

THE MESSAGE.

President Cleveland's Address to the New Congress.

Foreign Policy of the Government Discussed—Points in Dispute with Great Britain—Financial Question Dwelt Upon at Length.

WASHINGTON, Dec. 3.—The president sent in the following message to congress:

Foreign Relations.

The present assembling of the legislative branch of our government occurs at a time when the interests of our people and the needs of the country give especial prominence to the condition of our foreign relations and the exigencies of our national finances. The reports of the heads of the several administrative departments of the government fully and plainly exhibit what has been accomplished within the scope of their respective duties and present such recommendations for the betterment of our country's condition as patriotic and intelligent labor and observations suggest. I therefore deem my executive duty adequately performed at this time by presenting to congress the important phases of our situation as related to our intercourse with foreign nations, and a statement of the financial problems which confront us, omitting, except as they are related to these topics, any references to departmental operations, earnestly invite, however, not only the careful consideration, but the severe critical scrutiny of the congress and my fellow countrymen to the reports concerning these departmental operations. If justly and fairly examined they furnish proof of assiduous and painstaking effort for the public welfare. I press the recommendations they contain upon the respectful attention of those charged with the duty of legislation, because I believe their adoption would promote the people's good.

By amendatory legislation in January last, the Argentine Republic, recognizing the value of the large market opened to the free importations of its wool under the last tariff act, has admitted certain products of the United States to enter at reduced duties. It is pleasing to note that the efforts we have made to enlarge the exchanges of trade on a sound basis of mutual benefit are in this instance appreciated by the country from which our woolen factories draw their needful supply of raw material.

The missions' boundary dispute between the Argentine Republic and Brazil, referred to the president of the United States as arbitrator during the term of my predecessor and which was submitted to me for determination, resulted in an award in favor of Brazil upon the historical and documentary evidence presented, thus ending a long protracted controversy and again demonstrating the wisdom and desirability of settling international boundary disputes by recourse to friendly arbitration. Negotiations are progressing for a revival of the United States and Chilean claims commission, whose work was abruptly terminated last year by the expiration of the stipulated time within which awards could be made.

The resumption of specie payments by Chile is a step of interest and importance, both in its direct consequences upon her own welfare as evincing the tendency of sound financial principles in one of the most influential of the South American republics.

The close of the momentous struggle between China and Japan, while relieving the diplomatic agents of this government from the delicate duty they undertook at request of both countries of rendering such service to subjects of either belligerent within the territorial limits of the other as our neutral position permitted, developed a domestic condition in the Chinese empire which has caused much anxiety and called for prompt and careful attention. Either as a result of a weak control by the central government over the provincial administrations, following a diminution of traditional government authority under the stress of an overwhelming natural disaster, or a manifestation upon good opportunity of the aversion of the Chinese population to all foreign ways and undertakings, there have occurred in widely separated provinces of China serious outbreaks of the old fanatical spirit against foreigners, which, unchecked by the local authorities, if not actually connived at by them, have culminated in mob attacks on foreign missionary stations, causing much destruction of property and attended with personal injuries as well as loss of life. Although but one American citizen was reported to have been actually wounded, and although the destruction of property may have fallen more heavily upon the missionaries of other nationalities than our own, it plainly behooved this government to take the most prompt and decided action to guard against similar or perhaps more dreadful calamities befalling the hundreds of American mission stations which have grown up throughout the interior of China under the temperate rule of toleration, custom and imperial edict. The demands of the United States and other powers for the degradation and punishment of the responsible officials of the respective cities and provinces who by neglect or otherwise had permitted arising and for the adoption of stern measures by the emperor's government for the protection of the life and property of foreigners, were followed by the disgrace and dismissal of certain provincial officials found derelict in duty, and the punishment by death of a number of those adjudged guilty of actual participation in the outrages.

[The president states that our cordial relations with France continues, the only question of disagreement being the imprisonment of ex-consul Waller, and this, he says, is in course of satisfactory settlement.]

