

Treasury Notes and Silver.

SPEECH

OF

HON. BISHOP W. PERKINS,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 7, 1890.

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

Mr. PERKINS said:

Mr. SPEAKER: I have seen many paradoxes in politics as well as in legislation, but it occurs to me that I never saw a greater paradox than the one I witnessed on this floor on Thursday, when we had under consideration the rule which gave us the opportunity to consider this bill. We found every man upon the opposite side of this House voting against this rule, and yet professing that he wanted legislation upon this subject.

Mr. ALLEN, of Mississippi. We wanted more time.

Mr. PERKINS. Time was not the objection. It was because you professed that you did not agree to all the provisions of this bill.

Mr. ALLEN, of Mississippi. We did not want to be gagged in a day and a half.

Mr. PERKINS. I am sincere, Mr. Speaker, when I say I want legislation upon this subject, and the constituency I have the honor to represent upon the floor of this House are sincere when they express themselves in favor of legislation upon this subject, so important to them and so important to all sections of the country. This bill does not conform to my wishes or to my judgment, but realizing the vital importance of this proposed legislation to the people who have honored me with their suffrages, I should feel that I was untrue to them and untrue to myself if upon any pretext I had voted against the adoption of the rule which gives us the opportunity to consider this bill, and if upon any pretext I should vote down or defeat legislation upon this subject.

Mr. ALLEN, of Mississippi. Does the gentleman think a day and a half time enough to consider that question?

Mr. PERKINS. I think the time is sufficient, and for that reason, Mr. Speaker, I voted for this rule, recognizing the fact that if we were to have legislation upon this important subject it must be under the provisions of this rule, although it would have suited me much better if the rule had been more liberal concerning amendments.

I concur with many gentlemen upon the other side of this House who have expressed objections to this bill. It does not meet my wishes, but if we can not get it recommitted to the committee with instructions to report a free-coinage measure, I may vote for it, because I know as gentlemen know who have spoken in opposition to it, that in another forum, that in the other wing of this Capitol building, this bill will be amended and converted into a good measure.

Mr. BIGGS. You say it will be amended, but how do you know it will be amended in the other end of the Capitol?

Mr. PERKINS. I do not understand my friend from California; but in consequence of my limited time I can not consent to be interrupted. Had I the time I would be glad to answer questions and jointly discuss the matter with my friend, as all know that after this bill is amended in the Senate we will have an opportunity of voting—

Mr. BIGGS. If you think it will be amended there why do you not allow an amendment here?

The SPEAKER. The gentleman from California will be in order.

Mr. BIGGS. I want to know upon what authority the gentleman makes the assertion—

The SPEAKER. The gentleman from California will be in order.

Mr. BIGGS. I am in order.

The SPEAKER. The gentleman from Kansas [Mr. PERKINS] has the floor.

Mr. BIGGS. Mr. Speaker—

The SPEAKER. The Chair thinks the House ought to understand, and he has no doubt every member does understand, that when a gentleman has the floor no one has any right to interrupt him without his permission; and when a member has announced that he does not desire to be interrupted, that ought to be sufficient notice to every member.

Mr. BIGGS. I did not hear the gentleman announce that he did not wish to be interrupted. If I had heard that I would not have interrupted him.

The SPEAKER. The gentleman from Kansas has the floor.

Mr. BIGGS. He makes an assertion, and I want to know why he does it, and I have the right to know.

Mr. PERKINS. Mr. Speaker, I represent a constituency that believes in free coinage. I represent a constituency that believes that a great crime was committed in 1873 when silver was demonetized, and I share in that conviction. I have never yet heard a reason assigned for that legislation that could commend itself to the conscience or to the judgment of the American people. Its only effect was to depreciate and to dishonor silver, and to appreciate and add to the purchasing power of gold. It was to make gold dearer and everything else cheaper. It was to establish a single standard of value and to make that standard as dear to the people as possible. It was legislation in the interest of the bond owner and creditor class, and added to the misfortunes and burdens of those who were in debt. It depreciated the value of farm products, and said to the unfortunate debtor that it would impose additional obligations upon him and make his life one of servi-

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tude to the creditor class if possible; and, Mr. Speaker, full justice will never be done until the last feature and last vestige of that unfortunate legislation is repealed and driven from the statute-books.

