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THE POLITICAL SITUATION.

BY EX-SPEAKER REED.

IT IS a very unfortunate thing for the country that the Democratic party, in its inexperience of responsibilities, should continue its custom, born of thirty years' of exile, of charging to the Republican party all the things which happen. It would seem as if the people could do nothing to fix responsibilities. Not even a three-to-one majority in the House can confer upon these partisans any freedom from the idea that all things that are done are still done by the Republicans. Even the visible presence of a majority of 145, almost twice as large as the whole Republican force, has not prevented the New England Democrat from charging the non-repeal of the act, called the Sherman act, to his party enemies in the House. They do this even at the time when the commonest dictates of good sense demand that they should behave with a little decency towards opponents whose help they are asking. It is most unfortunate that the difficulties of this country should be made more afflictive by attempts to make party capital, when the real wealth of the country is in jeopardy. If the Sherman act has not proved a remedy for the situation of 1890, or rather having been the solution of the impending questions of that perplexing time, has ceased to be for the good of the coun-

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try, why not examine it in the light of all the conditions and try to find out what ought to be done? Why spend time in being extra-wise after an event, when the real question is of being moderately-wise at the present time? The one fact that John Sherman deemed the act of 1890 the wisest act which could be passed in 1890 is an important and controlling fact. It is of course not wonderful that men of utterly unknown names criticise Mr. Sherman's action. Men with unknown names attacked the public virtue of George Washington and taught finance to Alexander Hamilton. But the plain people must remember that in finance the great historic figure of our day is John Sherman of Ohio. To his steadfastness more than to the steadfastness of any other man do we owe the resumption of specie payments, that great financial act of the century. While Mr. Sherman was arranging the terms of the act of 1890 the very men who now confuse the issue by blame of him either applauded or assumed the indifference of irresponsibility. What we ought to be having now is not discussion of the causes of the Sherman act, but discussions as to the causes of the present condition of affairs. It matters as little to charge one party with passing the act, as it does to charge the other party with such vehement championship of free silver and such combination with its advocates as necessitated the compromise which is now complained of.

Another misfortune to the country is the attempt, also in the interest of partisanship, to saddle upon this one act all the events which are now in the process of happening. Just ask yourselves for a moment what ought to be the effect of the possession of the country from top to bottom by a party made up of the slowly gathered opposition of thirty years after a successful fight on a platform which demands Free Trade and State Banks and in general a complete reversal of the national policy of three decades. Let us suppose further that the victory was not a decision on the merits carefully matured and gradually approached, but the result of vague undefined dissatisfaction with a hundred things. Add to this the other fact, sometimes forgotten, that the leaders of the new occupation of the legislative halls were known free silver men, whose clamorous demand for unlimited coinage made any limitation seem a harbor of refuge only three years ago. Let it be further supposed that the only hope of reforming these gentlemen by a virtuous President, su-

perior to his party, was in the distribution of Federal patronage on that system of merit which regards a congressional vote as unassailable by money, but open to the proper distribution of office. With all this before the country what in the world would a sensible man expect? Would he expect that business would run smoothly with its finances in the hands of men who have adopted every vagary of currency that has ever been promulgated? Would he expect that manufacturers would calmly go on manufacturing goods when changes in the tariff might convert the storehouse of product into a magazine of disaster? Would he suppose that manufacturers would put stock into their mills to be worked into cloth which could be undersold? Would not the sensible man do just what he is doing—curtail his manufactures and diminish his business. If he would not of himself, the banks would soon teach him the lesson. Diminished credits and the hoarding of bank notes by scared citizens would soon cut off his resources.

