

**SILVER BULLION CERTIFICATES.**

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The free coinage of our present silver dollar would not be a fraud upon any class of our people, but an act of simple, unmingled justice to all.

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**SPEECH**

**OF**

**HON. WILLIAM F. PARRETT,**

**OF INDIANA,**

**IN THE**

**HOUSE OF REPRESENTATIVES,**

**FRIDAY, JUNE 6, 1890.**

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**WASHINGTON.**

**1890.**



SPEECH  
OF  
HON. WILLIAM F. PARRETT.

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The House having under consideration the bill (H. R. 5391) authorizing the issue of Treasury notes on deposit of silver bullion—

Mr. PARRETT said:

Mr. SPEAKER: My time is limited and I shall aim to be brief. There has been so much discussion and so many cogent reasons have been offered in favor of the remonetization of silver that it would seem to be almost a work of supererogation to attempt to say anything new on the subject.

The most prosperous ages of the world and the most prosperous periods under our own National Government have been times when there was the largest amount of substantial currency in circulation, and when the mines of the precious metals were yielding the largest quantities, and the volume of this kind of currency was being most rapidly increased and put in circulation among the people. And in so far as the Committee on Coinage in their report express this view I fully concur with them; but I can not concur with them in the proposition that the principles contained in either the bill or the substitute before the House tend to the accomplishment of the end desired.

The currency of the world does not consist in sovereigns and pence, doubloons and francs, crowns and guilders, dollars and cents. Coins of any description are only used as representative values for convenience in the local governments or kingdoms where by law they are adopted, and their exchange value is fixed by the quantity of gold, silver, or copper they contain, that is, only by their intrinsic value. They are made legal-tenders according to their denominational values by force of the laws of the countries in which they circulate as currency; and in this respect the legal-tender quantity and quality of every piece of coined metal depends upon the fiat of the government which issues it. To this extent all money or currency is fiat money, that is, money because it is declared by the supreme power of each particular nation to be such; and it is treated as money only within the boundaries of the state or nation where it is coined. Everywhere else it is treated as bullion. In other words, the coins used for circulating as currency among the different nations of the earth are local in both their origin and intended use, and in no sense cosmopolitan. Their true locality and home is as much fixed as that of the citizen of any nation; and they rarely if ever go outside of their own territorial limits; all balances of trade with other nations being settled either by the exchange of commodities or in bullion. So that neither our gold nor silver coins are or

could be intended for extensive circulation abroad; and when they do circulate beyond the limits of our own country, it is only according to their bullion value.

But in the locality in which the money coins are fixed and sanctioned by the government, the coin so set apart and named as money becomes a part of every contract, duty, or obligation to pay or receive dues of any kind, either by the government or by any of its citizens, and such coin, thus fully monetized, is all that the creditor has a right to require from his debtor.

Mr. Speaker, when the Government of the United States determined upon the resumption of specie payment, and authorized a new issue of bonds, both principal and interest payable in coin, and declared all bonds previously issued payable in the same manner, the people became bound in good faith to carry this new agreement into effect.

To find out how much they had been swindled in the first instance by receiving for these bonds a currency averaging in value about 60 cents in coin, which had been disbursed to the laboring masses and soldiers for full dollars, and upon the basis of which millions of dollars of indebtedness among the people had been contracted, necessarily to be paid in coin or its equivalent, involves, no doubt, a mere arithmetical calculation.

But it is beyond the range of human ingenuity to devise any scheme or plan by which the millionaires who so greatly profited by this financial policy shall ever be compelled to make restitution to the impoverished masses of the American people. And while I am willing to let the iniquities of the past bury themselves, followed to their resting place only by the thousands of bankrupt and desolated households of the nation, so reluctantly destroyed by the lash of the monetary power, I yet earnestly desire to attract attention to the present and the future, and, if possible, to prevent any new wrongs from being perpetrated.

As I have said, it was settled that all debts, both public and private, were thereafter to be paid in coin consisting of gold and silver; and the constituent parts of a dollar in each of the money metals had been and was equally well fixed and determined; for at that time and during the long period of the free coinage of a bimetallic currency the two metals had maintained a substantial parity of value; and the only result ever aimed at by the continuation of this system of coinage had been a liberal supply of money to the people.

Open mints and free coinage, under the bimetallic system, withheld from the Secretary of the Treasury many discretionary powers which he now exercises, and obviated for him much of his present trouble in the management of the finances of the Government. They also had a strong tendency to check, if not to prevent, the ideal Wall street from much of its intermeddling; and through them we gave the English financier and all his subservient adherents to understand that the United States had sufficiently maintained her independence since the war of the Revolution to declare and maintain her own national and financial system without the aid of Great Britain. And had open mints and bimetalism been adhered to as our unalterable policy, the powers of Europe would have been constrained to follow our lead and to reopen their mints to the coinage of silver and gold upon equal terms until silver at 1 to 16 would have regained the position as a money metal heretofore occupied by it, if it did not at that ratio command a premium over gold.