Our relation with the states of the German empire are in some aspects typical of a condition of things elsewhere found in a country whose productions and trade supplies are in great measure our own. The close rivalries of competing industries; the influence of the delusive doctrine that the internal development of a nation is promoted and its wealth increased by a policy which, in undertaking to reserve its home markets for the exclusive use of its own producers, necessarily obstructs their sales in foreign markets and prevents free access to the products of the world; the desire to retain trade in time-worn ruts, regardless of the inexorable laws of new needs and changed conditions of demand and supply; and our own halting tardiness in inviting a free exchange of commodities and in thus impeding our footing in the external markets naturally open to us, have created a situation somewhat injurious to American export interests, not only in Germany, where they are perhaps most noticeable, but in adjacent countries. The exports affected are largely American cattle and other food products, the reason assigned for unfavorable discrimination being that their consumption is deleterious to the public health. This is all the more irritating in view of the fact that no European state is as jealous of the excellence and wholesomeness of its exported food supplies as the United States, nor so easily able on account of inherent soundness, to guarantee these qualities.

Our relations with Great Britain, always intimate and important, have demanded, during the past year, even a greater share of consideration than is usual. Several vexatious questions were left undetermined by the decision of the Behring sea arbitration tribunal.

The application of the principles laid down by that august body has not been followed by the results they were intended to accomplish, either because the principles themselves lacked in breadth and definiteness or because their execution has been more or less imperfect. Much correspondence has been exchanged between the two governments on the subject of preventing the exterminating slaughter of seals. The insufficiency of the British patrol of the Behring sea under the regulations agreed on by the two governments has been pointed out, and only two British ships have done police duty during this season in these waters. The need of a more effective enforcement of existing regulations, as well as the adoption of such additional regulations as experience has shown to be absolutely necessary to carry out the intent of the award, have been earnestly urged upon the British government, but thus far without effective results. In the mean time the depletion of the seal herds by means of pelagic hunting has so alarmingly progressed that unless their slaughter is at once effectively checked their extinction within a few years seems to be a matter of absolute certainty. The understanding by which the United States was to pay and Great Britain to receive a lump sum of \$425,000 in full settlement of all British claims for damages arising from our seizure of British sealing vessels unauthorized under the award of the Paris tribunal of arbitration was not confirmed by the last congress, which declined to make the necessary appropriation. I am still of the opinion that this arrangement was a judicious and advantageous one for the government, and I earnestly recommend that it be again considered and sanctioned.

It being apparent that the boundary dispute between Great Britain and the republic of Venezuela, concerning the limits of British Guiana, was approaching an acute stage, a definite statement of the interest and policy of the United States as regards the controversy seemed to be required, both on its own account and in view of its relations with the friendly powers directly concerned. In July last, therefore, a dispatch was addressed to our ambassador at London for communication to the British government, in which the attitude of the United States was fully and distinctly set forth. The general conclusions there reached and formulated are in substance, that the traditional and established policy of this government is firmly opposed to a forcible increase by any European power of its territorial possessions on this continent; that this policy is as well founded in principle as it is strongly supported by numerous precedents; that as a consequence the United States is bound to protest against the enlargement of the area of British Guiana in derogation of the rights and against the will of Venezuela; that, considering the disparity in strength of Great Britain and Venezuela, the territorial dispute between them, can be reasonably settled only by friendly and impartial arbitration and that the resort to such arbitration should include the whole controversy and is not satisfied if one of the powers concerned is permitted to draw an arbitrary line through the territory in debate and to declare that it will submit to arbitration only the portion lying on one side of it. In view of these conclusions the dispatch in question called upon the British government for a definite answer to the question whether it would or would not submit the territorial controversy between itself and Venezuela in its entirety to impartial arbitration.

The answer of the British government has not yet been received, but is expected shortly, when further communication on the subject will probably be made to the congress.

[The Hawaiian affair is briefly stated at this point in the message.]

Cuba is again gravely disturbed, an insurrection in some respects more active than the last preceding revolt, which continued from 1898 to 1899, now exists in a large part of the eastern interior of the island, menacing even some populations on the coast. Beside deranging the exchanges of the island, of which our country takes the predominant share, this flagrant condition of hostilities by arousing sentimental sympathy and inciting adventurous support among our people, has caused much concern on the part of this government to enforce obedience to our neutrality laws and to prevent the territory of the United States from being abused as a vantage ground from which to aid those in arms against Spanish sovereignty.

