

Silver.

REMARKS

OF

HON. EDWIN H. CONGER,

OF IOWA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 12, 1890.

The House having under consideration the conference report on the bill (H. R. 5381) authorizing the issue of Treasury notes on deposit of silver bullion—

Mr. CONGER said:

Mr. SPEAKER: The agreement which the conferees came to upon the two measures referred to them is, as are all measures which must come from a conference committee, a compromise. The conferees met, and, after a free and full conference, agreed upon the measure which has been presented in their report, the conferees on the part of the Senate yielding some of the provisions of their measure, the conferees on the part of the House yielding others which were in theirs, and the result was the bill which has been presented in the report which you have found printed in the RECORD.

It is not just such a bill as I thought we ought to pass; it is not just such a bill as perhaps any member of this House would like to pass if he were to prepare a bill just to suit his convictions; but it is a bill which will answer the demands of the country, the demands of the silver miners, the demands of the agriculturists, the laborers, and the business men of this country. It has been changed from the House bill in but very few instances.

The first section of the House bill has been adopted in the conference report with this exception, that we have changed the amount of silver bullion to be purchased from \$4,500,000 worth to 4,500,000 ounces, or so much thereof as may be offered. In changing the measure of the amount from dollars to ounces we do not prescribe the exact amount that is to be purchased each month. When we say dollars' worth, no matter whether silver goes up or goes down, the currency is increased just that much and no more. By the other plan of purchasing so many ounces, if silver goes down the circulation is decreased, while if it goes up the amount of Treasury notes issued is increased. By adding the

words "or so much thereof as may be offered" we do not, in the judgment of the majority of the conferees of both Houses, change the amount that will be purchased and Treasury notes issued therefor, but we do take away the possibility of a "corner" or of speculation on the part of the bulliontowners, and give the Secretary of the Treasury some opportunity to defend himself and the Treasury against the sharks who might attempt at the end of each month to force him to purchase at a fictitious price the amount directed by law.

The second section of the bill is changed from the House bill, first, by modifying the legal-tender clause. That modification is simply by the insertion of these words: "Except where otherwise expressly stipulated in the contract;" so that part of the bill will read: "such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract." That change is made to conform the bill to the present law. These words are taken directly and exactly from the law which now makes the silver dollar a legal tender, and it was believed by a majority of the committee of conference that these words were essential; that it was not best to say that American citizens should not, if they desired, make contracts payable in silver, payable in gold, payable in wood, payable in leather, or in whatever other article they might desire to contract for, provided it was especially stipulated in the contract.

Another change in the second section of the bill is this: We strike out the proviso in the House bill which provided that silver bullion might be exchanged for these notes at the discretion of the Secretary of the Treasury when demanded by the holder, and instead of that these words are inserted:

That upon the demand of the holder of any of the Treasury notes herein provided for, the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin at his discretion, it being 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.

Now our friend from Missouri [Mr. BLAND] will tell you that that is a declaration intended to keep up the single gold standard. On the contrary, Mr. Speaker, it is a declaration of the policy of this Government that silver and gold both shall be used, and that both shall be kept at a parity at the present legal ratio, or at such ratio as may be fixed by law. That is the reason why the conferees on the part of the House agreed to this modification.

And here I may add that the whole contention of those opposed to free coinage in this session of Congress has been to have assurance that silver and gold shall both be used and kept at a parity, and that there is and has been no opposition by them to an expansion of the currency. This assurance being given, the chief opposition to the bill will come from those who simply want cheap money and care not for more money.

