specifically in gold, and bearing \$15,000,000 of interest annually in like coin. The action of the present Administration and of the preceding one in giving to the holder of the Treasury notes the option of demanding the kind of coin in which he will receive payment of such notes was a plain abdication of the discretion absolutely vested by law in the Secretary of the Treasury. This course persistently followed by the executive department of the Government, coupled with the refusal of Congress in the extra session of 1893 to make any provision for the further coinage of silver in connection with the repeal of the purchasing clause of the so-called Sherman silver act, has to all intents and purposes placed the financial transactions of the Government and of the people of this country on a single gold basis.

The President of the United States and the promoters of this bill are openly and without disguise asking this Congress to ratify and confirm the single gold standard and make it the settled policy of this country.

Are the Democrats in this House from the West and the South prepared to take this step, fraught with such tremendous consequences to the future of the people of this country? Are you ready, gentlemen, to saddle upon your constituents and upon the people of these United States and their posterity for two generations to come an additional debt of \$500,000,000 in gold, bearing

\$15,000,000 interest annually also in gold, and this in a time of profound peace, and when we are assured by those who profess to know, by the Secretary of the Treasury, by the distinguished chairman of the Ways and Means Committee of this House, and by the President, that the ordinary revenues of this Government will be ample to meet its expenses?

I say to you, Mr. Chairman, and to this House frankly that I for one will not consent to such a scheme, but in my place as a Representative in the American Congress, in behalf of the people of my State, in behalf of the people of the United States, I protest against its adoption. I go further, and denounce it as unwise, uncalled for, unjust, cruel, and infamous.

The only condition, Mr. Chairman, upon which I would ever consent to vote for a single dollar of interest-bearing bonds in time of peace would be for the purpose of retiring absolutely the Treasury notes, coupled with a plain provision for the free and unlimited coinage of silver into standard silver dollars, of full legal-tender qualities, and for the increase of silver certificates, backed by silver dollars held in the Treasury for their redemption. And I would do this on the same principle and for the same reason that I would pay a ransom to a band of robbers to procure my liberty and that of my people rather than remain life prisoners.

The great trouble, Mr. Chairman, in the financial condition of the Government, and what is infinitely worse, the condition of the people of this country, is that we are on a gold basis. Silver as a money metal is discredited, dishonored, and debarred from the mints. This under the false and fraudulent pretense that its value for standard-money purposes has become impaired, and because its commercial value has fallen below that of gold at a ratio of 16 to 1. But when we look carefully at the commercial ratio of gold to silver—that is, the value of gold as compared to silver—we find that for nearly two hundred years prior to the year 1873 the fluctuation or change in the commercial ratio of silver to gold had been but small.

In the year 1687 the ratio was as 14.94 to 1, in 1872 it was as 15.63 to 1; between these two dates the lowest ratio was 14.14 to 1, in 1760. The highest was 16.25 to 1, for the year 1813. In the year 1792, the date of the first coinage act of the United States of America, the commercial ratio was 15.17 to 1 and the legal ratio was fixed at 15 to 1.

It will thus be seen that the variation or change in the commercial ratio of gold to silver varied but slightly in all this long period of time. This notwithstanding that England practically ceased free coinage of silver in 1816.

But beginning with 1873 we find the ratio changed to 15.92 and gradually increased almost every year until in 1892 we find it 23.72 and the year 1893, 26.49.

Will any reasonable man doubt that the demonetizing act of 1873 was largely responsible for the rapid decrease in the commercial ratio from that date to the present? I take these figures from a table found on page 158 of the twenty-second annual report of the Director of the Mint for the fiscal year ending June, 1894.

As this table is very instructive I ask leave to attach it to my remarks by way of an appendix that the same may appear in the RECORD.

I am advised, Mr. Chairman, that Germany also, in 1873, established a national gold standard and destroyed the legal-tender qualities of silver in excess of 20 marks in any single transaction. Thus it is at the present time the three greatest commercial nations on the face of the earth, the United States, Great Britain, and Germany, rest upon a single gold standard. I am aware that the opponents of silver coinage maintain that the United States can not successfully reestablish bimetallic coinage without the co-operation of these European nations.

I am one of those who do not believe this, but have full faith that the United States, containing nearly 70,000,000 people and rapidly growing, is large enough, powerful enough, has foreign commerce enough to lead the way back to the path of financial safety and honor in restoring to its proper place one of the standard money metals of the civilized world. If we are to wait, as some gentlemen insist, for the matter to be adjusted by international conference we and those who come after us will wait until the end of time or until the present Government and social system of England are overturned by revolution.

England, cold, crafty, and cruel, will never willingly consent to bimetallicism. She is a large creditor nation. It was estimated by Mr. Gladstone a year or two ago that she held securities of the people of other nations to the amount of \$10,000,000,000. It is to the interest of England that the money of ultimate redemption should consist only of gold, because the smallness of its volume will necessarily enhance its purchasing power. Shall we whose brave ancestors, when they were few and weak, whipped these greedy Britons from our shores a hundred and eleven years ago in a struggle for our political independence, allow ourselves and our children's children to be made slaves to her financial cupidity, now that we are many and strong?

We have many products, the growth of our fields and farms, the output of our shops and factories, which the people of England need and will have, and because of which they will court commercial relations with us, though we were on a bimetallic or even a silver basis. Besides this, we have the remainder of the world with which to cultivate more intimate commercial and financial relations—the countries of the so-called Latin Union, other countries of Europe, Mexico, and the whole of South America.

The tables I have quoted show that as long as silver had access to the mints of the world on equal terms with gold the commercial ratio between the two metals varied but slightly. It is history that their coin values remained comparatively unchanged, and to-day in these United States, while legal-tender silver is discredited by the very Government that coined it, its purchasing power of commodities is as great as that of the gold dollar.

It is safe to assume, therefore, that silver, being a valuable metal, which does not corrode nor decay, which is adapted to money purposes, would rise in commercial value were the mints open to its coinage.

The supply of silver which can be obtained by mining, according to past experience, is limited. Open the mints to the free and unlimited coinage of silver and there will immediately spring up a demand for it greater than the supply. This would inevitably, according to all human experience as to the adjustment of values, bring the commercial price of silver up to or approximately to its legal or coinage value. With one-half of our primary money degraded to the rank of secondary or credit money and all values resting upon the amount of gold now in existence in the world, it is no wonder that values have shrunk. The result, to my mind, is as inevitable as that 2 from 4 leaves only 2. This in my judgment, Mr. Chairman, is the real trouble which confronts the people of these United States.

Concurrent with the demonetization act of 1873 values in this country began to shrink and the tendency has been downward ever since. Its velocity increased with the Sherman Act of 1890, and was accelerated by the action of Congress at the time of the repeal of the Sherman Act in 1893, in refusing any legislation looking to the restoration of the coinage of silver, and it is going on to-day.

And yet in this time of stagnation, desolation, and despair it is deliberately and coolly proposed to incur an additional interest-bearing debt of \$500,000,000 to get gold with which to appease the insatiate, hellish greed of a set of vampires and cormorants in human form.

Mr. Chairman, it is no wonder that the President, the Secretary of the Treasury, and the chairman of the Committee on Banking and Currency are floundering in a deep morass, each crying out, "Help me, Cassius, or I sink."

Starting out in the wrong financial road at the beginning of its term, the Administration has gotten farther and farther off the open highway of safety, until now it is in a veritable Slough of Despond, from which there is but one escape, and that is to turn its steps back to the open road, plainly blazed and worn smooth by almost a hundred years of travel by our ancestors, who were wise and patriotic men. I stand ready to assist in this to the extent of my feeble ability, and would gladly make any reasonable concessions, and would sink all pride of opinion in order to accomplish so desirable an end.

In regard to the second section of the bill, I see no assurance that it would retire all the Treasury notes now used to draw gold from the Treasury, and in my opinion it would not, and if it did not, the very mischief which the bill professes to be aimed at would not be remedied. It is utterly unlikely that the organized gang of gold looters, some of whom undoubtedly have connections with the national banks, would allow these Treasury notes all to be redeemed by the Treasury so long as they could be used to continue the process of drawing gold from the Treasury.

The gentleman in charge of the bill has told me that he had assurances from the national banks that they would under this bill, if it became a law, take out a circulation entirely sufficient to absorb all these Treasury notes. Their assurances seem to satisfy him. They do not satisfy me. In fact I may as well confess that I am sadly afflicted just now with a want of confidence.

But even were I satisfied on that point, Mr. Chairman, I would still be against the bill. I am unwilling to leave the matter of furnishing the paper currency of the country to any body of private corporations. I am unwilling to see the Government abdicate its constitutional function of supplying and regulating the money of the country.

I may as well in this connection say a few words in regard to the substitute bill (H. R. 8705) offered by my friend, Mr. Cox of Tennessee.

There is an effort in that bill toward accomplishing some good. Section 11 is a short step, though very short, toward the recognition of silver as money. But there is no provision for anything but the coinage of the silver bullion now in the Treasury. This would only increase the amount of silver and silver certificates in

circulation, an amount equal to the seigniorage bullion now in the Treasury, some fifty-five or fifty-six million dollars.

The other provisions of the bill looking toward the increase of national banks and the resulting increase of their power do not meet the approval of my judgment. I may say, in the first place, that I do not believe that currency issued under those provisions would be sound and safe. In the next place, there is no earthly probability that this system of national banks would absorb more than a moiety of the Treasury notes now in existence. While the system might therefore increase the volume of currency in the United States, it would be simply credit money. I can not see that an increase in its volume would be likely to restore confidence and enhance values. I very much regret that I can not see my way clear to agree with many of my friends, for whom I have the greatest regard, in the support of some such measure as the Cox bill.

But after the most careful and patient investigation I have been able to give the subject for the past two years I am the more convinced that all efforts toward patching up the money or currency system are simply quackery, tentative and superficial remedies, so long as one of the primary moneys of the world, to wit, silver, is tabooed and placed under the bar sinister.

Mr. Chairman, in taking my stand upon this question and upon the bill under consideration I have not overlooked the fact that, whether this measure may be passed or not, additional bonds may be and doubtless will be issued. The President has not left us in doubt as to that, but with his accustomed frankness has in effect said that he will continue to replenish the gold reserve by a sale of more bonds.

It is true he says it is very irritating to have the Treasury "despoiled" by a set of fellows he is too polite to designate as I have named them—but anyway the mill must grind and the endless chain be kept in motion. I would be very glad to vote for a bill or joint resolution to prohibit the further issue of a single bond, and had hoped that the resolution of my friend from Texas [Mr. BAILEY] to that purport could have been gotten before the House before now, and I am sure that it is no fault of his that it has not been.

But there is this grain of comfort: The bonds issued under color of existing law are payable in coin of the standard value of 1870, which legally includes standard silver dollars.

I trust in the providence of the God of the universe, He who holds the destinies of nations in His hand, that the people of the United States will regain the ascendancy (they are not in power now) at no distant day in the future, and I have an abiding faith that when that auspicious time shall come our coinage laws will be remodeled and the present contemned and outlawed white metal will be restored to its rightful place in our system, and then the holders of coin bonds will be willing to take it in payment, but if contumaciously unwilling will be forced to do so if it should be found convenient to make payment in such coin.

I know not what the fate of this bill will be in this House, but judging by the alacrity with which many of the gentlemen on this side of the Hall responded to Executive bidding and cooperated with their allies on the other side in August and November, 1893, on the repeal of the purchasing clause of the silver act of July, 1890, I am prepared to see the bill receive a majority here. But I am told it can not pass the Senate. If this is true I thank God and take courage, and am grateful that we have a Senate that without fear or favor will dare to do right.

I am aware that many of the business men of this country favor this measure and that the boards of trade and chambers of commerce of most and perhaps all of the great cities of the United States are memorializing Congress to fall in with the President's recommendation.

