

THE SILVER QUESTION

SPEECH

OF

HON. ABNER TAYLOR

OF ILLINOIS

IN THE

HOUSE OF REPRESENTATIVES

Thursday, June 5, 1890

WASHINGTON

1890

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

Mr. TAYLOR, of Illinois said:

Mr. SPEAKER: I regard the question under consideration as the most important one to come before this Congress. The question as to how this measure will affect the producers of silver or the owners of silver bullion is local; but while this feature of the question is local, the result of our acts or the result of any measure that may be passed by this House is national, affecting every citizen of the United States. There is no other measure likely to come before this House that can affect all the people of the country as this measure will. Therefore it is a measure that should be considered with great care and honesty of purpose, and entirely without reference to how it may affect certain localities, with solicitude only as to its effect upon the country at large. I do not approach the consideration of this subject as one of the Representatives of the State whose commission I am proud to bear, but as a Representative of this great nation; and I shall endeavor to consider it in the interest of the greatest number of people of the country.

There are two bills reported from the Committee on Coinage, Weights, and Measures, a majority and a minority report; and I first desire you to examine with me and see how far the two measures agree and where they separate and why they separate. First, they both agree that the measures now providing for adding to the circulating medium in this country do not keep pace with the increase of population and the growth of business; second, that the silver produced in this country shall be taken by the Government and Treasury notes or silver certificates issued for the same; third, the bill reported by the majority makes provision for coining all the silver into standard silver dollars that may be necessary to redeem the Treasury notes issued in purchase of silver, dollars of 412½ grains and legal-tender.

The bill reported by the minority provides for the coinage of all silver that may be brought to the Government into the same kind of silver dollars and issuing Treasury notes or silver certificates for it: so there is but little difference between the two propositions in this respect, the difference being in favor of the majority report, as all persons agree that it is impossible to put more than a limited amount of silver dollars into actual circulation; and that the only way to utilize it as money is in the form of a silver certificate or Treasury note, leaving the silver on deposit with the Government. Therefore it would seem to be unnecessary to incur expense in the coinage of more of these

silver dollars than are needed for the redemption of the notes. Fourth, the bill reported by the majority provides for the purchase by the Government of \$4,500,000 of silver a month, to be paid for in legal-tender Treasury notes, which is intended to consume the product of the silver mines of the United States.

The bill reported by the minority provides that the Government shall take all the product of the silver mines of this country and issue certificates upon it, which is virtually a purchase. Therefore, the measures substantially agree up to this. The bill reported by the majority provides that the Government shall purchase this silver at its value in the markets of the world, which now is about 75 cents on the dollar. The minority bill provides that the Government shall take it at 100 cents on the dollar, regardless of its market value. Therefore, the two measures separate at this point.

Let us examine the two now and see which is the honest measure and which is in the interest of the greater number of people. The Government has been purchasing \$2,000,000 worth of silver per month since 1878 on the principles embraced in the majority bill—that is, at the value of silver in the markets of the world—and has now a profit from that purchase over \$50,000,000 in the Treasury. This \$50,000,000 is now the property of all the people of this country. Each man has an interest in this accumulation of money. Had we been taking this silver on the principles embraced in the minority bill, a few rich mine-owners, instead of the people of the country, would have had this money; and at the present value of silver, if the majority bill should become a law, the saving to the people would amount to from ten to fifteen million dollars a year. If the minority measure should be adopted, this money would all go into the hands of the rich silver syndicates, whose hardships the benevolent members of the minority are striving to soften.

I cannot understand why any member upon this floor who does not represent a silver-mining constituency should support the bill reported by the minority. I know it is contended by some that a great wrong was committed, some time in the past, when silver was demonetized. This may be so; but we are not here to redress the wrongs of the past by committing another wrong. We are not here to legislate for the past, but for the future. We are here to legislate under the light of to-day for the benefit of our constituents in the future.

I know of no reason why the silver producer should have preference to the farmer who grows wheat. I know of no reason why the Government should purchase the product of the silver mine at 100 cents when it is worth only 75 cents; and if the minority bill should become a law, then Congress should pass an act to compel the Government to purchase wheat at \$1 a bushel when the value of it was only 75 cents. Such a law would be far preferable, as it would be in the interest of the great masses; while the bill reported by the minority is in the interest of only a few mine-owners, and all benefits derived under the minority's bill would go to the pockets of these few millionaires.

If I were not familiar with the history of the Democratic party I should be very much surprised at its support of a measure of this kind. It is loud in its denunciation of trusts and corporations and national banks and all money institutions. But those who are familiar with its past history know that this is only sound and is issued for home consumption, to delude its followers; and when we come to any action the Democratic party is found on the side of these wealthy institutions,

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as in this case. If the minority bill should become a law it would be the most outrageous ever put upon the statute-books, and the title of it should be changed so as to read: "An act to take annually from the public Treasury about \$14,000,000 for the benefit of the silver syndicates," as this would be its effect.

My friend from Missouri, the author of the minority report, tells us that what he wants is more money. Under the provisions of the bill of the majority there will be added to the circulation fifty-four millions a year in legal-tender Treasury notes, which will have behind them for their redemption silver bullion bought at the market price of the world and the Government behind that, so that no safer currency can be put into circulation. I agree with my friend from Missouri that if the bill reported by the minority should become a law and the price of silver remain where it is, it would increase the circulation from ten to fifteen millions beyond this; but how would this increase be made? It would be made simply by giving the silver syndicates this ten or fifteen millions, for which we receive nothing.