In the name of common honesty and fair dealing I hold that the free

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coinage of our present silver dollar would not be a fraud upon any class of our people, but an act of simple, unmixed justice to all; and that instead of overflowing us with domestic money it would simply supply the volume of currency so earnestly demanded and so much needed by the people to infuse life, energy, and activity into the waning and drooping business of the whole country.

We all recognize the value of good character in the presence of calm and deliberative justice. Let us look for a moment at the history and character of the American silver dollar. Its intrinsic worth and purity have undergone no perceptible change since its introduction among the people as a circulating medium to assist them in the exchange of their diversified products. Under the act of Congress passed April 2, 1792, this dollar was made to contain  $371\frac{1}{2}$  grains of pure silver, and whenever it has contained more than this, the residue has been made up of alloy or baser metal.

The United States silver dollar was first coined in 1794, and weighed in gross 416 grains, but contained only  $371\frac{1}{2}$  grains of pure silver. The act of 1837 reduced the gross weight to  $412\frac{1}{2}$  grains, being substantially the present weight, but it left the silver dollar containing the same quantity of pure silver that it had contained from the beginning. And after the lapse of nearly a century, certain it is that no one can for a moment be tolerated in saying that there either is or has ever been any deception about the value of the American silver dollar.

Facts are chiels wha dinna ding,  
And downa be disputed.

And I assert that the demonetization of silver in 1873, an act which has been denounced as the trick of greedy conspirators to double the value of their own possessions, was an unjustifiable invasion of the rights of the people, and perhaps the greatest financial calamity that has ever befallen mankind.

And I assert, furthermore, that both the bill and substitute which are now under discussion are, in effect, nothing less nor more than a thinly disguised attempt to make what was then claimed to be an accident the perpetual policy of this Government; in fact, an attempt to demonetize silver for all time by making it a mere commodity, in spite of the clamor of the people for its complete remonetization; that the real intention is, in conformity with the views of the gentleman from Massachusetts [Mr. WALKER], to make less money, and so at once to make all debts, both public and private, payable in gold or its equivalent. Gold appreciated in value by being made the only standard of value as money and then measured by itself alone as to its value, and as a necessary sequence every other product and commodity, even including silver, correspondingly depreciated; in other words, to make the rich richer and the poor poorer.

Mr. Speaker, the demonetization of silver in the first instance was not the result of any necessity, either real or apparent; nay, it was the outgrowth of simple, naked cupidity. That policy was instigated by the treachery and accomplished by the legerdemain of the millionaires here and elsewhere, who had already grown fat out of speculations in Government bonds and other forms of wealth drawn from the blood and sacrifices of all other citizens of the Republic in the day of its peril.

An opportunity was presented for converting their bonds and other accumulations into a form representing over twofold the actual amount

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of property and labor which, under an honest system of financing, they had represented or ever could represent; and this opportunity was seized with the avidity of a hungry beast of prey.

By a system of rapid and unnecessary contraction the greenback legal-tender currency had already been substantially withdrawn from circulation and stricken out of existence. Moderate fortunes and accumulations had thereby been made great, and by a logical sequence the owners of these fortunes conceived the idea that by another and still more reprehensible and nefarious stroke, their wealth might be increased more and more; and that by continued manipulation of the same kind it might be developed into colossal proportions. And so, by the demonetization of silver, one half or more of the remaining currency of the country was eliminated in subserviency to their wishes.

It mattered not that the legitimacy and utility of this kind of money had been recognized by the organic law of the land, and its exact relation to gold remained unquestioned and seemingly unquestionable from the day of the nation's birth; it mattered not that it had been co-existent as money with the beginning of civilization among men, and retained its position alongside of gold through all the stages of social development—Patriarchal, Egyptian, and Judaical, Oriental and Western; it mattered not that it landed on the shores of North America with the crew of the *May Flower* at Plymouth Rock, and had been recognized in every settlement by civilized men and women throughout the colonial period as a precious metal, designed by its very nature to be a medium of exchange co-equal and co-extensive with gold in every particular; it mattered not that it had been regarded and treated as such in the *Book of Books* from the earliest recorded exchange of values in the history of our race down to the closing chapters of the inspired writers, where we read the expression, "Silver and gold have I none;" it mattered not that the great mass of the people in this land of ours—the laborers, farmers, and merchants—had contracted debts, in the light of all history as to the nature of the money with which those debts should be paid, and in firm reliance upon the good faith and justice of their Government for the preservation of the historical and normal equality between the money metals. Blinded by avarice, the gold-bugs disregarded all this, and by mingled fraud and deceit perpetrated the outrage of demonetizing silver.