Section 3 of the bill is changed so that the Secretary of the Treasury is directed to coin 2,000,000 ounces of bullion in every month until the 1st day of July, 1891. This insures twenty-five million dollars' worth of silver dollars in the Treasury to meet any demands that may be made at any time for redemption in coin. After that the bill makes it the duty of the Treasury to coin so much as may be necessary to redeem the notes presented. This means that every ounce of the bullion that is put in there shall be coined if there is a demand for it. I know that my friend from Missouri [Mr. BLAND] will tell you that this bill again demonetizes silver. On the contrary, Mr. Speaker, the whole tenor of

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the bill is to monetize silver. In the first place, we provide for coining 2,000,000 ounces of this bullion each month for one year. Then we direct the Secretary of the Treasury to coin every other ounce of it that is demanded for the redemption of these notes, and every dollar of it must be and will be coined if the necessities of the country demand it. That can only be told by the fact, if it shall prove to be a fact, that the people of this country, the holders of these notes, shall present them for redemption. Will any man claim that because gold is held for the redemption of the three hundred and forty-six millions of Treasury notes, the redemption of which is not asked for, and some of it, consequently, not coined, gold is therefore demonetized? There are only one hundred millions kept in the Treasury now for the redemption of those notes, while here we propose to keep every ounce of this silver in the Treasury for the redemption of the notes as they are presented, and it cannot be got out except it be coined. Every ounce of it, whether coined or in bullion, is potential money; money, and nothing but money; because, whether coined or not, it is represented by full legal-tender notes, which will be taken everywhere in this country at their face, and whose redemption will not, I trust and hope, be demanded.

There is but one other change from the House bill, and that is that the section which provided for the conditional free coinage of silver is left out. What was that provision? It was that whenever the price of silver should appreciate to one dollar for 371½ grains, the mints should be opened. It was possible, under the provisions of that section, for the bullion owners of this country, ay and of the world, at no matter what sacrifice, to hold their bullion and not present it until they had lifted it to a fictitious value of one dollar for 371½ grains, and then the mints would be open, and afterwards the price of silver might go down ever so low and still the mints would be open to coin a dollar which would be worth possibly 75, or 60, or even 50 cents. That is the reason why the conferees on the part of the House, for the sake of getting other concessions from the Senate, agreed to leave out that provision.

There are no other variations in this bill from the bill which the House passed by so significant a majority.

Now, Mr. Speaker, I claim that this bill meets the demands of the country, meets the demands of the people of all sections of this country. An additional circulation was demanded. This bill will give us, at the present price of silver, \$57,780,000 a year.

If silver goes up to a parity with gold it will give us an increased circulation of \$69,660,000—in round numbers, \$70,000,000. It does more than that. The last section of the bill, which provides for unlocking the deposits which are now lying idle in the Treasury as a fund for the redemption of national-bank notes which are not presented, will liberate in round numbers \$70,000,000 more, making for the next twelve months a total increase of \$140,000,000 in the circulation of legal-tender Treasury notes. Is there a man in this House or elsewhere who will stand up and say that the country demands a larger inflation of our currency than that—\$140,000,000? I say \$140,000,000 because we shall coin gold enough to take the place of every national-bank note that is retired, so that our circulation for the next year will be \$140,000,000 in excess of what it is now.

Mr. HEADLE. Will the gentleman permit a question?

Mr. CONGER. Yes, sir.

Mr. HEADLE. I would like the gentleman to explain how the

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increase can be \$140,000,000 a year when provision is made for the purchase of only 4,500,000 ounces of silver per month.

Mr. CONGER. If the gentleman had been listening to my remarks—

Mr. HEADLE. I was listening as best I could.

Mr. CONGER. He would not have asked the question; because I said that we would issue of these Treasury notes on bullion purchases \$70,000,000, and that by the sixth section of this bill we shall unlock \$70,000,000 now tied up for the redemption of bank notes; and \$70,000,000 added to \$70,000,000 would make \$140,000,000.

Mr. HEADLE. My friend will admit that under existing law the Treasury Department is coining 2,000,000 silver dollars monthly, and issuing in place of them silver certificates; so that the \$24,000,000 of certificates issued under the existing law should be deducted from the \$70,000,000 which the gentleman makes a part of his calculation.