Whatever may be the traditional sympathy of our countrymen as individuals with people who seem to be struggling for larger autonomy and greater freedom, deemed as such sympathy naturally must be in behalf of our neighbor, yet the plain duty of their government is to observe in good faith the recognized obligations of international relationship. The performance of this duty should not be made more difficult by a disregard on the part of our citizens of the obligations growing out of their allegiance to their country, which should restrain them from violating, as individuals, the neutrality which the nation of which they are members is bound to observe in its relations to friendly sovereign states.

Occurrences in Turkey have continued to excite concern. The reported massacres of Christians in Armenia and the development there, and in other districts, of the spirit of fanatic hostility to Christian influences naturally excited apprehension for the safety of the devoted men and women, who as dependents of the foreign missionary societies in the United States all reside in Turkey under the guarantee of law and usage and in the legitimate performance of their educational and religious mission. No efforts have been spared in their behalf and their protection in person and property has been earnestly and vigorously enforced by every means within our power. The presence of our naval vessels which are now in the vicinity of the disturbed localities affords opportunities to acquire a measure of familiarity with the condition of affairs and will enable us to take suitable steps for the protection of any interests of our countrymen within reach of our ships that might be found imperiled.

The Financial Situation.

As we turn from a review of our foreign relations to the contemplation of our national financial situation we are immediately aware that we approach a subject of the most important nature, more important than any other that can engage our attention and one at present in such a perplexing and delicate predicament as to require prompt and wise treatment. We may well be encouraged to earnest effort in this direction when we recall the steps already taken toward improving our economic and financial situation, and when we appreciate how well the way has been prepared for further progress by an aroused and intelligent popular interest in these subjects. By command of the people, a customs revenue system, designed for the protection and benefit of favored classes at the expense of the great majority of our countrymen and which, while inefficient for the purpose of revenue, curtailed our trade relations and impeded our entrance to the markets of the world, has been superseded by a tariff policy which, in principle is based upon a denial of the right of the government to obstruct the avenues to our people's cheap living or lessen their comfort and contentment, for the sake of according special advantages to favorites, and which, while encouraging our intercourse and trade with other nations, recognizes the fact that American self-dependence, thrift and dignity can build up our country's industries and develop its resources more surely than operating paternalism. The compulsory purchase and coinage of silver by the government, unchecked and unregulated by business conditions and heedless of our currency needs, which, for more than fifteen years, hindered our circulating medium, undermined confidence abroad in our financial ability and at last culminated in distress and

panic at home has been recently stopped by the repeal of the laws which forced this reckless scheme upon the country. The things thus accomplished, notwithstanding their extreme importance and beneficent effects, fell far short of curing the monetary evils from which we suffer as a result of long indulgence in ill advised financial expedients. The currency dominated United States notes and commonly known as greenbacks was issued in large volume during the late civil war and intended originally to meet the emergencies of that period.

It will be seen by a reference to the debates in congress at the time laws were passed authorizing the issue of these notes that their advocates declared they were intended for only temporary use and to meet the emergency of war. In almost, if not all, the laws relating to them some provision was made contemplating their voluntary or compulsory retirement. A large quantity of them, however, were kept on foot and mingled with the currency of the country, so that at the close of the year 1874 they amounted to \$31,699,074. Immediately after that date and in January, 1875, a law was passed providing for the resumption of specie payment, by which the secretary of the treasury was required, whenever additional circulation was issued to national banks to retire United States notes equal in amount to 80 per cent. of such additional national bank circulation until such notes were reduced to \$300,000,000. This law further provided that on and after the first day of January, 1879, the United States notes then outstanding should be redeemed in coin, and in order to provide and prepare for such redemption the secretary of the treasury was authorized not only to use any surplus revenues of the government, but to issue bonds of the United States and dispose of them for coin and to use the proceeds for the purposes contemplated by the statute. In May, 1878, and before the date thus appointed for the redemption and retirement of these notes, another statute was passed forbidding their further circulation and retirement. Some of them had, however, been previously redeemed and canceled upon the issue of additional national bank circulation, as permitted by the law of 1875, so that the amount outstanding at the time of the passage of the act forbidding their further retirement was \$30,620,000. The law of 1878 did not stop at distinct prohibition, but contained, in addition, the following provision: "And when any of said notes may be redeemed or received into the treasury, under any law, from any source whatever, they shall not be retired, canceled, or destroyed, but they shall be reissued and made out again and kept in circulation. This was the condition of affairs on the 1st day of January, 1879, which had been fixed upon four years before as the date for entering upon the redemption and retirement of all these notes, and for which such abundant means had been provided. The government was put in the anomalous situation of owing to the holders of these notes debts payable in gold on demand, which could neither be retired by receiving such notes in discharge of obligations due the government, nor canceled by actual payment in gold. It was forced to redeem without redemption and to pay without acquittance.