It is a new way of benefiting the people to give away the Treasury notes of the Government, or, in fact, the notes of the people; a new way of lessening the load of my friend's heavily mortgaged farmer constituents that he tells us about so often, by putting an additional mortgage on their farms: as this ten or fifteen million dollars given away annually to these rich syndicates would be a mortgage upon every piece of property in the country, and each piece would be held for it till the Treasury notes were paid. This certainly is a new mode of financiering, original, never thought of in past ages. Think of it!—bettering a man's condition by increasing his debts; encouraging the tiller of the soil, whose fields, as in the verse of Wordsworth, are already laden with other burthens than the crops they bear, by lessening his small income. If this new principle, that we benefit the people by plunging them in debt, is correct, we should give away a billion dollars at once. It is plain, Mr. Chairman, that the concoctors of this minority report have unbounded faith in the gullibility of their constituents.

I am not surprised at the great opposition made by my friend from Missouri and by his Democratic colleagues at the attempt made by this House to substitute an act for the coinage act of 1878, as that act is the only one favored by the Democratic party that has been put upon the statute-book for more than a quarter of a century which has been of any benefit to the people of this country. It is the only offspring they have to show for their labors in both ends of the Capitol that has got beyond infancy; and, therefore, I say that I am not surprised at their great opposition to the displacement of their sickly child by a full-grown and legitimate son of a broader justice.

The claim of the minority that the substitution of the majority silver bill for the act of 1878 demonetizes silver is a claim that cannot be substantiated on this floor, and I cannot believe that any member on this floor thinks so, for a moment's examination of the bill reported by the majority should convince him of the utter folly of such a position: and I pity any member who represents a constituency that he must feed on such thin diet as this. As the bill reported by the majority provides for the coinage of the old standard legal-tender silver dollar of 412½ grains in sufficient quantity to redeem all the Treasury notes, the Treasurer would be compelled to coin and to keep in the vaults of the Treasury enough of these legal-tender silver dollars to be

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ready at any time to redeem all the Treasury notes that might be presented.

Now, on what grounds or on what line of reasoning can any man claim that this bill demonetizes silver? As the prophet Job says: "How long will ye speak these things? and how long shall the words of your mouth be like a strong wind?" I am weary of their much talking. This bill does nothing of the kind. It simply substitutes a silver-coinage law that will take in all the product of the silver mines of this country, which is expected to be four or five millions a month, for a coinage law that takes but two millions a month. To any man, sir, who is not controlled by a silver-producing constituency or whose mental and moral vision was not blighted by the baleful influence of Democratic principles, this law would seem to go as far as possible in the other direction.

The minority admits in its report that of the \$355,000,000 of silver that has been coined under the act of 1878 the Government has not been able to put into circulation \$60,000,000 up to this date, although the Treasury Department sends the coins free of charge to any person who applies. The balance is represented by silver certificates: so there is no way to utilize this silver, as admitted by the minority and as shown by the facts, but by a silver certificate or Treasury note issued by the Government, the Government retaining the silver in its vaults. By this admission my Democratic friends agree that there is no necessity for the expense of coining this silver, as the coins are not needed by the dear people who send them here to retard legislation by their patriotism. There are now in the vaults of the Treasury over 300,000,000 standard legal-tender silver dollars that can be drawn out by any person presenting silver certificates: so I can not see the necessity of continuing this coinage at great expense.

The argument of the minority is based almost entirely upon the position that the bill reported by the majority demonetizes silver, which position, as I have attempted to show, is not tenable, as under the provisions of the majority bill the Government will be compelled to coin all the silver purchased into standard legal-tender dollars, if they are needed. The only difference is that the Government will not be compelled to coin them unless they are needed; whilst under the bill reported by the minority it will be compelled to coin them, when every person in the country of any intelligence knows that they will not be needed, as but few persons want a silver dollar when they can get a silver certificate or a Treasury note. So the foundation of their argument fails, and the only thing that is left of their position is whether the Government shall pay the wealthy silver syndicates 100 cents on the dollar for their silver when it is not worth more than 75.

Who can claim that this would be in the interest of the great mass of the people? Is it possible to believe that the people will favor a measure of this kind? I desire to have adopted a measure which will continue the double standard, providing for the use of gold and silver as a circulating medium, and have a tendency to bring the two metals together in value at the earliest possible time without violating all the principles of sound financing. This I am satisfied this bill will do; therefore, I give it my heartiest support. I do not intend to go into a discussion to show how many nations are using silver and how many are not using it, nor how long silver has been used as a medium of exchange by the people.

This is history that is familiar to almost every person; and as we are

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not legislating for other nations or for past ages, but for the people of this country and for the future, I have endeavored to confine my remarks to the question how these measures will affect the people of this country. As an evidence that we should not be governed in our action upon this measure by the action of other countries or the uses that other countries have made of silver in past centuries, I will name some of the things that have been used as money in the past: Gold, silver, iron, copper, brass, glass, tin, lead, codfish dried, dried fish, salt, seal-skins, silk cloth, rice, cotton cloth, leather, shells, bone, coal, cocoa beans, linen, whisky, tobacco, cattle, tenpenny nails, turnips, potatoes, and human beings—human beings at about \$14 a head. Corn was used in Massachusetts and Maryland, and also tobacco in Maryland; tenpenny nails in Scotland and North Carolina, and also whisky in part of North Carolina. So you will see very readily that it will not do for us to be governed by past ages; but, as I have said before, we must legislate under the light of to-day.

I am well aware that in the examination of this question we have to take into consideration the products of the silver mines and the uses made of silver in this and other countries; but for many years this country has been exporting twenty millions of silver a year that has gone into use in other countries. If this bill should become a law we would stop exporting silver, as the Government would take all the product of the mines of this country. This could not but affect the price of silver in the markets of the world and would gradually and in a short time bring gold and silver to an equal value. This is what I think to be for the best interests of the people of this country; and it is sound financiering, doing justice to all and violence to none.

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