Do not let this picture be accused of exaggeration or of party bias. Let it be admitted that the Democratic party in office will be better than its declarations out of office. That could easily be true. Everybody knows that responsibility steadies even the most flighty, that a Secretary who voted for free coinage in the Senate may be a sound money man in the Treasury Department, and that the legislator is always wiser than the stump orator. Supposing the Democratic party cannot achieve free trade, and that there are even suspicions that it never meant to do so, even though that doctrine be in the platform with all the power of the most definite human language; platforms are not statutes, and the people still rule, even after election. Make your utmost deduction for the conservatism of office and responsibility; make it also in due measure for the lying nature of platforms and promises, and you yet have the most powerful residuum of distrust ever left to harass a nation.

Perhaps not one-half of the industries of the nation will be attacked. Granted. But which half? and how much? There is the secret of the condition of business affairs to-day. No human being, not even the Democratic party itself, can tell what that party will do; hence, all that business can do is to call a halt. I am aware that any allusion to the tariff, or suggestion that the attitude of the victors towards the tariff is one of the causes at the bottom of

our present distress, will seem, to the unthinking, to show a disposition to call up party questions, and to renew an old and threadbare discussion. But such is by no means the fact. Whether free trade be right or wrong, whether protection be a sound system or a base and inexcusable tax on the poor, makes no difference whatever as to the bearing of the question upon our present condition. The Democratic party has come into power under solemn pledge, put into the amplest language, to abolish protection. Now, it so happens that the greater part of the business of this country for the last thirty years has been based upon protection. Men have differed as to the degree of protection, acts and amendments have varied the schedules, but protection has been the ruling thought and the ruling practice in this country for thirty years.

The Democratic party has, by a large majority, in convention assembled rejected any compromise, and ordered the system of protection to the rear. The house we have lived in for thirty years has been ordered to be demolished. Is there any wonder that there is commotion, that everybody is moving out his furniture and having his baggage strapped? To add to the confusion, the President announced in his inaugural that due attack would also be made on those aggregations of capital which the progress of modern business has united under the influence of competition and the demand for cheaper prices. Whether such an announcement was a patriotic one or not is not, in the least, in question. If a system is in the process of establishment by the natural course of business, and all kinds of business are adopting it, such a declaration by the Executive, even if made without full consideration or definite purpose, could produce only one result. Another element of distrust was thereby visibly introduced. It is true that a great Democratic newspaper demanded of the Attorney-General action against these corporations by name, and it is equally true that the Attorney-General maintained a dogged silence. If the Democratic newspaper did not know the difference between an inaugural and legal proceedings, the Attorney-General did. Nevertheless, all this added to the general confusion and made its mark and did its work at a time when no one dreamed of the widespread demoralization which was to follow. Clamors of this kind might have had their uses if they could have been confined in their effects to the objects aimed at. But nobody knows

what point an avalanche, once started, will reach. Where our avalanche, started in November of last year, will go, we do not yet know.

Let us look, also, a little bit into that future which we hope the present state of affairs has discounted. It is one of the great good fortunes of the human race that the future can be anticipated, even if it be in disaster and sorrow. This country ought now to be at its lowest ebb of misfortune. If wise measures are adopted, it must from now grow into better condition. But there must be wise measures, and in order to have wise measures taken we must know what is the matter with us. It will not do, under the guise of rising above party, to ignore the questions which have been for years agitating this country. Why have these questions been before the people? Surely, because they vitally concern the people. Therefore, any attempt to state this case and leave out the vital question would be as silly as to talk about a dying man's complexion and ignore the gaping wound.

All the periods of depression which we have had since 1873 have been short-lived and have involved the people but very little. Rich men have lost and won, but work has been abundant, banks have remained sound and savings-banks have been unassailed. Now it is far otherwise. Banks in great numbers with large aggregate capital have failed. Weeks ago they numbered three hundred and the total capital was between thirty and forty millions. The Comptroller of the Currency hastened to say that only one hundred of these were national banks, a tribute to the stability of national banks which is doubly grateful from Democratic sources, for it shows that the election of last year may have one good result, and that is the conversion into friends of some of the enemies of our minor institutions. But the disaster has not been confined to the dealers in money. The dealers in merchandise and labor are equally affected. Mills are stopping all over the country. This is very serious. When the Amoskeag Mills, in Manchester, ceased to run they ceased also to afford sustenance to 3,000 operatives. When 3,000 operatives cease to have wages they cease to spend wages, and when they cease to spend wages the shop-keeper ceases to buy the things the operatives used to purchase, and the manufacturer ceases to make just so many goods and his workmen go on short wages or he shuts down. What can the mills do but shut down? The object of running