These gentlemen are eminently respectable. They are entitled to their views, and their views are entitled to respectful consideration, but in the aggregate they do not compose the one-hundredth part of the adult male population of the United States. And without the slightest disrespect it may be said that they are not "the people, neither will wisdom die with them." There is another and a much larger class of people, Mr. Chairman, citizens of the United States, who have not memorialized Congress. They seldom do, but we have good reason to know their views upon this legislation. They are that vast army of agriculturists, artisans, mechanics, and wage earners in every department of life. They are in every ward, township, and civil district from Maine to Louisiana and from Charleston to San Francisco. They do not want a single gold standard, nor a further issue of \$500,000,000 in bonds. They are the producers of values. These gentlemen of chambers of commerce are simply brokers, traders, and distributors of values, useful to a certain extent, but not indispensable.

Mr. Chairman, I could say much more upon this subject, but I have taken all the brief time allotted me and will soon be forced to desist. In what I have said I have sought "not to set down aught in malice and nothing extenuate."

But in my humble opinion it is a time for plain speaking, and I am not the man to mince words or hunt for honeyed phrase

when vital interests of millions of my countrymen and countrywomen, including those who have stood by me in every ambition and aspiration of my life, are in the scale.

I could wish that some of the promoters of this and kindred measures before this Congress could see the homes of thousands of honest people in the rural districts of this country as I have seen them—homes where honor and virtue and refinement and patriotic devotion to country dwell.

In many, very many, of such homes to-day, in spite of the utmost industry and frugality—the wife, and fair daughters, educated and

refined women, laboring in the fields alongside of the husband and sons during the growing and gathering season—there is dearth of even many of the comforts of life. I think were these facts fully understood we would hear less of taking care of the business interests of the country, of maintaining a large gold reserve, and of the supposed obligations to provide gold for the bondholders at a ruinous sacrifice of the interests of a vast majority of the whole people.

Mr. Chairman, what is spoken is spoken. Would it were worthier. [Applause.]

APPENDIX.

Commercial ratio of silver to gold each year since 1837.

[NOTE.—From 1837 to 1832 the ratios are taken from Dr. A. Soetbeer; from 1833 to 1878 from Pixley and Abell's tables; and from 1879 to 1890 from daily cablegrams from London to the Bureau of the Mint.]

Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.
1687	14.94	1708	15.41	1729	14.92	1750	14.55	1771	14.66	1792	15.17	1813	16.25	1834	15.73	1855	15.38	1876	17.88
1688	14.94	1709	15.31	1730	14.81	1751	14.39	1772	14.52	1793	15.00	1814	15.04	1835	15.80	1856	15.38	1877	17.22
1689	15.02	1710	15.22	1731	14.94	1752	14.54	1773	14.62	1794	15.37	1815	15.26	1836	15.72	1857	15.27	1878	17.04
1690	15.02	1711	15.29	1732	15.09	1753	14.54	1774	14.62	1795	15.55	1816	15.28	1837	15.83	1858	15.38	1879	18.40
1691	14.98	1712	15.31	1733	15.18	1754	14.48	1775	14.72	1796	15.65	1817	15.11	1838	15.85	1859	15.19	1880	18.05
1692	14.92	1713	15.24	1734	15.39	1755	14.68	1776	14.55	1797	15.41	1818	15.35	1839	15.62	1860	15.29	1881	18.18
1693	14.83	1714	15.13	1735	15.41	1756	14.94	1777	14.54	1798	15.59	1819	15.33	1840	15.62	1861	15.50	1882	18.19
1694	14.87	1715	15.11	1736	15.18	1757	14.87	1778	14.68	1799	15.74	1820	15.62	1841	15.70	1862	15.35	1883	18.64
1695	15.02	1716	15.09	1737	15.02	1758	14.85	1779	14.80	1800	15.68	1821	15.95	1842	15.87	1863	15.37	1884	18.57
1696	15.00	1717	15.23	1738	14.91	1759	14.15	1780	14.72	1801	15.46	1822	15.80	1843	15.93	1864	15.37	1885	19.41
1697	15.20	1718	15.11	1739	14.91	1760	14.14	1781	14.78	1802	15.26	1823	15.84	1844	15.85	1865	15.44	1886	20.78
1698	15.07	1719	15.09	1740	14.94	1761	14.54	1782	14.42	1803	15.41	1824	15.82	1845	15.92	1866	15.43	1887	21.13
1699	14.94	1720	15.04	1741	14.92	1762	15.27	1783	14.48	1804	15.41	1825	15.70	1846	15.90	1867	15.57	1888	21.69
1700	14.81	1721	15.05	1742	14.85	1763	14.90	1784	14.70	1805	15.79	1826	15.76	1847	15.80	1868	15.59	1889	22.10
1701	15.07	1722	15.17	1743	14.85	1764	14.70	1785	14.92	1806	15.52	1827	15.74	1848	15.85	1869	15.60	1890	19.76
1702	15.52	1723	15.20	1744	14.87	1765	14.83	1786	14.96	1807	15.43	1828	15.78	1849	15.78	1870	15.57	1891	20.92
1703	15.17	1724	15.11	1745	14.98	1766	14.80	1787	14.92	1808	16.08	1829	15.78	1850	15.70	1871	15.57	1892	23.72
1704	15.22	1725	15.11	1746	15.13	1767	14.85	1788	14.65	1809	15.96	1830	15.82	1851	15.46	1872	15.63	1893	26.49
1705	15.11	1726	15.15	1747	15.26	1768	14.80	1789	14.75	1810	15.77	1831	15.72	1852	15.59	1873	15.92		
1706	15.27	1727	15.24	1748	15.11	1769	14.72	1790	15.04	1811	15.53	1832	15.73	1853	15.23	1874	16.17		
1707	15.44	1728	15.11	1749	14.80	1770	14.62	1791	15.05	1812	16.11	1833	15.93	1854	15.33	1875	16.50		

[Mr. NEULANDS addressed the committee. See Appendix.]

Mr. McRAE. I yield four minutes to the gentleman from Missouri [Mr. BLAND].

Mr. BLAND. I desire to have read an amendment which I intend to offer to the first section of this bill.

The Clerk read as follows:

Strike out section 1, and insert as follows:

"That all coin obligations of the United States shall be paid in the standard gold or silver coins of the United States, and such payment shall be made from time to time in such of the coins aforesaid as may be most advantageous and convenient to the Government. That to provide the Treasury with such coins all duties on imports shall hereafter be paid one-half in gold and one-half in the standard silver coins of the United States.

"It is further provided, that in order to redeem the Treasury notes of the United States, issued in pursuance of the act of July 14, 1890, directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes, the Secretary of the Treasury shall cause to be executed the provisions of section 3 of said act by coining into legal-tender standard silver dollars all the silver bullion now in the Treasury purchased in pursuance of said act. And the Secretary of the Treasury is further authorized and required to coin not less than \$10,000,000 per month of said bullion, and is hereby authorized to increase the facilities and capacities of the mints of the United States, if the same should be necessary, to execute the coinage herein required. That the Treasury notes aforesaid, when redeemed in the coin herein provided for, or otherwise become the property of the Government, shall be canceled and destroyed in amounts equal to the coin held in the Treasury for their redemption, and the coin in respect to which such notes are canceled and destroyed shall be paid into the general Treasury.

"And be it further provided, That in order to procure additional gold and silver coins for the redemption of the coin obligations of the United States, and to assist in the payment of customs duties in coin, the act approved January 18, 1837, entitled 'An act supplementary to the act entitled 'An act establishing a mint and regulating the coins of the United States,' be, and the same is hereby, revived and reenacted in full force and effect, and all laws in conflict with said act are hereby repealed.

"It is also provided, That in order to meet any deficiencies that may from time to time accrue to the Treasury, and further enable the Secretary of the Treasury to set apart coin to meet the coin obligations of the Government, the Secretary of the Treasury is authorized and directed to cause to be prepared and issued Treasury notes of the United States in such denominations and with such devices as he may prescribe, and such Treasury notes shall be receivable and payable for all dues and demands of the United States except duties on imports and other coin demands.

"That whenever and as often as the condition of the Treasury will permit said Treasury notes when paid into the Treasury, or otherwise become the property of the Government, shall be canceled and destroyed.

"And it is further provided, That all authority to issue bonds for any purpose, or to further increase the interest-bearing debt of the United States be, and the same is hereby, revoked.

"The Secretary of the Treasury is hereby authorized to make such rules and regulations as may be necessary to carry this law into effect, and a sufficient sum of money is hereby appropriated to enforce the provisions of this act."

Mr. BLAND. Mr. Chairman, the proposition contained in that amendment—

The CHAIRMAN. The four minutes yielded to the gentleman have expired. They have been consumed by the reading.

Mr. McRAE. I yield the gentleman from Missouri one minute more.

Mr. BLAND. In the first place, Mr. Chairman, the amendment proposes to provide for the coin obligations of the Government in a manner different from that provided in the bill. No bonds are to be issued, but the amendment provides for executing the third section of the act of July 14, 1890, which requires that the silver bullion purchased thereunder shall be coined for the redemption of these notes, and that the seigniorage shall be paid into the Treasury. This amendment compels the execution of that act, and requires that it shall be executed by coining not less than ten millions a month. It further provides that the coin reserve shall be secured by duties on imports, payable half in gold and half in silver, and it provides for the reenactment of the law of 1837 for the payment of duties in coin. It provides further for the issuing of Treasury notes to meet any deficiency in the Treasury, such notes to be receivable and payable for public expenses, and when the exigency ceases the notes are to be canceled and destroyed. They are simply exchequer bills bearing no interest. The amendment meets the whole case in pursuance of law, and without the issuing of a bond or an interest-bearing obligation. [Applause.]

[Mr. McRAE addressed the committee. See Appendix.]

Mr. WARNER. Mr. Chairman, I have been somewhat puzzled at the reasons given by some gentlemen for their asserted support of this bill, and I have been still more puzzled at the reasons why some gentlemen are opposed to it. As I understand it, this is a bill for the retirement of our greenback circulation, for the performance, at this late day, of the promises made to the people a generation ago, that as promptly as possible the demand obligations of the Government should be paid off and retired; that the Government should go out of the business of fiat money, and the Treasury be divorced from the business of the private citizen. That is the reason I support the bill—because it is a bill for greenback retirement, a bill for the renunciation on the part of the American people of the "rag-baby" idea of money, a bill for paying the past-due debts of the Federal Government.

UNCONSTITUTIONALITY OF LEGAL TENDERS.

In the first place, sir, I have always believed that the Federal Government should mind its own business exclusively and keep out of that of others, except so far as it might by taxation, equitably adjusted, exact contributions necessary for the support of the Government, and I have always believed these legal-tender issues to be not merely unconstitutional, but oppressive and dishonest to boot—constituting, indeed, a forced loan levied by the strong hand of Government upon anyone so unfortunate as to have his property exposed to being looted by this means. The discussion of this usurpation, however, has become as threadbare as that of Adam's fall; so I content myself with quoting here, in better language than I could newly frame, the scathing arraignment of the legal-tender act made by Senator Collamer, of Ver-

mont, when it was pending, and the abjuration by Chief Justice Chase, delivering the opinion of the Supreme Court, of the sin alike against law and honesty; into which, while Secretary of the Treasury, his patriotic zeal had led him:

[Mr. Collamer, in the Senate, February 12, 1862.]