Mr. WILLIAMS, of Illinois. And, besides, the gentleman from Iowa [Mr. CONGER] assumes in his statement that silver will reach a parity with gold at once—as soon as this bill goes into operation.

Mr. CONGER. Well, whether it does or not, the increase will be nearly up to that. If silver goes up, that will be the amount; if the rate should continue as at present, it will only fall short about \$13,000,000.

Now, I want my friend from Missouri [Mr. BLAND] to tell this House and to tell the country whether he is willing to stand here and vote against a measure that will give the "suffering, mortgage-ridden people," as he calls them, of the West an additional circulation of this large amount. I want the members of the Democratic party here to tell the country whether they are willing to refuse to support a measure which will give this large relief.

Now, my silver-tongued friend from Missouri will no doubt read to this House various editorials, among others one from the New York Tribune which says that this compromise has resulted in a bill which sustains purely the gold standard; that the silver men have been outwitted in this conference. That editorial was read in the Senate on the day before yesterday. I understand my friend from Missouri has other editorials of like character that he will read. Now, I want to cite what a few other papers in the country think of this measure. I would not bring in this phase of the question if it had not been introduced in another chamber in this Capitol. The Philadelphia Press, of July 8, speaking of the silver agreement says:

The conference agreement on the silver bill is a surrender to the free-coinage faction of nearly everything that is valuable in the original plan proposed by Secretary Windom and all its later variations.

Mr. WILLIAMS, of Illinois. Are you not reading the admission of a witness on your side of the case?

Mr. CONGER. No, sir; I am reading now from those who have been supporting your side of the case. I read from the Chicago Evening Post:

WASHINGTON, July 8.

The silver magnates and the silver lobby of the West are in high glee this morning over the agreement reached in the silver conference committee, and well they may be. For the silver producers the section which provides for the purchase of 4,500,000 ounces instead of \$4,500,000 worth will be just as good as free coinage, for it will enable them to at once put up the price of their product to \$1.29 an ounce and keep it there on a parity with gold. Their profit will begin at once, and their market is secure for all their product. The free-coinage men from the Western and Southern States are hardly so well pleased, but still the bill

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gives them about all they could expect from free coinage. Instead of plenty of silver dollars they will have plenty of paper dollars, redeemable in gold and silver, and legal tender for all debts. What more they could ask it is hard to say. The refusal of the Democratic members of the conference, Senator HARRIS and Mr. BRAND, to agree to the report has no other significance than that they hope something may yet turn up in one branch of Congress or the other to enable the Democrats to still make use of the silver question to force things their way on the Federal elections bill.

I read now an editorial from the Peoria (Ill.) Journal, a paper which has been the staunchest advocate of free coinage and the unlimited use of silver of all the papers that have come to my desk this winter. I will say to my friend from Illinois [Mr. WILLIAMS] that this is a witness from his own side.

Mr. SHIVELY. Do you agree with your own witness?

Mr. CONGER. I am reading from the witnesses now. This is from a near neighbor of yours. I hope you will hear what he says:

BIMETALLISM WINS.

The compromise silver bill agreed upon by Congress is to all intents and purposes a free-coinage measure. While it does not say so in so many words, it is true nevertheless. It is just such a measure as will meet the views of every one. While it does not provide for anything but American silver, it will very effectually take care of all the silver produced in this country.

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A Washington dispatch says that the prevailing sentiment among the bimetalists in Congress is favorable to the measure. Senator JONES of Nevada, is reported as saying: "The bill is entirely satisfactory to me and will be to the men who have conscientiously and unselfishly worked to restore silver. It is a Republican measure. Do not lose sight of that fact. It was agreed to in conference by Republicans and will secure, I believe, a practically unanimous support in both Houses. With the full legal-tender quality given to the certificates we shall probably not need for redemption purposes a million dollars a year. The certificates will be as good as the coin. But in addition the Secretary of the Treasury is given discretion to coin what is needed for purposes of redemption, and can coin the whole amount of bullion if it is necessary. It is a good bill. It meets the demands of the silver men and of the country, and has been finally achieved by patient waiting."