mills is to make money. Sometimes, however, mills run without making money for the moment for reasons connected with the making of money in the future. Mill owners dislike to shut down for any length of time because it breaks up their organization. With each man in his proper place and all understanding each other and working together the best results come about, and the largest output for the least expenditure can be had. Naturally, therefore, the mill is reluctant to shut down. It would much rather slow down, or even go on at a slight loss. This it can do when the prospect ahead shows favorably, and the difficulty then existing seems only temporary, and the return of favorable conditions is seen in the near future. But the situation now is far different. What the future will be no one knows. It is true that the Democratic platform declares for free trade pure and simple, and denounces as robbery the system now in use in the country. It is equally true that Mr. Watterson, in Kentucky, and Governor Stone, in Missouri, are clamoring for the fulfilment of the promises thus definitely given to the country generally, and to them specially. They and their friends demand that no financial question shall keep them from the just rewards of their toil and victory. On the face of it, they seem to have right on their side. The platform devised by Mr. Watterson, or at least vigorously engineered by him, is all that free trade could demand or foreign producers desire. It was passed by an overwhelming majority, and Mr. Watterson may well argue that if anything Democratic was approved by the people, that was. Nevertheless, it would be wild to claim that the Democratic platform, in its full amplitude of meaning, will ever become law. Democratic platforms never do. They are not made for that purpose. There are also many Democratic States like Connecticut, to which the tariff is vital. The race of Democrats like the late Hon. Samuel J. Randall, though for the moment driven out of sight by the pressure of the Southern Democracy, is not yet dead and will show itself in the present exigency, backed up by many business Democrats who realize what free trade would be for this country. Moreover, some of those who have been using language which meant free trade are appalled by the darkness of the shadow now upon them, and are endeavoring to mitigate the results of the blows of their own bludgeons. I saw the other day in one of those newspapers which are too good to

be Republican, and not good enough to be Democratic, a long editorial showing how tariff reform could be drawn so mild that it would hurt nobody. Then realizing that that would not be comforting to the rabid free trade brother the editorial soothed him with the hope of amputating another finger next year, and perhaps a leg next Congress. Nevertheless, giving all the heed you can to the change of sentiment thus manifested, giving all the weight you can to the plain impossibility of Free Trade as Henry Watterson wants it, you yet have left in all its disturbing force the impending change in the system established thirty years ago, under which this country has had unexampled prosperity. Next to the fact that a change of some sort is to be made, the worst thing is that the change is to be made by the enemies of the system. If they cannot destroy it they will do their best to mangle. Already the air is thick with that class of reformers whose business education is mostly confined to their tongues, and who openly avow that their new tariff will lead to great importations the first year and still greater in the future, that our supplies will be manufactured abroad, while our workmen stand idle at home. Nevertheless, baleful as the influence of these gentlemen will be, it is not to be expected that they will be entirely in control. However much the administration may endeavor to take out of the hands of the inexperienced Democratic members of Congress the making of the tariff, one would have to despair of free institutions if he did not believe that the people would make themselves heard and felt on this subject, so vital to their interest and business success.

But after you have made all the deductions you can make from the demands of the Democratic platform; after you have made all the allowances you can make for change of heart resulting from the "object lesson," and all the changes which will result from the effect of the action of business men or their representatives, there still remains the great cause of the present depression and the disasters which are to follow. The great cause of the present depression is that nobody knows what will happen to the business interests of the country. Not even the Democrats of the highest caste know. From one end of the country to the other there is only ignorance of the future and distrust.