For, as it occurs to me, this was not the result of honest, broad, statesmanship for the benefit of the whole people. There was no necessity for it confronting the country at the time. It can be justified only upon the supposition that laws may be enacted and repealed exclusively in the interest of the rich and for the further upbuilding of their colossal fortunes, even though by so doing all other classes are crushed, impoverished, and reduced to the condition of menials and slaves. If this be true, then that was good financing. At all events, the effect of the act of 1873 was simply that the debtor class, comprising the producers and merchants, and constituting, in effect, the people at large, were forced to gather up for their masters, the monetary powers, as quickly and as much from a half supply as from a full supply, the means of liquidating their debts, for the value of the currency was doubly appreciated, while the value of all the commodities in exchange for which it could be obtained was in a like ratio depreciated. The farm worth \$5,000, which had been mortgaged for \$2,000, must go, or else the owner must become virtually the tenant of his creditor, and work on through his whole life, netting barely enough to keep down the inter-

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est, with the terrible certainty ever present to his mind that if he did not outlive his wife and children they would at his death become homeless beggars.

In this way, where it before took one horse to pay a debt it now took two; where it before took one cow or pig it now took two; where it took one bushel of wheat, corn, oats, or other farm products it now took two, and so on through the whole catalogue. No wonder that the farmers and other toilers, after an experience of seventeen years under this system, which has resulted in the constant depreciation of everything they owned or produced, are now showing not only a spirit of unrest, but almost a spirit of rebellion in respect to the course and policies of their would-be leaders, or that their attitude is especially threatening towards the money oligarchy!

No wonder that we hear an ominous growl, like that of an earthquake, rumbling through the land! History sometimes repeats itself. Like causes will always produce like effects, and we may well look into the past for a fitting interpretation of the present. Let us take a parallel case and see how the sleeping masses may be aroused by injustice till they resemble an infuriated lion that has broken his chains and scattered his keepers. And let us see how the oligarchy of wealth has been forced to deal with them.

At the end of the first Punic war the debtor class of Rome were in about the same situation that they are in here to-day. They were practically enslaved, but they had not forgotten that they had once been free, or that they still had power enough to bring their oppressors to terms. They began to agitate, to educate, to organize, as the masses of our own people are doing now, and their clamors against the oligarchy which had, by reason of its wealth, usurped the political powers of the Republic, were so alarming that the Roman Senate was compelled to give them financial relief.

That body ordered the coin to be clipped to such an extent as to reduce the as, which was the standard by which the value of all other coins was computed, from 12 ounces of copper to only 2 ounces. In this way the Republic and the people were enabled to pay the debts which had been previously contracted; and in presence of the fearful clamors and bloody threats of the people this process was repeated until at the close of the second Punic war, the same coin bearing the same name and paying the same amount of indebtedness, contained in actual bullion only one twenty-fourth part of its original value. On this point I will quote a few lines from that great book, *The Wealth of Nations*, by Adam Smith.

In Rome—

Says he—

as in all other ancient republics, the poor people were constantly in debt to the rich and great, who, in order to secure elections and other favors, used to lend them money at exorbitant interest, which being never paid soon accumulated into a sum too great either for the debtor to pay or for any one else to pay for him. And in order to satisfy the people the rich and the great were often obliged to consent to laws both for abolishing debts and introducing new tables.

Let me warn the American plutocracy that the lessons of history are the laws of God, which can not be ignored with impunity.

When demands for relief come from the people, when we hear cries from the quivering lips of children for bread, and from despairing wives and mothers for shelter, when the old-time roof of the American laboring man has been sold from over the heads of his family to

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satisfy taxes and mortgages which, but for legislation like this, he would have been able to pay, and the laborer himself, the real arbiter of the nation's destiny, turns like an exasperated lion at bay to defy his oppressors and persecutors, it is time to pause and reflect, to remember what responsibilities rest upon us, to consider whether we may not, in order to avert the evil consequences of laws, like the one now proposed, be driven to adopt that opposite and equally dangerous expedient referred to in the passage I have quoted; for I tell you that as the world has always required a circulating medium coextensive with the supply of both gold and silver, if we destroy one as a money metal it will be necessary to supply the deficiency thus created by debasing the coinage of the other; and nothing ever proved more demoralizing to the people, and hence more disastrous to the rich and to society in general, than such a system of repudiation.

The province of wise statesmanship is, therefore, to remove all legislative restrictions upon coinage, to put gold and silver upon an equal footing, as they were in former times, without unfair discriminations against either. Do this and they will regain their normal equality of value. The small fluctuations occasioned by supply and demand and by other causes will become wholly inconsiderable, and I maintain that without either disturbance or impairment of their mutual relations as the dual basis of a sound circulating medium, the coinage of both metals may be made perfectly free; and that in this way, and in this way only, the much-needed increase in the volume of our money can be safely or honestly brought about.

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