Silver should be recrowned and should be given its honored place as one of the money metals of the world. The mints of the country should be opened to its coinage and its ancient prerogatives and ancient privileges should be reconferred upon it the same as upon gold. The money of Jacob and the money of our fathers should be good enough for the bondholders and bankers of to-day, and in the name of patriotism and a common country as well as in the name of justice and the common people we ask for legislation that will give to the people of this country the free and unlimited coinage of the silver metal.

But, Mr. Speaker, I want practical results. I want the best obtainable legislation possible upon this important subject. I am not willing that this Congress should adjourn until we have passed a bill, and the President has given it his executive approval, that will take the entire output of our American mines and put it into circulation as a part of our legal-tender currency, either in standard silver dollars, or in United States Treasury notes. If we can not have free coinage, perhaps we can compromise on something a little less. I know there are many sincere bimetalists who do not believe in free coinage with conditions as they are to-day. I know there is much force in the argument that if 412½ grains of standard silver are worth but 72 cents, the owner ought not to be permitted to have it coined into a standard silver dollar and compel all to take it at 100 cents. I know there is much force in the suggestion that if this is to be done it ought to be done by the Government, as under existing law, so that the people will get the benefit of the difference, the seigniorage, rather than the bullion producer or mine owner.

I know, Mr. Speaker that in executing the present law the United States has made in seigniorage over \$56,000,000, and this large sum of money has been covered into the Treasury and belongs to the whole people, their common property, and each year it is swelling in volume. I know there are many who believe this is better than it would have been had this large sum of money gone into the pockets of the bullion owners to have swelled their profits in the business. Realizing this, I have believed that if we could agree upon a bill that would require the Secretary of the Treasury to buy the entire output of American silver each month and pay therefor in United States Treasury notes that should be full legal tender for all purposes, and should coin the bullion from time to time, as might be necessary to redeem the Treasury notes, that it would be reasonably satisfactory to the people whom I have the honor to represent in part upon this floor.

On the 1st day of May of the present year Hon. E. O. Leech, the Director of the Mint, informed me that there was at that time in circulation \$297,361,953 in silver certificates. These certificates are not legal tender, and yet we learn from this evidence that for purposes of business, for trade and traffic, the people prefer the silver certificates to the standard dollars. Hence, as before suggested, I have believed that the people would be fairly well pleased if the volume of our currency could be swelled each month by adding thereto legal-tender Treasury notes, based upon silver at its market value, representing the entire output of the American mines, and yet under circumstances that would give to the tax-payers and people generally the seigniorage or profit resulting from the coinage of the bullion into standard dollars.

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And such a bill ought to be satisfactory to bimetallicists, who profess to believe in silver, but who are afraid that the free coinage of silver will drive from the land all the gold that is in circulation.

Mr. Speaker, I do not share in that conviction; nor do I entertain any such fears or forebodings, and it seems to me that our experience during the past twelve years ought to satisfy all that there is no danger to be apprehended from the free and unlimited coinage of silver. Let us find an object lesson in France worth more than all the theorizing or prophesying that Wall street can indulge in or that the advocates of monometallism can suggest for our consideration upon the floor of this House. The Government of France, with 27,000,000 fewer people than we possess, and with an area only one-sixteenth as large as ours, has \$230,000,000 more of silver in circulation than we as a people, and at the same time \$270,000,000 more of gold. These figures will not down at the bidding of those who would compel us to pay homage to gold and to gold alone, and prove conclusively that the large volume of silver in France has not driven gold a fugitive from the land, and in our own country the partial remonetization of silver has had no such effect. Since the recoinage act of 1873 was passed we have exported in gold \$234,744,542, while in silver we exported \$255,990,881. During the same period we imported in gold \$410,532,700, while in silver we received but \$150,492,620, so that instead of the Bland-Allison act driving gold from our country, as was predicted, it has had the opposite effect. The figures I give are for the close of the last fiscal year, and show that we are annually sending more silver abroad than gold, while the importation of gold has exceeded the importation of silver almost or quite 170 per cent. This should convince every thinking man and every man who desires to investigate and discuss this question dispassionately and fairly in the interest of the people that we ought to get rid of these evil conjectures and wild speculations in the interest of gold and to the prejudice of silver.