There has been issued and sold \$85,500,000 of the bonds authorized by the resumption act of 1875, the proceeds of which, together with the gold in the treasury, created a gold fund deemed sufficient to meet the demands which might be made upon it for the redemption of the outstanding United States notes. This fund, together with such other gold as might be from time to time in the treasury available for the same purpose, has been since called our gold reserve and \$100,000,000 has been regarded as an adequate amount to accomplish its object. This fund amounted on the 1st day of January, 1879, to \$114,190,133 and though thereafter constantly fluctuating, it did not fall below that sum in July, 1892. In April, 1893, for the first time since its establishment, this reserve amounted to less than \$100,000,000, containing at that date only \$97,011,330. In the meantime and in July, 1890, an act had been passed directing large governmental monthly purchases of silver that had been required under previous laws and providing that the actual ownership of gold as held by the United States should be issued payable on demand in gold or silver coin at the discretion of the secretary of the treasury, it was, however, declared in the act to be the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law. In view of this declaration it was not deemed permissible for the secretary of the treasury to exercise the discretion in terms conferred on him by refusing to pay gold on these notes when demanded, because by such discrimination the parity of the two metals would be destroyed and grave and dangerous consequences would be precipitated by affirming or accentuating the constantly widening disparity between their actual value under the existing ratio. These obligations are the instruments which ever since we have had a gold reserve, have been used to deplete it.

This reserve, as has been stated, had fallen in April, 1893, to \$97,011,330. It has from that time to the present, with very few and important movements, steadily decreased, except as it has been temporarily replenished by the sale of bonds. Among the causes for this constant and uniform shrinkage in this fund may be mentioned the failure of our exports and the operation of the tariff law until recently in force, which crippled our exchange of commodities with foreign nations and necessitated to some extent the payment of our balances in gold, the unnatural infusion of silver into our currency and the increase in agitation for its free and unlimited coinage which have created apprehension as to our disposition or ability to continue gold payments, the consequent hoarding of gold at home and the stoppage of investments of foreign capital as well as the return of our securities already sold abroad and the high rate of foreign exchange which has induced the sale of gold to draw against us as a matter of speculation. In consequence of these conditions the gold reserve on the 1st day of February, 1894, was reduced to \$9,438,377, having lost more than \$31,000,000 during the preceding nine months, or since April, 1893. Its replenishment being necessary and no other manner of accomplishing it being possible, resort was had to the issue and sale of bonds provided for by the resumption act of 1875. Fifty millions of these bonds were sold, yielding \$33,633,285.71, which was added to the reserve fund of gold then on hand. As a result of this operation the reserve, which had suffered constant and large withdrawals in the meantime, stood on the 6th day of March, 1894, at the sum of \$47,466,892. Its depletion was, however, immediately thereafter accelerated that on the 3rd day of June, 1894, it had fallen to \$4,873,025, thus losing by withdrawals more than \$42,000,000 in five months and dropping slightly below this situation when the sale of \$8,000,000 in bonds was effected for its redemption. This depressed condition grew worse, and on the 29th day of November, 1894, our gold reserve was drained to \$7,000,000. It became necessary to again strengthen it. This operation was effected by the sale of bonds amounting to \$50,000,000, from which there was realized \$57,828,294 with which the fund was increased to \$11,012,321 on the 4th day of December, 1894. Again disappointment awaited the anxious hope for relief. There was not even a lull in the exasperating withdrawals of gold. On the contrary, they grew larger and more persistent than ever. Between the 4th day of December, 1894, and early in February, 1895, a period of scarcely more than two