Even if you grant that the demand of Watterson and other earnest men that the party shall stand by its pledges, shall carry

out the platform adopted after full discussion by so great a majority, will never be acceded to, however resonant and vociferous the Kentucky statesman may be, there yet remains the fact that nobody knows how much he and his followers may do. In other words, the manufacturers of this country do not know what is going to happen to them. Nothing but uncertainty is their lot, and uncertainty is the great paralyzer of business. Nothing the Democratic party can do is half so bad as the state of not knowing what they are going to do. No manufacturer can know whether it is safe to buy his raw material. Every manufacturer knows that it is unsafe for him to manufacture beyond his orders. The manufacturer also knows that he has got to deal anew with the question of the price of labor. Labor is the prime element of cost in most manufactures. The price of labor has steadily gone up until a year ago it was higher than ever before. If the manufacturer's goods are to come into competition mainly with the goods of other manufacturers of this country, then the wages of this country may be safely maintained; but if the goods are to compete with those goods which are made where the price of labor is much less, then there must be a readjustment of the price of labor here or the manufacture must cease. This is another reason for shutting down mills; for the question of labor can better be readjusted from a closed mill than from one running. This uncertainty of the price of labor is the worst element in our unfortunate situation and the one which will create the most distress and unhappiness. Men and women measure the happiness of each moment by the happiness which has been meted out to them in the past, and while no change is probable that will relegate the laboring man back to where he was in 1860, or make him endure more than his father did, yet he will miss many a luxury, become almost a necessity, before he gets out of the troubles resulting from the elections of 1892. It would have been better to let well enough alone. This prophecy as to the result of the present condition of things upon wages is not mine. It belongs to the *Evening Post*, a journal which has always fairly admitted both the increase of wages since 1860, and the decrease of the prices of commodities, and which now prophesies what seems inevitable—a reduction of wages of skilled and unskilled labor.

The fact of the attitude of the party in power towards the

tariff is one which was persistently ignored at the commencement of this downfall of prices. All sorts of events had prominence, but never that. People have almost forgotten that we were in great agitation because the gold in the treasury had got below the \$100,000,000 mark. "No free gold in the treasury" was then the cry. To-day that is entirely forgotten. No newspaper even publishes the item except in its place with the rest of the treasury exhibit. Doubtless the issue of bonds and the assurance that all moneys of the government should be kept on a level would have done us good and lessened a little the swiftness of the fall, but it would have been only a palliative. So, too, with the Sherman Act so called. Unquestionably our financial situation is not a good one, but the greatest misfortune connected with it has been the determination of the Democratic party to fasten upon that act all the misfortunes of the entire situation. The clamor made over that has so filled our ears that we seem incapable of hearing more important sounds. This is said without the slightest sense or feeling that the Republican party will be better or worse for having aided to pass that law, or that the law is either better or worse from having been passed by a Republican Congress. It was passed in obedience to the logic of the state of affairs then existing. The silver men had been at work and their opponents had been idle. Mr. Cleveland's attack on silver eight years ago and the failure of all his prophecies had discredited the opposition to silver coinage very greatly. The entire Democratic party in the Senate with only two or three exceptions, and these exceptions did not include the present Secretary of the Treasury, voted for free coinage of silver. Every Democratic leader, including the present Speaker, Mr. Crisp, including Mr. Mills and Mr. Springer, with Judge Holman and all the rest, was loudly for free coinage of silver. They left no stone unturned in their endeavors. In all the preliminary stages, but one Democrat, Mr. Tracy, of New York, refused to vote with his leaders. After the fight was over the Northern Democracy and the Southern Democracy both voted together against the compromise. Had the Northern Democracy then and there done their duty by their country instead of trying to make party capital there would have been a different story to tell to-day. Nevertheless, this is all ancient history, recurred to only because no misrepresentation ought to go uncontradicted which seems still liable to mislead honest people.