But there is an objection to the pending measure which is almost insuperable, in my judgment. It destroys the merit of the measure and introduces an element of uncertainty into the proposed legislation that ought not under any circumstances to be accepted by Congress. I refer to that provision of the bill which confers upon the holder of these Treasury notes the right to surrender them and with the permission of the Secretary of the Treasury to withdraw their value in silver bullion. We all know that under the existing law we get at least two million dollars added to the volume of our currency each month, and in a period of twelve months we will get at least twenty-four millions, and may get more.

But under the provisions of this bill what will we get? Who can answer that question? We all know that this is left in uncertainty by reason of the bullion-redemption feature of the bill. We know that in the first month \$4,500,000 would be purchased, but at the end of that month or in the next month the Treasury notes might be surrendered and the bullion withdrawn and thus the volume of the currency contracted to that extent, and so from month to month, and at the end of the year instead of having at least \$24,000,000 added to our currency, as under existing law, we might not get a dollar; and that, too, without collusion on the part of the Secretary of the Treasury, or conspiracy with the bankers of Wall street, or the holders of the Treasury notes, but in the exercise of a legitimate power and privilege that is given to him and to them under the bill.

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That, Mr. Speaker, is a serious and unanswerable objection to this bill. That provision ought to be stricken out. No such power should be given to the Secretary of the Treasury; no such power should be given to the bankers of Wall street, and no such power should be given to the men who are inimical to silver and who do not believe in bimetallicism.

If this provision is not objectional, as I have suggested, why is it that every monometallist in the land is so tenacious of it and so persistent that it shall be retained? Why, Mr. Speaker, is it that every bimetallicist in every possible way insists that this provision shall not be stricken from the bill? Why is it that every man who thinks that we have got more money than we need, and that if we have more money, or to have more money is only to have more misery, is in favor of that provision?

The gentleman from Massachusetts [Mr. WALKER] makes this the condition on which he gives his adherence and support to this bill; and he has suggested that more money means more misery. The gentleman stated that he had made himself rich in prosecuting business enterprises, and to prove his consistency he to-day is prosecuting these enterprises with more vigor and with more energy than ever before, in order that he may get more of this which makes people miserable. It is a misery that we all like, and it is a kind of misery we want the people of this country to have more of. I would state to my distinguished friend from Massachusetts that we have no fear in that regard. Why, Mr. Speaker, I have never heard of any people who considered that they had too much money. In my reading or otherwise I have never learned of any people that had too much good money to contribute to their support, to their happiness, and to the comfort of their homes. I have never learned of any people that were so burdened with money that it destroyed the childish glee of the little ones and the substantial comforts and fireside happiness of the elder ones.

But, in answer to the suggestion of the gentleman from Massachusetts that more money means more misery for the people, I will have published as a part of my remarks the evidence of history as briefly reviewed in the report of the Monetary Commission of the Forty-fifth Congress:

At the Christian era the metallic money of the Roman Empire amounted to \$1,800,000,000. By the end of the fifteenth century it had shrunk to less than \$200,000,000. During this period a most extraordinary and baleful change took place in the condition of the world. Population dwindled and commerce, arts, wealth, and freedom all disappeared. The people were reduced by poverty and misery to the most degraded conditions of serfdom and slavery. The disintegration of society was almost complete. The conditions of life were so hard that individual selfishness was the only thing consistent with the instinct of self-preservation. All public spirit, all generous emotions, all the noble aspirations of man shriveled and disappeared as the volume of money shrunk and as prices fell.