months after the second reinforcement of our gold reserve by the sale of bonds it had lost by such withdrawals more than \$9,000,000, and had fallen to \$1,933,181. Nearly \$13,000,000 had been withdrawn within the month immediately preceding this situation.

In this emergency, and in view of its surrounding perplexity, it became entirely apparent to those upon whom the struggle for safety must, for the third time in less than thirteen months, be restored by another issue and sale of bonds, bearing a rate of interest and badly suited to their purpose, but that a plan must be adopted for their disposition promising better results than realized on the previous sales. An agreement, therefore, was made with a number of financiers and bankers whereby it was stipulated that bonds described in the resumption act of 1875 payable in coin thirty years after their date, bearing interest at the rate of 4 per cent. per annum and amounting to about \$2,000,000, should be exchanged for gold, receivable by weight, amounting to a little more than \$3,500,000. Its good results could not be permanent. Recent withdrawals have reduced the reserve from \$107,571,230 on the 6th day of July, 1895, to \$79,338,994.

On the 28th of January, 1895, it was reported by the secretary of the treasury that more than \$172,000,000 of the gold had been withdrawn for hoarding or shipment during the year preceding. He now reports that from January 1, 1879, to July 11, 1895, a period of more than eleven years, only a little over \$28,000,000 was withdrawn, and that between July 11, 1895, the date of the passage of the law for an increased purchase of silver, and the 1st day of December, 1895, or within less than five and a half years, there was withdrawn nearly \$75,000,000, making a total of more than \$43,000,000 drawn from the treasury gold since January 1, 1879, the date fixed in 1875 for the retirement of the United States notes. Nearly \$37,000,000 of the gold thus withdrawn has been paid out on these United States notes, and yet every one of the \$46,000,000 is still uncanceled and ready to do service in future gold depletions. In other words, the government has paid in gold more than nine-tenths of its United States notes and still owes them all. It has paid in gold about one-half of its obligations given for silver, purchased without extinguishing by such payment \$1 of these notes. And added to all this we are reminded that to carry out this astounding financial system the government has incurred a bonded indebtedness of \$95,000,000 in establishing a gold reserve and of \$162,313,400 in efforts to maintain it.

I am convinced the only thorough and practicable remedy for our troubles is found in the retirement and cancellation of our United States notes, commonly called greenbacks, and the outstanding treasury notes issued by the government in payment of silver purchased under the act of 1893.

The currency withdrawn by the retirement of the United States notes and treasury notes, the treasury in the actual ownership of such might be supplied by such gold as would be used on their retirement or by an increase in the circulation of our national banks. Though the aggregate capital of these now in existence amounts to more than \$666,000,000, their outstanding circulation based on bond security amounts to only about \$199,000,000.

I think they ought to be allowed to issue circulation equal to the par value of the bonds they deposit to secure it, and that the tax on their circulation should be reduced to 1 of 1 per cent., which would undoubtedly meet all the expenses the government incurs on their account. I do not overlook the fact that the cancellation of the treasury notes issued under the silver purchasing act of 1890 would leave the treasury in the actual ownership of sufficient silver, including seigniorage to coin nearly \$178,000,000 in standard dollars. It is worthy of consideration whether this might not, from time to time, be converted into dollars or fractional coin and slowly put into circulation.