What is the public faith? On what does it rest? It is that the Government appreciates the inviolability of contracts. In this very bill you make provisions to enable a man, so far as the amount of the discount goes, to discharge his debt for a less sum than he agreed to pay. You put it in this very bill, and you do not oblige anyone else in the community to receive the paper at all. Everybody else can do as he pleases about taking it for his property. You make it a law binding only on choses in action, and no way reaches choses in possession. Therefore you make it for that purpose; a purpose which, upon the face of it, is to destroy the obligation of contracts, and therefore you do not hold contracts inviolable. Is it possible that you can expect to obtain the confidence of the community and the world with such language and such provisions in the very same bill in which you appeal for credit? If it must come to this, I should hope that there would be the little decency of keeping it out of this bill, and putting it in a separate measure. * * *

My honest opinion is that the Constitution never intended to invest Congress with any such power. On this point I will suggest, first, that if this power was given to Congress it would be perfectly and utterly useless, except for purposes of injustice. Suppose there were no debts; suppose all debts were obliterated, and we were now about to raise money to start in our important national concerns, wanting credit, and we had said, in order to get along, that Congress shall have power to make the paper issued by the United States a tender; and suppose Congress directed an issue of paper and declared that it should be a tender; I ask whether anybody on earth could by that act be compelled to take it? Would not that tender clause be a brutum fulmen? I am going now on the supposition that nobody now has anything due to him. Then, of course, there is nobody to whom you can make a tender. As to taking it for his property, a man is under no obligation to do that. Then a power of that kind given to Congress in the Constitution would be simply and utterly useless; it could have no practical effect.

Then suppose we have debts, what does it do? Would you invest Congress with the power in such a case? It is good for nothing under heaven but to enable people to cheat; Congress gets nothing by it. You put out your paper; it deteriorates, it is at a discount. A man sells his property for whatever price he pleases, and if he knows that he is to get this paper in payment he will put on an artificial price to make up for its deterioration, and then he can tender the paper to his creditor in payment of a debt at its par value, though that creditor may thereby lose 25 per cent of his debt. The obligation of the contract is impaired just that amount by the act of the Government. If that is the only practical use that can be made of a power in Congress to make paper a tender, it seems to me that it does not commend itself very much, nor do I think anybody will be very ready to believe that the convention framed the Constitution on purpose to give this useless power just to enable some men to cheat their creditors. It would require a great deal more than silence to convince me that the convention actually intended to vest such a power as that in Congress for such an unjust purpose, and it can be used for no other purpose. The creditor loses his 25 per cent, and that does not go into the Treasury.

Again, before examining what the convention actually did I will present one other consideration. It will be seen from the extracts I have read that when they were about to form the Constitution the people had suffered, had been demoralized mainly by two things: First, by the Continental money which Congress had issued; and second, by paper which the States had issued after the war, and made a tender themselves, and made relief laws about. These were the two things from which the people had suffered. We all know that they wrote in the Constitution that no State should omit bills of credit, make anything but gold or silver coin a tender in payment of debts, or impair the obligation of contracts. Now, I would ask were the evils, the troubles, and the disasters of the people all owing to the States doing that? Had not the people suffered to the amount of \$30,000,000 by paper issued by the old Congress of the Confederation? Yes. Then what they were complaining of was not merely that the States corrupted their people by such laws.

I would ask any man looking at it in that clear light of history to say whether he believes that a convention would get together in that state of things and make a deliberate provision, in order to guard against the consequences and corruptions which had followed such a course of conduct, that no State should thus debauch its people, but that Congress might debauch the whole nation whenever it pleased? Can any man in his senses believe that anything of that kind was or could have been intended? Yet that is the talk now, and that is the power which, it is said, is forbidden to the States and may be exercised by Congress.—*Congressional Globe*, second session Thirty-seventh Congress, page 788.

[Hepburn vs. Griswold, Supreme Court of United States, December, 1869. Opinion of the court by Chase, Chief Justice.]

* * * We are thus brought to the question whether Congress has power to make notes issued under its authority a legal tender in payment of debts, which, when contracted, were payable by law in gold or silver coin.

The case before us is one of private right. The plaintiff in the court below sought to recover of the defendants a certain sum expressed on the face of a promissory note. The defendants insisted on the right, under the act of February 25, 1862, to acquit themselves of their obligation by tendering in payment a sum nominally equal in United States notes. But the note had been executed before the passage of the act, and the plaintiff insisted on his right under the Constitution to be paid the amount due in gold and silver. And it has not been, and can not be, denied that the plaintiff was entitled to judgment according to his claim, unless bound by a constitutional law to accept the notes as coin.

Thus two questions were directly presented: Were the defendants relieved by the act from the obligation assumed in the contract? Could the plaintiff be compelled, by a judgment of the court, to receive in payment a currency of different nature and value from that which was in the contemplation of the parties when the contract was made? * * *

It has not been maintained in argument, nor, indeed, would anyone, however slightly conversant with constitutional law, think of maintaining that there is in the Constitution any express grant of legislative power to make any description of credit currency a legal tender in payment of debts. We must inquire, then, whether this can be done in the exercise of an implied power. * * *

It is certainly not the same power as the power to coin money. Nor is it in any reasonable or satisfactory sense an appropriate or plainly adapted means to the exercise of that power. Nor is there more reason for saying that it is implied in, or incidental to, the power to regulate the value of coined money of the United States, or of foreign coins. This power of regulation is a power to determine the weight, purity, form, impression, and denomination of the several coins, and their relation to each other, and the relation of foreign coins to the monetary unit of the United States.

Nor is the power to make notes a legal tender the same as the power to issue notes to be used as currency. * * * This court has recently held that the Congress, under the Constitution, possesses, as incidental to other powers, the same power as the old Congress * * * to emit bills or notes; but it was expressly declared at the same time that this decision concluded nothing on the question of legal tender. * * * The States have always been held to possess the power to authorize and regulate the issue of bills for circulation by banks or individuals, subject, as has been lately determined, to the control of Congress, for the purpose of establishing and securing a national currency, and yet the States are expressly prohibited by the Constitution from making anything but gold and silver coin a legal tender. This seems decisive on the point that the power to issue notes and the power to make them a legal tender are not the same power, and that they have no necessary connection with each other.

But it has been maintained in argument that the power to make United States notes a legal tender in payment of all debts is a means appropriate and plainly adapted to the execution of the power to carry on war, of the power to regulate commerce, and of the power to borrow money. * * *

Let us inquire then, first, whether making bills of credit a legal tender, to the extent indicated, is consistent with the spirit of the Constitution, * * * that most valuable provision of the Constitution of the United States * * * that "no State shall pass any law impairing the obligation of contracts."

It is true that this prohibition is not applied in terms to the Government of the United States. * * * But we think it clear that those who framed and those who adopted the Constitution intended that the spirit of this prohibition should pervade the entire body of legislation, and that the justice which the Constitution was ordained to establish was not thought by them to be compatible with legislation of an opposite tendency. In other words, we can not doubt that a law not made in pursuance of an express power, which necessarily and in its direct operation impairs the obligation of contracts, is inconsistent with the spirit of the Constitution.

Another provision, found in the fifth amendment, must be considered in this connection. We refer to that which ordains that private property shall not be taken for public use without compensation. This provision is kindred in spirit to that which forbids legislation impairing the obligation of contracts; but, unlike that, it is addressed directly and solely to the National Government. It does not in terms prohibit legislation which appropriates the private property of one class of citizens to the use of another class; but if such property can not be taken for the benefit of all, without compensation, it is difficult to understand how it can be so taken for the benefit of a part without violating the spirit of the prohibition.

But there is another provision in the same amendment which, in our judgment, can not have its full and intended effect unless construed as a direct prohibition of the legislation which we have been considering. It is that which declares that "no person shall be deprived of life, liberty, or property without due process of law."

It is not doubted that all the provisions of this amendment operate directly in limitation and restraint of the legislative powers conferred by the Constitution. The only question is whether an act which compels all those who hold contracts for the payment of gold and silver money to accept in payment a currency of inferior value deprives such persons of property without due process of law.

It is quite clear that whatever may be the operation of such an act, due process of law makes no part of it. Does it deprive any person of property?

If in the cases mentioned the holders of the stock were required by law to convey it on demand to anyone who should think fit to offer half its value for it, the analogy would be more obvious. No one probably could be found to contend that an act enforcing the acceptance of 50 or 75 acres of land in satisfaction of a contract to convey a hundred would not come within the prohibition against arbitrary deprivation of property.

We confess ourselves unable to perceive any solid distinction between such an act and an act compelling all citizens to accept, in satisfaction of all contracts for money, half or three-quarters or any other proportion less than the whole of the value actually due, according to their terms. It is difficult to conceive what act would take private property without process of law if such an act would not.

We are obliged to conclude that an act making mere promises to pay dollars a legal tender in payment of debts previously contracted is not a means appropriate, plainly adapted, really calculated to carry into effect any express power vested in Congress; that such an act is inconsistent with the spirit of the Constitution, and that it is prohibited by the Constitution.

It is not surprising that amid the tumult of the late civil war and under the influence of apprehensions for the safety of the Republic almost universal, different views, never before entertained by American statesmen or jurists, were adopted by many. The time was not favorable to considerate reflection upon the constitutional limits of legislative or executive authority. If power was assumed from patriotic motives, the assumption found ready justification in patriotic hearts. Many who doubted yielded their doubts; many who did not doubt were silent. Some who were strongly averse to making Government notes a legal tender felt themselves constrained to acquiesce in the views of the advocates of the measure. Not a few who then insisted upon its necessity or acquiesced in that view have since the return of peace and under the influence of the calmer time reconsidered their conclusions and now concur in those which we have just announced. (8 Wallace (U. S.), 603.)

If anything more could be needed to show the unscrupulous—however excusable—frenzy under which this legislation was originally had, it would be enough to quote Senator SHERMAN, who, admitting that he would have called it unconstitutional if he had not felt it necessary, practically justified despotism in order to crush rebellion:

If Senators will show me how they can raise money except in the way proposed, I will join them in denouncing paper money. * * * The Senator from Vermont, whose opinion is certainly entitled to the highest consideration, and who supports it with an able argument, contends that this measure is unconstitutional. I confess if I did not feel its necessity I would shield myself behind his conviction, and vote against it. * * *

As a member of this body I am armed with high powers for a holy purpose, and I am authorized—nay, required—to vote for all laws necessary and proper for executing these high powers and for accomplishing that purpose. This is not the time when I would limit these powers. Rather than yield to revolutionary force, I would use revolutionary force.—*Hon. John Sherman*, in the Senate, February 13, 1862.

GREENBACK ISSUES A FAILURE.

Though scarcely an argument it is reassuring to one who likes to maintain faith in Providence to note how promptly and how severely was visited upon its authors the curse of their transgression. In 1861 the banks of the country had promptly met the appeals of

Government by putting at its disposal \$150,000,000, the banks of New York alone supplying \$105,000,000. Secretary Chase, with a wild idea that by locking up the funds thus secured until he should have expended them he might make a broader field for the circulation of United States demand notes, refused to use the banks as depositories, drained them of their currency, and issued \$50,000,000 of Government paper. Sacrificed on the altar of their own patriotism, the banks had the alternative either of gathering up the Government's notes and forcing it to suspend, or of suspending specie payments themselves before their remnant of coin was exhausted; and between Christmas and New Year's, 1861, they chose the latter.

Thus promptly did the rag-money policy of the Treasury launch the finances of the country on the sea of irredeemable paper. It is a characteristic of the fiat-money idea that, when it once gets into the head of anyone, its victim prescribes for every bite more hair of the same dog. It was after the experience just outlined that Senator SHERMAN delivered himself of the astounding logic above quoted. But within less than a year, on January 8, 1863, from the same place in the Senate in which he had advocated a paper legal tender, was delivered his recantation, to which every year of later experience has added the amen of the American people:

I think, Mr. President, it is possible that the specie standard might have been maintained in this country, but in order to do it we should have had to resort to very desperate measures. This war might have been carried on with such a standard, but in order to do it it would have been necessary to reduce every expense to the lowest possible amount. * * *

But, Mr. President, we know that that was not in accordance with the sense of our constituents; it was not in accordance with the sense of either House of Congress. They preferred, on the other hand, to pay liberally to all, and wasted, I fear lavishly, much of the money of the people at the outset of this war. We were driven to the use of paper money. We have to resort to it now; we must depend upon it; we can not get along without it.—Hon. John Sherman, in the Senate, January 8, 1863.