History records no such disastrous transition as that from the Roman Empire to the Dark Ages. Various explanations have been given of this entire breaking down of the framework of society, but it was certainly coincident with a shrinkage in the volume of money, which was also without historical parallel. The crumbling of institutions kept even step and pace with the shrinkage in the stock of money and the falling of prices. All other attendant circumstances than these last have occurred in other historical periods unaccompanied and unfollowed by any such mighty disasters. It is a suggestive coincidence that the first glimmer of light only came with the invention of bills of exchange and paper substitutes, through which the scanty stock of the precious metals was increased in efficiency. But not less than the energizing influence of Potosi and all the argosies of treasure from the New World were needed to arouse the Old World from its comatose sleep, to quicken the torpid limbs of industry,

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and to plume the leaden wings of commerce. It needed the heroic treatment of rising prices to enable society to reunite its shattered links, to shake off the shackles of feudalism, to relight and uplift the almost extinguished torch of civilization. That the disasters of the Dark Ages were caused by decreasing money and falling prices, and that the recovery therefrom and the comparative prosperity which followed the discovery of America were due to an increasing supply of the precious metals and rising prices, will not seem surprising or unreasonable when the noble functions of money are considered. Money is the great instrument of association, the very fiber of social organism, the vitalizing force of industry, the protoplasm of civilization, and as essential to its existence as oxygen is to animal life. Without money civilization could not have had a beginning; with a diminishing supply it must languish, and, unless relieved, finally perish.

Symptoms of disasters similar to those which befell society during the Dark Ages were observable on every hand during the first half of this century. In 1809 the revolutionary troubles between Spain and her American colonies broke out. The troubles resulted in a great diminution in the production of the precious metals, which was quickly indicated by a fall in general prices. As already stated in this report, it is estimated that the purchasing power of the precious metals increased between 1809 and 1848 fully 145 per cent., or, in other words, that the general range of prices was 60 per cent. lower in 1848 than it was in 1809. During this period there was no general demonetization of either metal and no important fluctuation in the relative value of the metals, and the supply was sufficient to keep their stock good against losses by accident and abrasion. But it was insufficient to keep the stock up to the proper correspondence with the increasing demand of advancing populations.

The world has rarely passed through a more gloomy period than this one. Again do we find falling prices and misery and destitution inseparable companions. The poverty and distress of the industrial masses were intense and universal, and, since the discovery of the mines of America, without a parallel. In England the suffering of the people found expression in demands upon Parliament for relief, in bread-riots, and in immense Chartist demonstrations. The military arm of the nation had to be strengthened to prevent the all-pervading discontent from ripening into open revolt. On the Continent the fires of revolution smoldered everywhere, and blazed out at many points, threatening the overflow of states and the subversion of social institutions.

Mr. Speaker, with the bullion-redemption feature stricken out I could support the bill, although personally I prefer free coinage, and before I take my seat I desire to ask unanimous consent to offer an amendment to the bill. The amendment does not go as far as I would like to go, but it seems to me that it is one which can not be objected to, and I ask unanimous consent that it be considered as pending, and that no parliamentary objection shall be made to it. This is the amendment:

Add to section 3 of the proposed substitute the following: "Provided, That in no event shall less than 2,000,000 ounces of pure silver be coined each month."

Such an amendment would guaranty to the people as much silver coinage as they get under existing law, if not more, and to that extent would remove the uncertainty and doubt that we find in examining the present bill, and would leave its remaining provisions intact.