In the present stage of our difficulty it is not easy to understand how the amount of our revenue receipts directly affects it. The important question is not the quantity of money received in revenue payments, but the kind of money we maintain and our ability to continue in sound financial conditions. We are considering the question of the ownership of gold as related to the soundness of our money and as affecting our national credit and monetary strength. If our gold reserve had never been impaired; if no bonds had been issued to replenish it; if there had been no fear and timidity concerning our ability to continue gold payment, if any part of our revenues were now paid in gold; and if we could look to our gold receipts as a means of maintaining a safe reserve, the amount of our revenues would be an influential factor in the problem. But unfortunately all the circumstances that might lend weight to this consideration are now lacking. In our present predicament no gold is received by the government in payment of revenue charges, nor would there be if the revenues were increased. The receipts of the treasury when not in silver certificates consist of United States notes and treasury notes, issued for silver purchases. These forms of money are only useful to the government in paying its current ordinary expenses and its quantity in government possession does not in the least contribute toward giving us the kind of safe financial standing or condition which is built on gold alone. If it is said that these notes if held by the government can be used to obtain gold for our reserve, the answer is easy. The people draw gold from the treasury on demand upon United States notes, but the proposition that the treasury can on demand draw gold from the people upon them would be regarded in these days with wonder and amusement. And even if this could be done, there is nothing to prevent those thus parting with their gold from regaining it by the next day or the next hour by the presentation of the notes they received in exchange for it.

Such retention of the metal ought to be at least measurably permanent, and this is precisely what is prohibited so far as United States notes are concerned.

By the law of 1878, forbidding their future retirement, that statute in so many words provides that these notes when received into the treasury and belonging to the United States shall be "paid out again and kept in circulation." It will moreover be readily seen that the government could not refuse to pay out United States notes and treasury notes in current transactions when demanded and insist on paying out silver alone and still maintain the parity between that metal and the currency representing gold. Besides the accumulation in the treasury of currency of any kind exacted from the people through taxation is justly regarded as an evil, and it cannot proceed far without vigorous protest against an unjustifiable retention of money from the business of the country and a denunciation of a scheme of taxation which proves itself to be unjust when it takes from the earnings and income of the citizen money so much in excess of the needs of government support that large sums can be gathered and kept in the treasury. Such a condition was a peril in time of surplus revenue and led the government to restore currency to the people by the purchase of its unissued bonds at a large premium and by a large increase of its deposits in national banks and in circulation, but that the abuse of treasury accumulation has furnished a most persuasive argument in favor of legislation radically reducing our tariff taxation.

I have constantly had in mind the fact that many of my countrymen, whose sincerity I do not doubt, insist that the cure for the ills now threatening us may be found in the single and simple remedy of the free coinage of silver. They contend that our mints shall be at

once thrown open to the free and unlimited and independent coinage of both gold and silver dollars of full legal tender quality, regardless of the action of any other government and in full view of the fact that the ratio between the metals which they suggest calls for 100 cents' worth of gold in the gold dollar at the present standard and only 50 cents in intrinsic worth of silver in the silver dollar. Were there infinitely stronger reasons than can be adduced for hoping that such action would secure for us a bimetallic currency moving on lines of parity, an experiment so novel and hazardous as that proposed might well stagger those who believe that stability is an imperative condition of sound money. No government, no human contrivance or act of legislation has ever been able to hold the two metals together in free coinage at a ratio appreciably different from that which is established in the markets of the world. Those who believe that our independent free coinage of silver at an artificial ratio with gold of 16 to 1 would restore the parity between the metals and consequently the parity between the value and practice of other nations and the teachings of the wisest statesmen and economists of the world, both in the past and present, and what is far more conclusive they run counter to our own actual experiences. Twice in our earlier history our law makers in attempting to establish a bimetallic currency undertook free coinage upon a ratio which accidentally varied from the actual relative value of the two metals, not more than 3 per cent. in both cases, notwithstanding great difficulties and cost of transportation than now exist the coins whose intrinsic worth were undervalued in the ratio gradually and surely disappeared from our circulation and went to other countries where their real value was better recognized. Acts of congress were impotent to create equality where natural causes decreed even a slight inequality. Twice in our recent history we have signally failed to raise by legislation the value of silver. Under an act of congress in 1878 the government was required for more than eleven years to extend annually at least \$25,000,000 in the purchase in silver bullion for coinage.