But we are not only in bad shape on account of the silver act, but there are threatening dangers of a financial as well as economical character from the Democratic possession of power. Their platform contains a positive promise to repeal the tax on State Bank circulation. To repeal the Silver Act of 1890 and put in the place of National Banks a set of State Banks would be a wretched substitution. New York might thrive and the money changers generally ; but this country at large would be pretty badly off. One result of the war, which all judicious persons were rejoicing over, was a national currency which was interrupted in its flow by no State boundaries and subject to no local vicissitudes. With a country growing more compact by the aid of railroads and telegraphs and with business disregarding more and more every day all barriers of State lines a system of finance the same for all has become more and more a necessity. To return again to local banks unregulated by central authority and to securities which have no standing at the great money centres is probably impossible and yet the Democratic party is thereunto solemnly pledged, and there is great reason to fear that that pledge, if impossible of liberal fulfilment, may be a lever by which any victory for sound money may be twisted into a virtual defeat.

We have now to face whatever is before us and prepare for the future. If our efforts now should result in a system of banking and currency which would divorce the monetary system of this country from the politics of parties, what we have suffered for the last four months might not be too high a price to pay for it.

The danger to which our present system exposes us is well illustrated by our recent history. The President, from motives which are not to be questioned, urged upon the last Congress the repeal of the purchase clause as the one paramount duty. He sent agents to Washington for that purpose. All this was well known and was calculated to call the attention of foreigners in a most emphatic manner to the questions raised. When distrust began to manifest itself the party newspapers began with one accord for party purposes to put the whole blame on that act. Of that act there was but little defence on the other side, because, having been but a makeshift, it had never been approved except as a temporary action. Hence this issue has obscured all others. When it has been disposed of, and the whole country

hopes it will be, even before this article gets into print, the other questions which have been alluded to already will take their proper position of importance before the community.

It has seemed to me proper to call attention to these matters now because the people must soon be face to face with them. If I have not dwelt at length upon the repeal of the purchase clause it is because of the hope that the special session of Congress will have, one way or the other, disposed of that issue before this article appears. When that is disposed of we must in like manner dispose of the uncertainties of our banking system, our currency, and our economic basis of living. In order to do that satisfactorily we must have a vigorous participation on the part of the people. Let no individual believe that at the last election he finished his duty to his country. If every man still continues to exert upon those who represent him his full measure of influence, even a victorious party may be made to refrain from deeds which the awakened sense of the people deems would be injurious to the country.

THOMAS B. REED.

ENGLAND AND FRANCE IN SIAM.

I.—AN ENGLISH VIEW.

BY THE HON. GEORGE N. CURZON, M. P., LATELY BRITISH
UNDER SECRETARY FOR INDIA.

THE editor of this REVIEW has asked me to summarize for the benefit of his readers the why and wherefore of the trouble in Siam with which the columns of the newspapers have lately been filled. I returned to England myself from Bangkok only in March last, having previously travelled through the French dominions of Indo-China. Already the storm was brewing; and one needed no particular command of political meteorology to foresee that it soon must burst. The information which I had obtained from both parties in the impending dispute, the French and the Siamese, has induced me to follow its progress with peculiar interest, and not perhaps without some appreciation of the views of both combatants. I will also explain the point at which British interests become involved, and the bearing of the issue upon the fortunes both of British commerce and empire.

In its larger aspect the imbroglio has illustrated no more uncommon phenomenon than the impingement upon a somewhat feeble Asiatic state of the masterful and expanding force of a first-rate European power. It is the experience of history that where a petty Oriental dominion, whose borders are not precisely defined and which does not exercise a firm grip upon the confines of its jurisdiction, comes into contact with the more highly-organized civilizations and the military systems of the West, frontier disputes arise, claims upon doubtful territory are made and contested, and the tendency of the stronger power is to advance at the expense of the weaker. There are two methods, however, by which this result can be attained. The