Mr. Speaker, as suggested by the gentleman from Illinois [Mr. PAYSON] we have never had in the Treasury Department of the United States, since silver was demonetized, a friend of silver. The administrations of both parties, Democratic and Republican, have been alike in this particular; but I do not agree with my friend from Illinois that this Administration is as unfriendly to silver as was the late Democratic administration. I have seen no war made by this Administration upon silver; I have seen no recommendation in opposition to it; I have seen no message or letter addressed to Congress asking that the mints should be closed against the coinage of silver. We all remember the experience of the last Democratic administration, and we know how mute our friends, who are now so boisterous and vociferous in favor of silver, remained during the time that Mr. Cleveland occupied

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the Executive chair and said to them, "Keep quiet; I will not have it." We remember how obedient they were then, and therefore it is all the more remarkable that under these changed conditions they express themselves with such zeal and enthusiasm. [Laughter and applause.]

But we are told, Mr. Speaker, that we should use and recognize "the world's money;" that the great Governments of Germany and Great Britain have demonetized silver and established the gold standard, and that we are powerless and can not restore silver to its honored place as a money metal without the co-operation of these Governments. I admit, Mr. Speaker, the commercial importance of these great Governments, but why should our legislation conform to theirs? Why should this giant Republic of the western hemisphere accept the financial legislation of Germany and Great Britain? Our interests are different, our theory of government is different, and the wants and necessities of our people are different. We believe in the greatest good for the greatest number, and not in the blessings of a privileged few. With England we have but few interests in common. She is our great commercial and manufacturing rival. She believes in free trade; we in protection. The world owes her \$5,000,000,000, while the bonds of our Government are in every money market of the world. Her interests lead her to demand payment in the dearest money of the world; ours should prompt us to make payment in an honest, stable, and sound currency, but not in a dear one. She buys but little from our farmers, and almost nothing from our manufacturers. Our interests are with the bi-metallic countries of Mexico, Central America, and South America. In this great undeveloped empire south of us is our hope for commercial thrift and prosperity. The Pan-American Congress, recently adjourned, was an important step in the right direction. The trade and commerce of this empire will be worth millions and millions to us when developed, and it should be captured and controlled by us, and their medium of exchange, the silver dollar, should aid us in this glad consummation.

But, Mr. Speaker, why should we speculate or experiment in this important legislation? Why not return to the plain and simple provisions of the law of 1873? For almost a hundred years that law served our people patriotically and well. It was enveloped in no doubt. It called for no compromise. It rested on no conjecture like the new and experimental plan. It was a plain and unequivocal measure for free coinage. A return to that legislation would, in my judgment, be wise legislation for many reasons. It has been said that:

It would immediately add an immense value to all silver bullion.

It would tend to stop the general downward trend of prices.

It would restore part of the loss that the prices of commodities have sustained and which they now suffer.

It would provide a currency more stable in value than any that at present exists.

It might perhaps send some of our gold to Europe, but if so it would tend to raise the price of all our products sold in that market.

It might bring down the price of our 4 per cent. bonds so that they could be bought by the Government at less than 26 per cent. premium.

If gold should be held at a premium over silver that premium would add a new and further form of "protection" in our trade of purchasing manufactured goods from gold-using nations.

It would reduce the strain of the India competition and reduce the

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incomputable losses that competition every year costs our farmers and planters.

It would raise the prices of wheat and cotton and prevent the enemies of our tariff system from persuading the people that our losses by silver legislation results from our tariff legislation, and thus, by misrepresentation and false reasoning, weaken the patriotic doctrine of American protection.

It would be safe in finance; it would be wise in politics; it would be just to all; it would be the first firm step in securing our manufacturing and commercial leadership among all the American silver-using nations, our chief customers abroad in our selling trade of manufactured goods; it would be the quickest road to the adoption by England of silver as full legal-tender money as a means of retaining her foreign trade and of preventing that trade slipping from her hands into ours through the silver rift.

It would lead by the shortest route to bimetallism by treaty among all commercial nations, and so end this disastrous money conflict in a union whose benefits would be shared by all and whose burdens would be felt by none.

It would lead to the establishment of a higher justice in international, commercial, and financial affairs on a basis as solid as the mutual interests of all mankind.

Let us in a spirit of patriotism, for these and other reasons, be done with experiments and return to the legislation of our fathers. [Applause.]

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