Senator STEWART, of Nevada, looks at it in this way: "It is a good bill and a long step toward free coinage. I believe that it is practically the end of the fight. The good results from it will be such as to relieve the country from stagnation and embarrassment. Nothing makes friends for a cause like success. Silver has achieved a great success. Its friends will multiply."

Senator SHERMAN, who was one of the conference committee, is reported as very gracefully yielding several points, among which was the bullion-redemption clause and the substitution of 4,500,000 ounces in place of \$4,500,000. When an agreement was finally reached and formally ratified, the Democratic portion of the committee refused to sign it or give it their support.

All that remains now is for the measure to be passed by both branches of Congress, and in all probability there will be no trouble about that. It will add to the volume of currency over \$60,000,000 annually, and disposes of a very ugly question. It will be observed that the act is largely directory, and very little discretion is left to the Secretary of the Treasury. * * * It is unquestionably a long step toward free coinage. It will give us a circulating medium better than the greenback and equivalent to gold and silver.

Mr. TRACEY. The gentleman from Iowa has made some allusion to an editorial which was published in the New York Tribune upon this subject. Will he be so kind as to state the nature of the recommendation of the Tribune on that subject, and the reason given for its support of this bill? It was not in the same line as the articles which he has been reading, I believe.

Mr. CONGER. No, sir.

Mr. TRACEY. I judge not, because I believe that paper was on the opposite side of the question.

Mr. CONGER. It claimed this was a gold bill.

Mr. TRACEY. Have you that article?

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Mr. CONGER. No, sir, I have not; but I understand that your colleague on that side, the gentleman from Missouri [Mr. BLAND], will probably make use of it in connection with this debate.

Now, Mr. Speaker, I do not present these editorials, hastily written by newspaper men, as a proper construction by any means of the law which it is the duty of Congress to enact. I do not believe that any gentleman on the floor is willing that the newspapers of the country shall give an absolute construction of the laws that we shall pass. That must be left, gentlemen, to your own judgment in voting for them, and finally to another branch of this Government which sits midway between the House and the Senate. Mr. Speaker, I have been working at this bill for some months as a patriot. I have been talking of this bill simply as a patriot. I want to use just a few moments now in talking of the bill as a patriot and as a Republican—

Mr. PAYSON. They are synonymous terms.

Mr. CONGER. My friend from Illinois suggests that they are synonymous terms. I heartily agree with him in that. I do so because this is a Republican measure, and I am here, gentlemen, to say that every important financial measure that has been successful in this country, with one single solitary exception, has every one of them been a Republican measure. Why, in 1861, when the Republicans assumed control of this Government, then we had an example of Democratic financing. What was the credit of this Government at that time? Why, Uncle Sam could not get trusted for a dinner in any part of the civilized world. President Buchanan had been sending the bonds of the country to all of the money markets of the world begging them to buy the bonds and offering to give them any sort of discount, but was unsuccessful. But the Republican party came into power, and notwithstanding the fact that the greatest war of history was thrust upon them, they by their financial judgment and wisdom inaugurated such a financial policy and carried it into such successful execution that we stand to-day before the world as the richest Government on the face of the earth, with a credit unparalleled by any government in the history of civilization. [Applause on the Republican side.]

The Republican party was responsible for the issue of the greenback. I know, Mr. Speaker, that during the terrible ordeal of the war it was impossible to keep them up to one hundred cents on the dollar. But Republican financing and Republican management, added to an expenditure of thousands and tens of thousands of patriotic lives, did bring them up, and they have never faltered; and we made them, Mr. Speaker, every single one of them, with their faces coated with silver and their backs lined with gold, as good as the dollar coined of gold itself. [Applause on the Republican side.]