UNIVERSAL EXPERIENCE REPEATED.

Nineteen hundred and odd years ago Virgil noted how much easier it is to get into trouble than it is to get out of it:

* * * facilis descensus averno

* * * * *

Sed revocare gradum superasque evadere ad auras,
Hoc opus, hic labor est.

And the world ever since has been at work, as it had been from the beginning, in demonstrating this—a work in which our green-backers have done their full share. Not to mention earlier and equally illustrious predecessors in financial infamy, the generation had only lately been buried which had experienced the curse of Continental paper, and the failure of France and England to keep paper money at par was even more recent. But, refusing to learn from folly other than its own, the Administration in 1862 started its experience with this cheering explanation from Senator SHERMAN:

The only objection to this issue of paper money is that too much may be issued. There is the only danger in it. I do not believe the issue of \$150,000,000 will do any harm; but if you continue to issue other sums you will at once depreciate the credit of these demand notes and destroy their value. If you confine it to the amount limited by this bill, I believe the effect will be healthy in all the business relations of the country.—Hon. John Sherman, in the Senate, February 13, 1862.

In view of the confident way in which steps downward were thus started the following summary of the actual course of events may be significant:

GREENBACKS AND TREASURY NOTES AUTHORIZED.

1. \$50,000,000 demand notes authorized by the act of July 17, 1861, sec. 1. Afterwards made legal tender. See 4, below.
2. \$10,000,000 additional demand notes authorized by the act of February 12, 1862. Afterwards made legal tender. See 4, below.
3. \$150,000,000 legal-tender United States notes authorized by the act of February 25, 1862, section 1. (\$50,000,000 of this was in lieu of the \$50,000,000 demand notes authorized above, which were to be taken up as rapidly as practicable, and these new legal-tender notes substituted.)
4. Act of March 17, 1862, section 2, makes the demand notes issued under 1 and 2, above, legal tender.
5. \$150,000,000 legal-tender United States notes authorized by the act of July 11, 1862.
6. Joint resolution January 17, 1863, authorized the issue of \$100,000,000 United States legal-tender notes without interest, to be included in amount authorized by any bill pending or thereafter passed by Congress.
7. Act of March 3, 1863, authorizes \$400,000,000 of 6 per cent legal-tender Treasury notes not to exceed three years. Also \$150,000,000 legal-tender notes without interest, to be exchanged for interest-bearing notes then authorized, for no other purpose. Section 3 authorizes the issue of \$150,000,000, including the \$100,000,000 noted under (6), legal-tender United States notes, without interest.
8. Act of June 20, 1864, authorizes the issue of \$300,000,000 interest-bearing Treasury notes, legal tender for their face value, excluding interest; also limited total amount of United States notes to \$400,000,000, plus a margin not to exceed \$50,000,000 for redemption of temporary loans.
9. Act of April 12, 1863.—Retirement and cancellation of United States notes limited to \$10,000,000 for first six months, and thereafter to \$4,000,000 per month.
10. Act of February 4, 1863.—Further reduction of currency by retiring and canceling United States notes suspended.
11. Resumption act of January 14, 1875.—Reduction to \$300,000,000 authorized, at the rate of 80 per cent of national bank notes taken out.
12. Act of May 31, 1878.—Unlawful to cancel or retire any more of the United States legal-tender notes.

Under these acts there were actually outstanding on the dates respectively named United States legal-tender notes, as follows:

United States paper currency outstanding at the close of each fiscal year.

Fiscal year.	Old demand notes.	United States notes.	Fractional currency.	Total notes.
1862	\$51,105,235.00	\$96,620,000.00		\$147,725,235.00
1863	3,384,000.00	387,645,589.00	\$20,192,456.00	411,223,045.00
1864	789,037.50	447,300,203.10	22,324,283.10	470,413,523.70
1865	472,603.50	431,036,427.99	25,633,128.76	456,572,160.25
1866	272,182.75	400,780,305.85	27,008,875.36	428,061,343.96
1867	208,432.50	371,783,597.00	28,474,623.02	400,466,652.52
1868	143,012.00	356,000,000.00	32,727,908.47	388,871,822.47
1869	123,739.25	356,000,000.00	32,114,637.36	388,238,376.61
1870	106,256.00	356,000,000.00	39,878,684.48	395,984,940.48
1871	96,505.50	356,000,000.00	40,582,874.56	396,679,380.06
1872	88,206.25	357,500,000.00	40,855,835.27	398,444,131.52
1873	79,967.50	356,000,000.00	44,739,365.44	400,879,332.94
1874	76,732.50	381,999,073.00	45,912,003.34	427,887,808.84
1875	70,107.50	375,771,580.00	42,129,424.19	417,971,111.69
1876	66,917.50	369,772,294.00	34,446,505.39	404,285,796.89
1877	63,962.50	359,764,332.00	20,403,137.34	380,231,431.84
1878	62,297.50	346,681,016.00	16,547,768.77	363,291,082.27

At which last figure our fiat currency has practically remained to the present, though the unredeemed fractional currency has ceased to be a factor.

Meanwhile good resolutions thrived. February 10, 1863, Mr. SHERMAN had said from his place in the Senate:

Then ["the moment the war is over"] the legal-tender notes become absorbed at once in bonds and are retired. All the legal-tender notes now outstanding will be funded into bonds of the United States at 6 per cent the very moment those bonds are worth par in gold.

December 17, 1867, as chairman of the Committee on Finance, he reported:

* * * Your committee are of the opinion that the time is not distant when it will become the duty of Congress to repeal so much of existing laws as makes the United States notes a legal tender in payment of debts either public or private. This provision was adopted with extreme reluctance and under the pressure of overwhelming necessity. It is inconsistent with sound financial principles. * * * During the war of 1812, when financial embarrassments had impaired the revenue and destroyed the public credit, a limited-tender Treasury note was proposed, but was promptly rejected. Mr. Dallas, in a communication to the Committee on Ways and Means, declared that "the extremity of that day can not be anticipated when any honest and enlightened statesman will again venture on a desperate expedient of a tender law." We were driven to that extremity, but we should hasten to abandon so desperate a remedy at the earliest day practicable. The moment when we can restore our notes to a specie standard should be signaled by a return to correct principles, and our United States notes should stand like all other paper money, receivable only at the pleasure of the creditor.

January 24, 1870, former pledges were redeemed—on the Micawber plan—by a new one:

I am convinced, although it is unnecessary to discuss that point here, that in time it will be wise to retire our United States notes and all forms of Government circulation, and depend upon notes issued by private corporations amply secured beyond peradventure, so that in no case can the noteholder lose, and to subject the banks to regulations applicable to all parts of the country, making them free so that the business of banking will be like the business of manufacturing, blacksmithing, or any other ordinary occupation or business of life, governed only by general law.—Hon. John Sherman, in the Senate, January 24, 1870.

But by 1876 even his good intentions had oozed out at his fingers' ends and in his utterances of March 6, 1876, we have the confession that he had found the Avernian country so pleasant that he proposed to remain there:

Nor are we to decide whether our paper money shall be issued directly by the Government, or by banks created by the Government; nor whether at a future time the legal-tender quality of United States notes shall continue. I am one of those who believe that a United States note issued directly by the Government and convertible on demand into gold coin, or a Government bond equal in value to gold, is the best currency we can adopt; that it is to be the currency of the future, not only in the United States, but in Great Britain as well; and that such a currency might properly continue to be a legal tender, except when there is a specific stipulation for coin.—Hon. John Sherman, in the Senate, March 6, 1876.

In which, however, he followed in a more dignified fashion the undignified example of the Supreme Court, which on this point had already reversed itself and repudiated its ancient respect for constitutional limitations.

American statesmanship has been thus discredited, American finances thus demoralized, the American people loaded with \$2,000,000,000 of expenditure and debt above what would have been the legitimate expense of the war, the great body of American creditors despoiled during the earlier years of the war, and the panic of 1873 prepared by encouraging everyone to run into debt which he was afterwards obliged to settle in an appreciating currency; our financial pledges made in 1875, repudiated in 1878, and the long-expected day of resumption in 1879, made a farce which has continued ever since by the requirement that, without regard to currency conditions, the \$346,000,000 of fiat legal tenders now remaining should be kept afloat upon the responsibility of the Government to redeem them in gold.

And so, sir, I am ready to retire the greenbacks wholesale and promptly if I can get it done that way; gradually and partially if I can not do better. And this bill would have to be a very bad one indeed in other respects to prevent my supporting it so long

as it had the merit of taking our Government in the slightest degree out of the fiat money business. But instead of its moderate provisions being discounted by features which I do not like, they are, on the contrary, assisted by additional legislation which, even as separate measures, I should be glad to see adopted.

THE GOLD STANDARD.

It is not a question, sir, whether the finances of the country are upon a gold standard. They are so, and they have been so for the last sixty years, ever since the Democratic party, under the lead of those grand old gold bugs, Jackson and Benton, deliberately changed our coinage standard so as to drive out the then plethora of silver and induce the use of gold. The real question is, first, as to the extent to which our Government proposes repudiation; and second, as to how effectively we shall renounce any such intention. Our bonds outstanding have been issued while gold was not merely the world's currency, but our own standard—many of them when silver was worth so much more than gold that the word "coin" was assumed to mean gold, and gold only. For a generation we have paid every cent of our interest on the public debt in gold, and have reduced our total indebtedness from nearly \$3,000,000,000 down to about \$1,000,000,000 by payments exclusively in gold. We propose to continue this practice—the few who seriously doubt it forming no factor in either finance or politics. But we have been indulging in financial tomfoolery. With our currency in amount fully equal to the requirements of the country, we have been pouring into it silver dollars, part money and part fiat, and thus forcing out of circulation an increasing amount of other currency thus made superfluous. As by the law of 1878 our greenbacks were practically fixed in amount, the contraction necessitated has been in national-bank currency and in gold—in the case of the first by withdrawal of circulation; and in that of the second by export.

In our more conservative days we had arranged to keep our \$350,000,000 of circulating fiat money afloat by maintaining a 30 per cent reserve in gold. We have kept on increasing our "confidence game" paper and silver until in July, 1890, we had outstanding, in addition to the \$350,000,000 of greenbacks, some \$450,000,000 of overvalued silver only kept afloat by its exchangeability for gold. In that month we arranged to increase the rate at which we would water our circulation to that involved in the monthly purchase of 4,500,000 ounces of silver—say 7 tons of silver for each working day that passed. At that date our revenues had been pouring in a surplus of \$100,000,000 per year; and our gold reserve was then \$180,000,000. The Sherman Act commenced to grind out trouble; and we have been in hot water ever since. Just at present we have outstanding \$350,000,000 of greenbacks, \$150,000,000 of Sherman notes, and \$150,000,000 of depreciated silver (less the \$100,000,000 of this currency now in the Treasury), and we have, to keep this afloat, \$40,000,000 of gold, the remnant of \$105,000,000 about December 1 last; and our credit is so shaken—the question being not of our resources, but of our intentions—that instead of selling our bonds on a 2.88 per cent basis, as but shortly since, the Administration is haggling in a desperate attempt to get a little premium on a 4 per cent long-term coin bond.

Such are the circumstances under which the President has sent in his message and this bill has been introduced, giving the Treasury authority to borrow, on obligations payable in gold, whatever amount of gold is necessary to meet the demands for redemption of greenbacks and Sherman notes, and directing the final cancellation of these as fast as they are redeemed. Everything else in the bill is incidental.

