

# Grover Cleveland, Message on the repeal of the Sherman Silver Purchase Act August 8 1893

## Introduction

Despite the mounting demand for free coinage of silver, Cleveland firmly believed that the silver purchases under the act of 1890 were in good part responsible for the panic that was causing distress in 1893. He called Congress into special session during the summer and sent them this tactfully phrased, but widely unpopular message, calling for the repeal of the Sherman Silver Purchase Act. All but the first two paragraphs were written by Attorney-General Richard Olney, but Cleveland went through Olney`s draft to soften some of the Attorney-General`s offensive references to silver advocates.



---

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

Our unfortunate financial plight is not the result of untoward events nor of conditions related to our natural resources, nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With

plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise, suddenly financial distrust and fear have sprung up on every side. . . . Values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business.

I believe these things are principally chargeable to Congressional legislation touching the purchase and coinage of silver by the General Government.

This legislation is embodied in a statute passed on the 14th day of July, 1890, which was the culmination of much agitation on the subject involved, and which may be considered a truce, after a long struggle, between the advocates of free silver coinage and those intending to be more conservative. .

This law provides that in payment for the 4,500,000 ounces of silver bullion which the Secretary of the Treasury is commanded to purchase monthly there shall be issued Treasury notes redeemable on demand in gold or silver coin, at the discretion of the Secretary of the Treasury, and that said notes may be reissued. It is, however, declared in the act to be

"the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be provided by law."

This declaration so controls the action of the Secretary of the Treasury as to prevent his exercising the discretion nominally vested in him if by such action the parity between gold and silver may be disturbed. Manifestly a refusal by the Secretary to pay these Treasury notes in gold if demanded would necessarily result in their discredit and depreciation as obligations payable only in silver, and would destroy the parity between the two metals by establishing a discrimination in favor of gold.

The policy necessarily adopted of paying these notes in gold has not spared the gold reserve of \$100,000,000 long ago set aside by the Government for the redemption of other notes, for this fund has already been subjected to the payment of new obligations amounting to about \$150,000,000 on account of

silver purchases, and has as a consequence for the first time since its creation been encroached upon.

We have thus made the depletion of our gold easy and have tempted other and more appreciative nations to add it to their stock. .

Unless Government bonds are to be constantly issued and sold to replenish our exhausted gold, only to be again exhausted, it is apparent that the operation of the silver-purchase law now in force leads in the direction of the entire substitution of silver for the gold in the Government Treasury, and that this must be followed by the payment of all Government obligations in depreciated silver.

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



If, as many of its friends claim, silver ought to occupy a larger place in our currency and the currency of the world through general international cooperation and agreement, it is obvious that the United States will not be in a position to gain a hearing in favor of such an arrangement so long as we are willing to continue our attempt to accomplish the result single-handed. . .

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

This matter rises above the plane of party politics. It vitally concerns every business and calling and enters every household in the land. There is one important aspect of the subject which especially should never be overlooked. At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuations of values; but the wage earner-the first to be injured by a depreciated currency and the last to receive the benefit of its correction-is

practically defenseless. He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortunes of others nor hoard his labor. .

It is of the utmost importance that such relief as Congress can afford in the existing situation be afforded at once. The maxim "He gives twice who gives quickly" is directly applicable. It may be true that the embarrassments from which the business of the country is suffering arise as much from evils apprehended as from those actually existing. We may hope, too, that calm counsels will prevail, and that neither the capitalists nor the wage earners will give way to unreasoning panic and sacrifice their property or their interests under the influence of exaggerated fears. Nevertheless, every day's delay in removing one of the plain and principal causes of the present state of things enlarges the mischief already done and increases the responsibility of the Government for its existence. Whatever else the people have a right to expect from Congress, they may certainly demand that legislation condemned by the ordeal of three years' disastrous experience shall be removed from the statute books as soon as their representatives can legitimately deal with it.

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

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