The resumption act was the child of Republican parentage. The national banking act, which gave us the best system of banking that has ever been known or conceived of in the civilized world, was of Republican enactment. Every single one of the legal enactments that have helped to give us the credit we enjoy to-day, which makes us the richest and most powerful nation of the world, has been furnished by the Republican party; and this measure will be given to the country, I am happy to say, by Republicans. [Applause on the Republican side.] It was agreed upon in conference by Republicans only. It was passed in yonder Chamber only by Republican votes, and I suspect that it may pass here only by Republican votes. It will then go where it will be signed by a Republican President, and from there it will go to a country

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which in November next will give such a Republican indorsement that many of you gentlemen will not be found here to pass upon the next silver measure that may come before Congress. [Applause on the Republican side.] It is, Mr. Speaker, in line with Republican judgment and Republican policy. The Republicans have never been afraid to announce their policy.

At a convention held by the Republican party two years ago in the city of Chicago their ideas were put forth before the country and solemnly pronounced on this subject. Let me call your attention to them, for they have been read with such emphasis so many times on the other side that I think it but proper to read them here:

The Republican party is in favor of the use of both gold and silver as money, and condemns the policy of the Democratic administration in its efforts to demonetize silver.

This bill not only by its provisions treats gold and silver alike, and says to the country that we are in favor of both metals as money, but by the emphatic declaration of the bill itself it determines that it shall be the policy of the Government to keep them so. [Applause on the Republican side.] Not only in line with the spirit and the letter of the declaration of the great national Republican convention, but the bill is also in line with the policy announced by the Republicans in convention in the State of Iowa, on the very day that we had this bill under consideration last. Let me read you what the Iowa Republicans say about silver:

We are in favor of such expansion of the currency as will meet the growing demands of an increase in population and trade.

Nearly one hundred and forty millions of increase by this bill. They also say, Mr. Speaker:

We favor such legislation as will utilize as money the entire silver product of our mines; and we favor such laws as will aid in the legitimate and unrestricted use of both precious metals as money.

This bill does that, and in the very best possible way.

Mr. MUTCHLER. Will the gentleman permit me to ask him a question with reference to the act of 1869, with which he is undoubtedly familiar? Congress declared that the public debt should be payable in coin. Is it the opinion of the gentleman from Iowa that the public debt can now be paid by the use of these Treasury notes?

Mr. CONGER. Yes, sir; it is.

Mr. MUTCHLER. Then, notwithstanding the fact that silver may not appreciate to the standard of gold, yet these notes can be used in the payment of the balance of the public debt.

Mr. PAYSON. Precisely as the standard silver dollar might be.

Mr. CONGER. I did not hear the gentleman's question.

Mr. MUTCHLER. The gentleman will remember that in 1869, I think it was, before the debt was funded, Congress passed a law known as the Schenk act to strengthen the public credit. It was entitled "An act to strengthen the public credit," and in that act it was declared that the public debt should be payable in coin. Now, I want to know whether, notwithstanding the provisions of that act, the balance of the public debt may be paid in the Treasury notes issued in pursuance of this act.

Mr. CONGER. Why, this does not repeal that act, and that would be a matter of construction for the Secretary of the Treasury to put upon it.

Now, Mr. Speaker, there are so many other gentlemen who desire to

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talk upon this question that I do not want to detain the House; but I want to say that if it is desirable to establish a parity between silver and gold, the work of this House since we came here has been moving quite rapidly in that direction. When we came to this Congress silver was only worth 93 cents an ounce. Yesterday it was quoted in New York for \$1.07½. [Applause on the Republican side.] It has gone up, Mr. Speaker, more than 3 cents an ounce since it was announced that we had agreed in conference upon this bill, and it will receive further impetus in that direction after the passage of this bill.

I believe, Mr. Speaker, that the gentleman from Missouri [Mr. BLAND] and myself were to control the time.

The SPEAKER *pro tempore* (Mr. ALLEN, of Michigan, in the chair). The gentleman has occupied thirty-five minutes.

Mr. CONGER. I will yield five minutes to the gentleman from Michigan [Mr. CUTCHERON].

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