GOLD EXPORTS.

I confess that I have not been able to worry about gold exports as do some of our friends. Provided they are the legitimate result of commerce there is no harm in them; and if they come from something else, it is that something which is to be remedied instead of bothering about the gold exports themselves. If the question is simply securing enough gold, we can always solve it. If, however, gold exports are a consequence and an index of distrust of our common sense or honesty on the part of those whose business it is to estimate either, the situation—not the mere fact of gold exports—is a serious one, and that is just the one with which we are confronted to-day.

In last Monday's issue of the great commercial journal of this continent—the New York Journal of Commerce and Commercial Bulletin—I find it estimated that since July, 1892, the banks of our Eastern seaboard alone have so changed their policy on account of their distrust of our Treasury practices as to withhold from the Treasury \$273,000,000 of gold which they would otherwise have furnished to be paid into it, and to withdraw from the Treasury for export \$230,000,000 of gold which they otherwise would have supplied themselves. In other words, the lack of confidence of our financiers in the good faith and good sense of this Government during the last thirty-one months is measured by the \$503,000,000 of which the Treasury has been directly or indirectly

deprived. I am not now finding fault with the banks for this. I should not cite it as striking evidence of patriotism upon their part; but I know of no reason why they any more than other individuals should organize an out-of-door relief society for this Government. The wealthiest nation in the world, blest with bountiful crops, and enjoying profound peace, it is beneath contempt for us to plead the baby act and whine simply because those who hold our demand obligations choose to ask for their money when they want it. So long as we persist in doing a banking business we must be ready to meet our demand obligations, and if our reckless conduct causes a run we must meet it just the way others do—by paying our notes as fast as they are presented.

THE REED PLAN.

The gentleman from Maine [Mr. REED] addressed himself to this the other day, and made sundry luminous observations. Referring to the troubles through which we are passing, or into which we are getting, and to the fact that the greenbacks are used to drain the Treasury of its gold, he deprecated most earnestly this "endless chain" business, and gravely urged that it was never contemplated. He also introduced a bill which I suppose we may take for granted was intended by him to remedy the difficulties from which we are suffering. The more I read the bill the more puzzled I am to conceive what he expects it to accomplish. It consists of two sections, the first of which adds another to the classes of coin bonds for greenback-redemption purposes authorized by the act of 1875, and provides for a change in Treasury bookkeeping; and the second of which allows the Treasury to borrow on short-term obligations to meet any deficit of revenue.

Be it enacted, etc. That to enable the Secretary of the Treasury to provide for and maintain the redemption of United States notes according to the provisions of the act approved January 14, 1875, entitled "An act to provide for the resumption of specie payments," he is authorized, in addition to the power he now has under said act, from time to time, at his discretion, to issue, sell, and dispose of, at not less than par in coin, either of the description of bonds authorized in said act, or coupon or registered bonds of the United States, to an amount sufficient for the objects herein stated, bearing not to exceed 3 per cent interest per annum, payable semiannually, and redeemable, at the pleasure of the United States, in coin, after five years from their date, with like qualities, privileges, and exemptions provided in said act for the bonds therein authorized. And the Secretary of the Treasury shall use the proceeds thereof for the purposes herein provided for, and none other.

SEC. 2. That to enable the Secretary to pay the current expenses of the Government so long as the current revenues shall be deficient he is authorized and required from time to time, in his discretion, to issue, sell, and dispose of, at not less than par, such an amount of certificates of indebtedness of the denomination of twenty-five, fifty, and one hundred dollars, or any multiple thereof, as may be needed for that purpose, bearing not to exceed 3 per cent interest per annum, payable semiannually, and redeemable at the pleasure of the Government, in coin, after two years from their date, with like qualities, privileges, and exemptions provided in the act approved January 14, 1875. The Secretary may at his discretion sell and dispose of the same for not less than an equal amount of lawful money of the United States, at designated depositories of the United States, and at such post-offices as he may select, and the Secretary shall use the proceeds thereof for the purpose provided for in this section, and for none other.

In view of the fact that our increasing revenues are already running even with our expenses; that we now have a free surplus in the Treasury of \$100,000,000 exclusive of our gold reserve; and that the Secretary of the Treasury has just advised us that our probable revenues for the current calendar year will exceed our expenditures by some \$20,000,000, I can not but regard the second section of the Reed substitute as a survival—something he had left over from last summer, when he doubtless actually believed himself in predicting Treasury deficits as the result of the Wilson bill. It is certainly out of date now.

The first section I suppose is that part, if any part is such, of his substitute, which has been carefully prepared for this particular occasion. The only novel thing about it is its last clause, and I await with eager interest his explanation of what on earth it means. If it is only intended to provide that the Secretary of the Treasury shall be careful of his gold and not pay it out when he can help it, then all I have to say is that it is a cruel imputation upon officials who for nearly two years—and until now without the gentleman's assistance—have been abnormally careful to save their gold for just the purpose he suggests. As to the hoard of greenbacks and Sherman notes which will result from the use of the gold in redemption the substitute is silent. I take it, however, that the gentleman's contempt of the "endless chain" business has something to do with the last clause of the first section. But, accepting this theory—which seems to be his own—I am equally puzzled as to how he proposes to stop the "endless chain."

We have a law upon our statute books which he is sworn to help to enforce, the law of 1878, which commands that when the greenbacks shall have been brought into the Treasury they shall be reissued. What does the gentleman from Maine mean? Does he mean that we shall deliberately prepare to disregard that law, and in defiance of it hold them in the Treasury even if we have to sell bonds to raise the money in order to do it, and this without canceling, finally and fully, a single obligation of the Government? Does the gentleman from Maine intend that by thus hold-

ing the greenbacks in the Treasury we shall contract the currency to the total amount of them now outstanding, and that in defiance of the law? It will be time, I suppose, when his substitute is to be voted upon, for him to explain it under the five-minute rule; but until he does so I must assume that the plan which the gentleman from Maine suggests as a way to get out of the trouble in which we now find ourselves is to tax our people more, in order to raise an enormous surplus, with the intent and purpose of evading the act of 1878, and contracting the currency to the extent of the entire greenback issues by keeping them stored in the Treasury.

LACK OF CONFIDENCE—IN WHOM?

But the gentleman from Maine made yesterday an additional important suggestion—that in his opinion our present trouble was on account of "lack of confidence," and that somebody must have incurred the mistrust of the American people. With all his boldness and all his forgetfulness, I was rather startled, Mr. Chairman, to have him bring up that particular phase of the matter. For he was entirely right, sir. I have before me the Treasury statement showing the amount of gold from time to time in the Treasury. I find that that store was maintained at nearly the figures at which it was left when Mr. Cleveland's first Administration went out of office until about September, 1890, and that then commenced the raid upon the Treasury that has continued ever since. Here is the exhibit—the increases in February and November, 1894, being the result of the addition in each case of between \$55,000,000 and \$60,000,000 of gold borrowed to replenish the Treasury:

Net gold coin and bullion in the Treasury at the end of each month, from February, 1889.

Month.	Net gold in Treasury.	Month.	Net gold in Treasury.
1889—February	\$196,245,980	1892—February	\$122,122,113
March	197,874,422	March	125,815,040
April	191,589,112	April	119,909,757
May	192,252,715	May	114,231,883
June	186,711,560	June	114,342,367
July	182,218,164	July	110,444,291
August	180,654,670	August	114,156,316
September	189,196,423	September	119,395,509
October	187,572,386	October	124,006,120
November	187,496,672	November	124,400,657
December	190,833,052	December	121,286,683
1890—January	177,386,285	1893—January	108,181,713
February	187,988,948	February	103,284,219
March	185,287,715	March	106,892,224
April	186,235,572	April	97,011,330
May	190,544,854	May	95,048,641
June	190,232,405	June	95,485,414
July	184,062,074	July	99,202,933
August	185,837,581	August	96,009,123
September	147,981,732	September	93,582,172
October	156,315,624	October	84,384,863
November	162,439,381	November	82,959,049
December	148,972,935	December	80,891,600
1891—January	141,728,097	1894—January	65,650,175
February	149,712,824	February	106,527,068
March	148,118,150	March	106,149,136
April	141,742,241	April	100,202,009
May	133,207,164	May	78,693,267
June	117,667,723	June	64,873,025
July	121,113,024	July	54,975,697
August	132,471,409	August	55,216,900
September	132,523,222	September	58,875,317
October	127,674,423	October	61,361,836
November	129,193,224	November	105,421,569
December	130,740,631	December	86,244,445
1892—January	119,574,905	1895—January	44,705,967

Next to Senator SHERMAN the gentleman from Maine is the one entitled to whatever of credit or otherwise is to be derived from this mess. Indeed, it was false modesty for him to have referred in so impersonal a way to the lack of confidence arising from events, as to which he might well have said "quorum pars magna fui." The lack of confidence commenced when the Fifty-first Congress, under his leadership, began to grind out its legislation. It has steadily grown during the time that that legislation has remained in force. It has just reached its consummate flower as the result of what for the time seemed a successful attempt on his part to thwart all effort to remedy it. He will find some familiar figures in those quoted above, and if he takes pride in the ability of his party and himself to make trouble for the country he can not but be satisfied at the exhibit.

For during the very next month after the Sherman Act was passed by the solid Republican vote of the House under his Speakership the Treasury lost \$38,000,000 of gold to frightened holders of United States notes, who presented them for redemption. And now, after having seen them continued worried for more than four years, he has seen a run upon the Treasury taking out \$40,000,000 of gold, the greater part of it within two weeks after the fiat-money combine of free-silver Democrats, Populists, and Republicans en masse under his leadership had succeeded in sidetracking the Springer bill. Lack of confidence! If there is anything, sir, which is unlimited it is the justifiable lack of confidence possessed by the country in the financial movements in which the gentleman from Maine has assisted.

THE HARRISON MAKESHIFT.

The most daring suggestion, however, of the gentleman from Maine was that in which he contrasted the state of the Treasury as left by the patriotic Mr. Harrison with the condition it promptly assumed under the Administration of Mr. Cleveland, which followed. The facts were that of the \$200,000,000 gold reserve left him by Mr. Cleveland half had already been lost as the closing days of the Harrison Administration approached, and a bond issue was imminent—so much so that it had already been informally arranged for, and the favored bankers who were to negotiate it had already relieved the Treasury of a part of its greenback stock in return for good, round double eagles. It is true the bankers were fooled. But the canny Administration was not; and instead of going out on the 4th of March with the gold reserve depleted below the normal \$100,000,000 the astute Mr. Harrison proudly handed it over to Mr. Cleveland \$103,000,000 strong, leaving the latter in March and April to take the consequences of the increase of gold withdrawals caused by the extent to which superfluous greenbacks had been loaded upon the confiding bankers by the Harrison Administration in February.

For an ideal "confidence game" nothing can surpass the simple pathos of the unvarnished tale as told by Bradstreet's of February 18, 1893:

Thus far the leading New York institutions, which contributed to the gold holdings of the Treasury by exchanging their own specie for legal tender have furnished \$6,300,000, or a little more than one week's shipment to Europe. It had been understood that in case of necessity the New York banks were disposed to place 20 per cent of their gold holdings of about \$60,000,000 at the disposal of the Government. This would make their aggregated contribution some \$12,000,000 or more in amount, of which over one-half had already been supplied. It is, however, well understood that the events of the week [decision to issue no bonds] have created a great cooling of enthusiasm on the part of these interests, and that the disposition to continue the policy of backing up the Treasury in its struggles with the combination of gold shipments and the silver law has been seriously modified.

MR. WALKER'S THEORY.

My friend from Massachusetts [Mr. WALKER] differs with the gentleman from Maine. He thinks the trouble is that the people have a lack of confidence in the Secretary of the Treasury.