The act of July 11, 1890, in a still bolder effort increased the amount of silver the government was compelled to purchase and forced it to become the buyer annually of 64,000,000 ounces, or practically the entire product of our mines. Under both laws silver rapidly and steadily declined in value. The prophecy and the expressed hope and expectation of those in the congress, who led in the passage of the last mentioned act that it would re-establish and maintain the former parity between the two metals are still fresh in our memory.

In the light of these experiences, which accord with the experience of other nations, there is certainly no secure ground for the belief that an act of congress could now bridge an inequality of 50 per cent. between gold and silver at our present ratio, nor is there the least possibility that our country, which has less than one-seventh of the silver money in the world, could by its action alone raise not only our own but all silver, to its lost ratio with gold. Our attempt to accomplish this by the free coinage of silver at a ratio differing from the actual relative value would be the signal for a complete departure of gold from our circulating, the immediate and large contraction of our circulation medium and shrinkage in the real value and monetary efficiency of all other forms of currency as they settled to the level of silver monometallism.

The past is full of lessons, teaching not only the economic dangers, but the national immorality that follows in the train of such experiment. I will not believe that the American people can be persuaded, after sober deliberation, to jeopardize their nation's prestige and proud standing by encouraging financial nostrums, nor that they will yield to the false allurements of cheap money, when they realize that it must result in the weakening of that financial integrity and rectitude which thus far in our history has been so devoutly cherished as one of the traits of true Americanism. Our country's indebtedness, whether owing to the government or existing between individuals, has been contracted with reference to our present standard. To decree by act of congress that these debts shall be payable in less valuable dollars than those within the contemplation and intention of the parties when contracted, would operate to transfer, by the fiat of law and without compensation, an amount of property and a volume of rights and interests almost incalculable. Those who advocate a blind and headlong plunge to free coinage in the name of bimetalism and professing the belief, contrary to all experience, that we could thus establish a double standard and a concurrent circulation of both metals in our country are certainly reckoning from a cloudy standpoint. Our present standard of value is the standard of the civilized world and permits the only bimetalism now possible or at least that within the independent reach of any single nation, however powerful that nation may be.

There is a vast difference between a standard of value and a currency for monetary use. The standard must necessarily be fixed and certain. The currency may be in diverse forms and of various kinds. No silver standard country has a gold currency in circulation, but an enlightened and wise system of finance secures the benefits of both gold and silver as currency and circulating medium by keeping the standard stable and all other currency at par with it. Such a system and such a standard also gives free scope for the use and expansion of a safe and conservative credit so indispensable to broad and growing commercial transactions and so well substituted for the actual use of money. If a fixed and staple standard is maintained, such as the magnitude and safety of our commercial transactions and business require the use of money itself is conveniently minimized. Every dollar of fixed and stable value has brought the agency of confident credit in astonishing capacity of multiplying itself in financial work. Every unstable and fluctuating dollar falls as a basis of credit and its use begets gambling speculation and undermines the foundations of honest enterprise. I have ventured to express myself on these subjects with earnestness and plainness of speech because I cannot rid myself of the belief that there lurks in the proposition for the free coinage of silver so strongly approved and so enthusiastically advocated by a multitude of my countrymen a serious menace to our prosperity and an insidious temptation of our people to wander from the allegiance they owe to public and private integrity. It is because I do not distrust the good faith and sincerity of those who press this scheme that I have imperfectly but with real submission my thoughts upon this momentous subject. I cannot refrain from begging them to re-examine their views and beliefs in the light of patriots, reason and familiar experience, and to weigh again and again the consequences of such legislation as their efforts have invited. Even the continued agitation of the subject adds greatly to the difficulties of a dangerous financial situation already forced upon us. In conclusion I especially entreat the people's representatives in the congress who are charged with the responsibility of inaugurating measures for the safety and prosperity of our common country to promptly and effectively consider the lists of our critical financial plight. I have suggested a remedy which my judgment approves. I desire, however, to associate with them in perfecting any other measure promising thorough and practical relief and that I will gladly labor with them in every patriotic endeavor to further the interests and guard the affairs of our countrymen, whom in our respective places of duty we have undertaken to serve.

GROVER CLEVELAND.