Mr. Chairman, this reference to a lack of confidence suggests to me a possible solution of the attitude of the gentleman from Massachusetts in this case. You all remember that only a few weeks ago he was breathing fire and slaughter against the hated greenback and challenging the Democratic party to join with him and the other Republicans to sweep it from the earth. But, after watching the course of the gentleman from Maine for the last few weeks, and listening to him yesterday and reading the substitute which he proposes, the gentleman from Massachusetts roars you as mild as a dove. Now, I do not imagine that he has really changed his mind. I know my colleague from Massachusetts too well for that. [Laughter.] But, sir, I believe that if he were asked to explain the reason why he has changed his tune, he would emulate the soldier who was caught running from the field of Bull Run, and was asked to explain his conduct. The gentleman from Massachusetts, I have no doubt, would adopt the explanation of that soldier and own up that while he was still "as brave as a lion himself, he had lost all confidence in his colonel." [Laughter.]

"GOLD" BONDS.

The bill before the committee, Mr. Chairman, is a very simple one. In the first section it is provided that the Secretary of the Treasury shall have greater discretion than is given to him by the act of 1875 with regard to the bonds to be issued to maintain the gold reserve then provided for. Then there is a proviso that the new bonds may be made payable in gold. My friend from Virginia [Mr. SWANSON] went into hysterics yesterday over that provision, and he has been followed by many of our friends on both sides of the House. He told a very good story, which I hope he will be long spared to repeat, of how we gold-standard men were so bigoted that we would not rise at the last day should the call be sounded through a silver trumpet. I have no doubt, sir, that after the gentleman from Virginia has stopped telling that story and died, there will come back to us a true story of how a noble Virginian on the other side of the dark flood has refused to accept a golden harp and has staid indoors rather than walk the golden streets of the New Jerusalem. [Laughter.]

But, steadfast of purpose as may be my friend from Virginia, I predict that he will not persist in this course through all eternity, for it would deprive him of association, not merely with Mr. Cleveland, who is not likely to change his mind, but with Samuel J. Tilden, Thomas Benton, and Andrew Jackson, and with that great Virginian to whom every Democrat owes allegiance; for it was no bloated bondholder, but Thomas Jefferson, who, after giving the matter full study in the days when our currency was being settled, advised that gold be overvalued in order, on account of its greater desirability, to make it the basis of our circulation:

The proportion between the values of gold and silver is a mercantile problem altogether. It would be inaccurate to fix it by the popular exchange of a half joe for \$8, a louis for four French crowns, or five louis for \$23. The first of these would be to adopt the Spanish proportion between gold and silver.

ver; the second, the French; the third a more popular barter, wherein convenience is consulted more than accuracy. The legal proportion in Spain is 16 for 1; in England 15 for 1; in France 15 for 1. The Spaniards and English are found in experience to retain an overproportion of gold coins and to lose their silver. The French have a greater proportion of silver. The difference at market has been on the decrease. The financier states it at present as at 14 for 1. Just principles will lead us to disregard legal proportions altogether; to inquire into the market price of gold in the several countries with which we shall principally be connected in commerce, and to take an average from them. Perhaps we might with safety lean to a proportion somewhat above par for gold, considering our neighborhood, and commerce with the tendency which the high price of gold in Spain has to draw thither all that of their mines, leaving silver principally for our and other markets. It is not impossible that 15 for 1 may be found an eligible proportion. I state it, however, as a conjecture only. * * * I would still incline to give a little more than the market price for gold, because of its superior convenience in transportation.—*Thomas Jefferson, notes on establishment of a money unit and of a coinage for the United States.*

I submit, sir, that it is equally foolish for us to be enamoured either of silver or gold. This is not a case of hate or of love. It is a matter of business. We have paid all our coin obligations in gold from the very commencement and we expect to continue to do so, and the only question is whether we shall secure for the relief of our tax-ridden people the benefit of the reduction of interest which will come from saying plainly what we are going to do. That, sir, is the reason and the only reason why these bonds are expressly made payable in gold. This is not a question of sympathy. It may be entirely wrong for the Gulf Stream to turn from our shores and warm the "hated Britishers," while it leaves Labrador to suffer from Arctic cold. Perhaps if I had been the one to arrange that matter I should have arranged it differently, but, sir, it would be useless for us to attempt to turn the Gulf Stream on the theory that it ought to have run this way and warmed this continent instead of the other. It would be as useless, and no more so than it is for us to attempt by legislation to say that the commerce of the world, which has now based itself upon gold, should be satisfied with silver.

THE NATION'S OBLIGATIONS DEBTS OF HONOR.

It has been asked, sir, why the United States should not take advantage of the strictest letter of its bonds, and, seeing that they are payable in "coin," insist upon solving them with silver coin, now worth only half its equal denominations in gold. One answer might well be that to-day it is not a question of how we shall pay off old debts, but of the terms upon which we can contract new ones; and nothing could be worse than the folly, while one is in the market to borrow money, of discussing at the same time the ways and means by which he can disappoint those from whom he has heretofore borrowed.

There is, however, another answer, and to my mind a far better one. Private obligations are enforceable at law. Public obligations are not so, but are in the strictest sense "debts of honor." If a private individual takes what under the circumstances may to his creditors seem undue advantage of the narrowness of the stipulation in his bond the only consequence is perhaps a little more of reluctance to oblige him thereafter—a little more careful scanning of the letter of the obligation by which he thereafter offers to be bound. For, no matter what his morals or his disposition, if he be financially responsible, the law will hold him to the actual fulfillment of the contract which he makes. In the case of a Government, however, every man who loans it money understands perfectly well that he has absolutely no other security than the honor of his debtor. And so the least sign of any disposition on the part of a Government to see how far it can go in breaking to the hope the promise it has made to the ear is justly regarded as the evidence of a disposition that, being absolutely uncurbed by law, may develop into flat repudiation, or whatever short of that may be favored by the selfish instincts of a people so lacking in tact and conscience as to seek means wherewith to evade its creditors instead of devoting its energies to fulfillment of every expectation it has raised. In short, sir, to loan to an unscrupulous individual is at worst to be left to the strict letter of the law. To loan to a Government that is in the least unscrupulous in taking advantage of its creditors is to take a gambling risk, the invariably large cash discount on which is always paid by the shifty debtor.

Such, sir, is the bill. Its other provisions are incidental. Some of them are not such as I should have preferred, and I hope to see them changed by amendment before this bill is put to a vote. But, whether this shall be the case or not, the bill does provide for greenback retirement, and it proposes to lower taxation by putting down in black and white our unquestionable intention to pay our debts in gold.

THE SUBSTITUTES.

As to the substitutes, sir, the one proposed by my friend from Tennessee [Mr. Cox] contains so much that I approve that it is with the deepest regret that I not merely find myself forced to vote against it, but see it so thrown into the House as by the meagerness of the support it will command to discredit the cause—that of bank-note currency reform—in which I make no question it is sincerely pressed. It seems to me, sir, that some of our friends are now making a mistake similar to that made by others during the late discussion of the Carlisle bill. That was a bill for cur-

rency reform—the groundwork, indeed, of the substitute of which I am speaking. It will be remembered, however, that a great many of our friends damned that measure because it left the greenbacks so largely outstanding. Now we have a proposition to retire the greenbacks, and the Cox substitute is thrown in its path to the damage of the pending measure, and, I am sure, to its own greater disparagement.

Then we have the Reed substitute, my opinion of which it is needless here to repeat. Even if it were all that its author's fancy has painted, it turns up at a most inopportune moment. During the earlier months of this session there was no reason to believe but that a 3 per cent coin bond could be disposed of at par; and there was not lacking ground upon which it might have been urged as pertinent to provide for an increasing Treasury deficit. During those months, however, the gentleman from Maine sat as silent as the brooding Buddha—so successfully repressing his zeal and patriotism that their existence was not suspected. Now, however, when it has become certain that 3 per cent bonds payable in "coin" can not be sold at par; and after we have added to the developments of the last few weeks, the assurance of the Treasury that the revenues for the calendar year will be ample, he can be restrained no longer, but, now that the question is one of greenback retirement, chooses to antagonize it with his belated propositions. I will not characterize his attitude. There is danger, however, that unkind people may suspect that he is studying "how not to do it."

A COMMON GROUND.

It seems to me that this question is a very simple one. The question is that of the retirement of the greenbacks. We on the Democratic side can appeal to the teachings of Jefferson and Jackson and Tilden, and every one of the grand old school of Democrats who believed in hard money; who believed in no compromise with fiat issues; and every one of whom, living at the time these greenbacks were issued, denounced them, and in that denunciation was followed by the mass of the Democratic party.

To my friends on the Republican side we can point out the fact that not a single dollar of this currency was issued except upon the explicit pledge given by every man who assumed to speak for that great party, whether in Congress or out of it, that as soon as the war was over these notes should be redeemed and canceled. Therefore, we can appeal to the minority on this floor to assist even at this late day in carrying out good Republican pledges.

More than that, sir; it seems to me we can unite upon a common ground. We have been too long acting upon the theory of Artemus Ward, who, as you remember, was conducting an exhibition of wax figures along in the border States at the time of the opening of the rebellion, and when one committee of safety after another asked him to which side he belonged and what were his principles, cried out in sheer despair: "Lord, gentlemen! how many times have I got to tell you that I ain't got no principles—I'm conducting a show!" [Laughter.]

And such, sir, is the principle, or lack of it, upon which all parties have too largely proceeded, though neither of us has had Artemus Ward's excuse, for we have all had principles, if we had only dared follow them. The trouble is, however, that we have been in the political show business, and instead of standing by our principles, good or bad, have too generally attempted to paint on the outside of our political circus tent the sort of animals that we thought would draw the most people to our respective shows. It has worked fairly well—disgracefully well, in fact. But the people have at last gotten pretty thoroughly acquainted with us, and for the next few years, at least on financial matters, the party that proposes to succeed has got to get out of the show business, build a substantial platform of business principles, and stand upon it with both feet. It might be too much to ask Republicans to follow Jefferson, or Democrats to stand by Chase and McCulloch; but if we get back to first principles we ought to agree on Benjamin Franklin, and join in carrying out Poor Richard's advice to pay your debts if you do not wish to be bothered by them.

[Here the hammer fell.]

[Mr. COOPER of Indiana addressed the committee. See Appendix.]

The CHAIRMAN. Under the special rule the time for general debate is now closed, and debate will begin under the five-minute rule.

Mr. SPRINGER. Mr. Chairman, I desire to offer first the amendments that have been considered and reported by the Committee on Banking and Currency.

Mr. REED. I desire to know the time when the substitutes shall be put in. I desire to offer a substitute which I had read to the House, to be voted on after the substitute of the gentleman from Tennessee [Mr. Cox].

The CHAIRMAN. The Chair thought, if there be no objection, the committee amendments should be first disposed of.

Mr. BLAND. I call for the reading of the first section, so that I may offer an amendment.

The CHAIRMAN. The Chair thought it might be well possibly to first consider the amendments recommended by the committee, and then the Chair would recognize the gentleman from Maine [Mr. REED] to offer his substitute and the gentleman from Tennessee [Mr. COX] to offer his substitute.

Mr. BLAND. I ask, as the regular order, that the first section be read, so that I may have an opportunity of offering an amendment.

The CHAIRMAN. But there is nothing in the rule which provides for the reading of the bill by sections at all. The regular order is being pursued. The Chair will first recognize the gentleman from Illinois, chairman of the committee, to offer the committee amendments.

Mr. DINGLEY. Will the Chair have the order read?

The CHAIRMAN. The Chair will have the special order read, so that gentlemen will see what it provides.

The Clerk read as follows:

Resolved, That on Tuesday, the 5th instant, immediately after the call of committees for reports, the House shall resolve itself into Committee of the Whole for the consideration of H. R. 8705; that general debate shall be allowed during that day; that on Wednesday, the 6th, after the call of committees for reports, the House shall again resolve itself into Committee of the Whole for the consideration of said bill, and at the hour of 2 o'clock p. m., unless sooner terminated, general debate shall be closed, and the consideration of said bill shall continue under the five-minute rule, with this modification: It shall be in order, immediately after general debate is closed, to offer an amendment to any section of the bill, and two substitutes for the whole bill (provided that no more amendments shall be pending at one time than are permitted by the rules of the House), and no more than thirty minutes' debate (fifteen minutes on a side) shall be permitted on any amendment before the vote shall be taken thereon; that on Thursday, the 7th instant, after the call of committees for reports, the House shall again go into Committee of the Whole for the consideration of said bill under the five-minute rule, with the modification mentioned herein, and consideration thereof shall continue until 3:30 p. m. of said day, when the committee shall rise and report said bill to the House, together with any amendments that may have been agreed to, or may be pending, in the committee, when the previous question shall be considered as ordered on said amendments and on the bill to its passage, whereupon, without intervening motion, votes shall be taken on said bill until the same shall have been fully disposed of.

Mr. SPRINGER. I offer the amendments recommended by the committee.

Mr. BLAND. I rise to a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BLAND. What do I understand to be considering the bill under the five-minute rule? Is it not for the purpose of offering amendments?

The CHAIRMAN. It is.

Mr. BLAND. What is the meaning of having anything in the order about the five-minute rule if it is not for the purpose of affording an opportunity to offer amendments and have them debated? As I understand the order, it is to have amendments considered under the five-minute rule. That certainly would mean the five-minute rule as governed by the rules of the House.

The CHAIRMAN. The Chair will state that the language of the rule is that, "at the hour of 2 o'clock p. m." to-day "the House shall consider the bill under the five-minute rule," with this modification: "It shall be in order immediately after general debate is closed to offer an amendment to any section of the bill."

Not the first section, but all sections, and therefore the bill is not read by sections for amendments. The rule is modified to that extent.

Mr. BLAND. I desire to offer an amendment to the first section.

The CHAIRMAN. The Chair will recognize the gentleman from Illinois, as chairman of the Committee on Banking and Currency, and then will recognize gentlemen to offer their substitutes under the rule.

Mr. SPRINGER. I hope gentlemen will not bring any controversy in the committee that will consume the time so that there will not be an opportunity to offer amendments.

Mr. REED. I do not want to consume any time, but I suppose the substitutes ought to be put in and the amendments offered.

The CHAIRMAN. The Chair thinks the best way will be first to dispose of the amendments coming from the committee. If the committee amendments are not disposed of we will get into difficulty.

Mr. REED. The only difficulty that can arise would be this, that if the whole time were consumed by the committee on amendments it may not give an opportunity to offer a substitute.

Mr. WILLIAMS of Mississippi. Is not that the intention of the committee?

Mr. REED. Both substitutes ought to be offered and pending.

The CHAIRMAN. The Chair has no objection to modifying the statement, so as to permit those gentlemen who have the two substitutes to offer them, and that would set them formally before the House and have them pending. So that if the gentleman from Maine offers his substitute, which has already been read and printed in the RECORD, the Chair will consider that his substitute is pending.

Mr. REED. Then my substitute has been printed in the REC-

ORD and is pending; and the gentleman from Tennessee offers his first and it would be voted on, and then mine would be voted on.

Mr. COX. I stated that I would offer a substitute for the bill, which was printed in the RECORD. The gentleman from Maine stated that he would offer a substitute for the bill, which was printed in the RECORD. After that I stated that I would offer a substitute. Now, I desire that the gentleman follow the course of procedure and offer his substitute.

Mr. REED. I have offered it.

Mr. COX. Now, then, as I understand the gentleman's substitute is offered under the rule, I offer an additional substitute for the entire bill.

Mr. REED. That will be voted on first. [After a pause.] I do not care; there is no use of maneuvering about a thing of this kind.

The CHAIRMAN. The Chair understands the substitute of the gentleman from Tennessee has been read and published in the RECORD.

Mr. COX. It has been published in the RECORD.

The CHAIRMAN. The Chair will now announce to the committee that under the rule the two substitutes are now pending, one offered by the gentleman from Maine [Mr. REED], and one offered by the gentleman from Tennessee [Mr. COX].

Mr. BLAND. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. I desire to know if I can now offer an amendment to the substitute of the gentleman from Maine?

The CHAIRMAN. The gentleman from Missouri will permit the Chair to state that an amendment can not be offered to the substitute now, inasmuch as the substitute is not being debated; but an amendment can be offered when it is under debate.

Mr. REED, Mr. BLAND, and Mr. DINGLEY addressed the Chair.

The CHAIRMAN. One at a time. The Chair will state, if the gentleman will permit him, that this rule is unusual, and the Chair only wants to carry out the purpose of the House in passing it.

Mr. BLAND. I say it is very unusual.

The CHAIRMAN. The Chair would now suggest that the substitute of the gentleman from Maine, while it is pending, is not open for discussion, and the Chair would suggest to the gentleman from Missouri that he withhold his amendment and offer it when the gentleman from Maine begins to discuss his substitute. Then the Chair will recognize the gentleman to offer an amendment.

Mr. BLAND. I would like to know under what rules of parliamentary law the Chair can rule out an amendment to a substitute when the substitute is offered. Why can not this amendment be now offered and both be debated at the same time?

The CHAIRMAN. The Chair does not rule it out.

Mr. REED. The gentleman from Illinois has the right to first perfect the text of his bill.

Mr. BLAND. How can the substitute be pending if it is not offered?

The CHAIRMAN. The rule expressly provides that two substitutes shall be pending. The Chair will pass on the question as to whether the gentleman's amendment can be offered when the substitute is brought up. The substitute is not now before us, and that is the reason why the Chair holds that the gentleman's amendment is not in order now, but will recognize the gentleman to offer an amendment when the substitute is up. Now, the Chair recognizes the gentleman from Illinois, chairman of the committee, to offer amendments to the original text of the bill.

Mr. SPRINGER. I offer an amendment to the first section, page 2, line 13. Insert after the word "payable" the following words, which I hope the Clerk will read.

The Clerk read as follows:

At the pleasure of the United States after ten years from the date of their issue and due.

The CHAIRMAN. Without objection, the amendment will be considered as agreed to.

Mr. COX. I desire to debate the amendment.

The CHAIRMAN. The amendment is debatable.

Mr. SPRINGER. I reserve the time in favor of the amendment.

Mr. COX. I desire to bring out the point in that amendment.

The proposition of the amendment is, as an amendment to the original bill, that instead of the bonds running for fifty years, as provided in the original bill, that when thus amended the Secretary of the Treasury may redeem the bonds after a lapse of ten years. Now, that is the amendment. All of that has been set forth in the amendment, as to the gold bonds or gold interest-bearing bonds. Now, if the gentleman undertakes to issue the bonds for fifty years, of course the rate of interest will be governed to a very great extent by the time they should run. The committee adopted that amendment against the protest of others, and I desired to state the facts concerning the matter.

Mr. SPRINGER. The only change proposed by this amendment is that the bonds may be payable at the Treasury of the United States after ten years.

Mr. COX. That is all.

Mr. SPRINGER. And will be due at fifty instead of, as in the original bill, payable at fifty years. I think there will be no objection to this amendment, and I call for a vote upon it.

The amendment was agreed to.

The Clerk read the next amendment, as follows:

In the second section of the bill, after the word "reissued" in line 9, insert: "Provided, That the amount of such United States notes which may be canceled and retired shall not exceed in the aggregate an amount equal to the additional circulation taken out by national banks after the passage of this act."

The CHAIRMAN. If there be no objection, this amendment will be considered as agreed to.

Mr. COOMBS. Mr. Chairman, I wish to have a vote on that.

Mr. SPRINGER. Mr. Chairman, I reserve my time in favor of the amendment.

Mr. BRECKINRIDGE. Mr. Chairman, I object to this amendment. I rise, however, for the purpose of having read as a part of my remarks a proposition which I send to the desk and which, if I can get an opportunity, I will at the proper time offer as an amendment to the first section of the bill.

The amendment proposed by Mr. BRECKINRIDGE was read, as follows:

Strike out the whole of the first section and insert in lieu of it:

"That to enable the Secretary of the Treasury to provide for and maintain the redemption of United States notes according to the provisions of the act approved January 14, 1875, entitled 'An act to provide for the resumption of specie payments,' and to enable him to pay the current expenses of the Government when the current revenues shall be deficient therefor, he is authorized from time to time, in his discretion, to issue, sell, and dispose of at not less than par such an amount of certificates of indebtedness of the denomination of twenty-five, fifty, and one hundred dollars, or any multiple thereof, as may be needed for either of said purposes, bearing interest at a rate not exceeding 3 per cent per annum, payable semiannually, and redeemable at the pleasure of the Government in coin after two years, with like qualities, privileges, and exemptions, as provided in the act approved January 14, 1875; and the Secretary may, at his discretion, sell and dispose of the same for not less than an equal amount of lawful money of the United States, at designated depositories of the United States, and at such post-offices as he may select: Provided, That after the passage of this act there shall not be issued any legal-tender notes, or Treasury notes, or notes of any national bank of a less denomination than \$10: And provided further, That the silver bullion now in the Treasury of the United States shall be coined as rapidly as practicable, and upon it, as coin, the Secretary may issue silver certificates of any denomination not larger than \$20: And provided further, That all acts or parts of acts imposing a tax upon the circulation or notes of banks chartered by any of the States be, and they are hereby, repealed."

Mr. SPRINGER. For what purpose is this read, Mr. Chairman?

The CHAIRMAN. It is read as a part of the argument of the gentleman from Kentucky.

Mr. BRECKINRIDGE. All I desire to say now, Mr. Chairman, is that I have had that read for the information of the committee at this time and to get it in the RECORD; my purpose being, if I can get an opportunity, to move at the proper time to strike out the first section of the bill and insert in lieu thereof the proposition just read, which seems to me to be all that is necessary in the present condition of the Treasury. I do not desire to consume further time now.

The CHAIRMAN. The question is on the amendment of the committee which has been read.

Mr. COOMBS. Mr. Chairman, I do not approve of this amendment, but as I do not wish to embarrass the committee in relation to the larger features embraced in the bill I withdraw my opposition.

The CHAIRMAN. If there be no objection, the amendment will be considered as agreed to.

Mr. WELLS. I object, Mr. Chairman.

Mr. WALKER. Mr. Chairman, I am opposed to this amendment because I think it will defeat the purpose of the bill. By existing law the profits on national-bank circulation over and above the 6 per cent which might be made on the money invested in bonds is one-half of 1 per cent. Under the provision in this bill reducing the tax on bank circulation from 1 per cent to a quarter of 1 per cent the profit will be 1½ per cent on circulation, and under the provisions of the bill allowing circulation to be taken out to the par value of the bonds the profit will also be increased 2 per cent more on the circulation that the banks take out. So that if this bill becomes a law the profit to the banks will be about 3½ per cent on circulation.

Now, if that is not a sufficient inducement to the banks to take out circulation, then we might as well abandon the whole thing of national-bank circulation. If we allow this provision, that legal-tender notes shall not be destroyed any faster than banks take out circulation, to remain, we defeat the whole object of the bill. I am personally opposed to trying to legislate to retire the greenbacks, because I know it can not succeed; but the Administration has said that we must do so, and, as a friend of the Administration, I propose to support this bill if its friends will make it workable by accepting certain necessary amendments which I propose; but I do not propose to vote for an amendment like this, which will defeat the very object of the bill. If the present inducement to the banks is enough, the amendment is not necessary, and I move to lay it on the table.

The CHAIRMAN. That motion is not in order in Committee of the Whole.

Mr. WALKER. This amendment puts the whole matter of reducing the volume of legal-tender notes in the hands of the banks and outside of the control of the Secretary of the Treasury. If we propose to give him power, let us give it to him.

Mr. BLACK. Mr. Chairman, I wish to call attention to the proviso in the second section. I think the impression prevails that this bill prohibits the retirement of any of these notes unless national-bank notes are issued in place of them. That is a mistake as to the Sherman notes issued under the act of 1890. Under the provisions of this bill those notes may be received for the purchase of bonds and canceled, and no national-bank notes issued in their place.

The question being taken on the amendment of the committee, the Chairman declared that the ayes seemed to have it.

A division was demanded.

The committee divided; and there were—ayes 104, noes 23.

Mr. WELLS. No quorum, Mr. Chairman.

The CHAIRMAN. The gentleman from Wisconsin makes the point that no quorum has voted. The Chair will appoint to act as tellers the gentleman from Illinois, Mr. SPRINGER, and the gentleman from Wisconsin, Mr. WELLS.

The tellers took their places; but, pending the count, Mr. WELLS withdrew the point of no quorum, and the amendment was agreed to.

Mr. SPRINGER. The next committee amendment is on page 3, section 3.

The CHAIRMAN. The Clerk will read the amendment.

The Clerk read as follows:

In section 3, page 3, line 6, after the word "only," insert: "And in lieu of all existing taxes every association shall pay to the Treasury of the United States in the months of January and July a duty of one-eighth of 1 per cent each half year upon the average amount of the notes issued to it by the Comptroller of the Currency."

Mr. HAUGEN. I desire to offer an amendment to be added after the amendment of the committee.

The amendment was read, as follows:

Amend by adding the following to the committee amendment:

"Any bank with a capital of not less than \$25,000 may, with the approval of the Secretary of the Treasury, be organized in any place the population of which does not exceed 6,000 inhabitants."

Mr. HAUGEN. This amendment simply strikes out the minimum limit of \$50,000 in the national-bank act and substitutes \$25,000. I believe there are many State banks, especially in my part of the country, which would avail themselves of a national-bank charter if this amendment were adopted.

Mr. PICKLER. Why do you restrict it to places of 6,000 population?

Mr. HAUGEN. Because it is so restricted under the existing law. The only change I make is to substitute \$25,000 for \$50,000 as the minimum capital. I leave the matter of population as it stands in the statute.

Mr. SPRINGER. Mr. Chairman, I hope that amendment will be adopted.

Mr. COOPER. Why does the gentleman mention population at all in his amendment?

Mr. HAUGEN. Because the national-bank act mentions it.

Mr. SPRINGER. Will not the gentleman from Wisconsin agree to make the limit \$20,000?

Mr. HAUGEN. I am not particular as to that.

Mr. SPRINGER. Quite a number of gentlemen would prefer that figure.

Mr. HAUGEN. The law of my State fixes \$25,000 as the lowest amount of the capital stock of a State bank; but I am willing to accept the gentleman's suggestion and modify my amendment accordingly.

The CHAIRMAN. The amendment of the gentleman from Wisconsin is modified by striking out "\$25,000" and inserting "\$20,000."

Mr. SPRINGER. I hope that the amendment in this form will be adopted.

Mr. BRYAN. Mr. Chairman, I submit that the amendment proposed by the gentleman from Wisconsin [Mr. HAUGEN] ought to be defeated, because it simply proposes to establish more national banks; and there is now enough influence brought to bear on legislation by the banks which we have without establishing new ones.

So far as the amendment proposed by the gentleman from Illinois is concerned, I want the House to understand that its only effect is to reduce the annual tax upon bank issues from 1 per cent to a quarter of 1 per cent. And I hope that gentlemen on the Republican side of the House who are so anxious for some measure to increase the revenues will not vote for this amendment, which is going to decrease the revenues of the Government. Mr. Chairman, the national banks have advantages enough under the present law. We are contending against the whole system; for one

reason, because it extends special and valuable privileges to the banks, and I insist—

Mr. REED. Why not introduce an amendment providing that this amount shall come out of the surplus?

Mr. BRYAN. Well, Mr. Chairman, the gentleman from Maine [Mr. REED] is in an excellent position to advocate this amendment after he has proposed an amendment to issue bonds to make up the deficit. In other words, we are first to increase the deficit and then issue bonds to make it up.

Mr. Chairman, why should we take off this tax? Why should we remove any part of the light burden which is now resting upon these institutions? If we are going to have national banks, I think we should rather increase the tax on their circulation than decrease it.

Mr. COX. Will the gentleman yield to me a moment?

Mr. BRYAN. I have but five minutes.

Mr. COX. I will give you a point. [Laughter.]

Mr. BRYAN. In five minutes I have not time enough to discuss the points I now have.

Mr. COX. This may be a better one than you are going to make yourself. [Laughter.]

Mr. BRYAN. Well, give it to me quickly.

Mr. COX. It is this: The bill allows these banks to take out circulation equal to the par value of their bonds, and now, in addition, it is proposed to reduce the tax on their circulation.

Mr. BRYAN. Certainly, the point is a good one. We are asked to help the banks both ways. We are asked to increase the amount of circulation they can issue and then decrease the tax on their circulation.

But I want to say a word in regard to the substitute offered by the gentleman from Maine [Mr. REED]. His proposition is no better than that of the gentleman from Illinois so far as gold is concerned. So far as we can judge by the action of the gentleman from Maine on this floor, there is but little difference between his opinions on finance and the opinions of the President. The only difference is that the President of the United States boldly and frankly tells us that he is in favor of the gold standard, while the gentleman from Maine proposes an amendment which means the same thing, but he has not the courage to tell this House that he indorses the President's policy.

Now, if I were compelled to choose between two financiers—the President, who boldly advocates a financial policy which we oppose, and one who, like the gentleman from Maine, agrees with the President but will not declare himself—I should prefer the one who is frank enough to take the people into his confidence. The amendment proposed by the gentleman from Maine allowing the Treasury Department to issue bonds of different kinds is a recognition of the duty of the Treasury Department to pay out gold on demand, while we deny the construction placed by the President upon the law and oppose any further issue of bonds, because we can not authorize an issue of bonds without indorsing the position taken by the President.

We may not be able to prevent an issue of bonds by the President, but we can compel him to bear the responsibility alone. If the Secretary of the Treasury would exercise the option and redeem greenbacks and Treasury notes in silver, no bonds would be necessary; therefore, to authorize the issue of any kind of bonds is to declare that the President is right in paying gold on demand, and to make such a declaration is equivalent to saying that silver is not a standard money, equal to gold in debt-paying power. We can not afford to make such a declaration because it is an abandonment of bimetalism.

[Here the hammer fell.]

Mr. SPRINGER obtained the floor.

Mr. STRAUS. Will the gentleman from Illinois yield to me a moment that I may ask the gentleman from Nebraska a question?

Mr. SPRINGER. I yield for a moment.

Mr. STRAUS. If, as contended, the banks already have sufficient inducements to go into the business of issuing circulating notes, will the gentleman from Nebraska [Mr. BRYAN] explain why they have now in circulation only \$200,000,000 in round numbers, while they are at liberty under the law to issue three or four times that amount?

Mr. BRYAN. I think the reason is that the premium on the bonds has risen to a point where it is less profitable than it used to be for the banks to issue circulating notes; but it is still three times as profitable as the business of farming and most other legitimate businesses of this country.

Mr. SPRINGER. I wish to call attention to the fact that while this tax upon the circulation of the national banks was not intended as a revenue tax when it was imposed, it has, in fact, resulted in producing large revenues.

Mr. BRYAN. Then it has brought a good that was not intended?

Mr. SPRINGER. I have said that it was not intended as a revenue tax. It was intended to reimburse the Government for its expenses in carrying out the law; but the result has been to

afford the Government a large amount of revenue. I read from page 28 of the last report of the Comptroller of the Currency:

Up to June 30, 1894, the end of the last fiscal year, the national-bank circulation had yielded a revenue amounting to \$76,834,997.17. Estimated at the same rate as for the year prior, the taxes on circulation from June 30 to October 31 would yield an additional revenue of \$573,698.39.

Thus it will be seen that the revenue derived from this tax on the circulation of the national banks up to the present time has amounted to more than \$76,000,000. On the same page of this report the Comptroller says:

From this should be deducted the Government expense of this office, including the additional expense, which has been carefully estimated on the basis established by former Comptrollers, and the total brought down to the close of the report year, amounting to \$15,365,963.75. This leaves the net profit derived from the national banks at \$132,639,332.19.

Mr. STONE of Kentucky. I would like to ask the gentleman a question.

Mr. SPRINGER. Very well.

Mr. STONE of Kentucky. As soon as you reduce the tax on the national banks from 1 per cent to one-quarter of 1 per cent, do you suppose that the banks will loan money to a man who has to borrow money to make his crop of oats or corn throughout the country for less than they require him to pay now?

Mr. SPRINGER. I do.

Mr. STONE of Kentucky. What assurance have you for that statement?

Mr. SPRINGER. I will explain.

Mr. STONE of Kentucky. Let me continue my question. Do not you think it is as well for the national banks to contribute by taxation a part of the revenue so as to allow some little possibility of the workman getting his clothes a little cheaper by removing some of the taxation upon him before you allow the banks to come in for an additional share of Government bounty?

Mr. SPRINGER. I will answer the gentleman's questions as I proceed.

I only want to say that I hope this question will be met in a spirit of fairness and candor. Gentlemen seem to think that we can have a national-bank circulation and at the same time hedge it about by all kinds of provisions which they allege are for the good of the people. Now, I say that every impediment you put on the bank note is an impediment that is borne by the borrower from the bank. The bank is established for the purpose of making a business. Bankers are not in that business for their health.

Mr. STONE of Kentucky. I hope the gentleman will give us the foundation on which he bases his assurance that the people will get the money cheaper.

Mr. SPRINGER. I repeat that every time you throw an impediment in the way of banking, or an impediment on the right to issue bills, that impediment falls of necessity not on the bank, but is charged up to the customers when they want to borrow money, and that is apparent from the fact that while the banks are to-day, as the gentleman from New York has shown, in possession of a capital of \$675,000,000 there is only about two hundred and eight millions of circulation—

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMPSON. I wish to offer an amendment to the amendment of the gentleman.

The CHAIRMAN. That is not now in order. The question is on agreeing to the amendment to the amendment.

The question was taken; and on a division (demanded by Mr. BRYAN) there were—ayes 145, noes 15.

So the amendment to the amendment was agreed to.

The question recurred on the amendment as amended.

Mr. BROSIUS. I wish to offer an amendment to the section as amended.

The CHAIRMAN. The Clerk will read the proposed amendment of the gentleman from Pennsylvania.

The Clerk read as follows:

Amend by adding to section 3:

"Provided, That from and after the 1st day of July, 1895, one-half of all duties on imports shall be paid in gold coin."

Mr. SPRINGER. I would suggest that that amendment would not be in order until after the pending amendment is disposed of. It is properly an amendment to the section.

The CHAIRMAN. The Chair thinks it is not germane to the lines before the committee, but will recognize the gentleman later on.

Mr. BROSIUS. I think the Chair is right about it.

Mr. BRYAN. I wish to offer an amendment to the amendment.

The Clerk read as follows:

Add "And no national banking association shall loan any of its circulating notes at a higher rate of interest than 5 per cent per annum."

Mr. BRYAN. If you are going to tax them one-fourth of 1 per cent for the circulating notes, it is equivalent to loaning them money at one-fourth of 1 per cent interest; and when they are allowed to charge twenty times as much as they pay for it, under the provisions of this bill, it seems to me that it ought to be enough to satisfy anybody.