

THE FREE COINAGE OF SILVER.

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SPEECH

OF

HON. JOHN H. MITCHELL,  
OF OREGON,

IN THE

SENATE OF THE UNITED STATES,

JUNE 17, 1890.

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WASHINGTON.  
1890.



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The Senate having under consideration the bill (H. R. 5381) directing the purchase of silver bullion and the issue of Treasury notes, and for other purposes, the question being on the adoption of the amendment offered by Mr. PLUMB, in the nature of a substitute, providing for the free and unlimited coinage of silver, making the silver dollar a legal tender, and for the issue of legal-tender certificates—

Mr. MITCHELL said:

Mr. PRESIDENT: The pending amendment is one providing for the free and unlimited coinage of silver. It is a proposition which meets my hearty and unqualified approval, and hence it shall receive my cordial support. It shall receive my vote, first, because I believe in it, because in my judgment it is only by such a measure the great wrong of 1873, by which the silver dollar was demonetized, can be properly and fully atoned for, and silver restored to its proper place as a money metal; and, secondly, it has my support because it is, as I firmly believe, the wish of nine-tenths of the qualified electors of the State I have the honor in part to represent on this floor, irrespective of party, that I should support it.

The recent Republican State convention of the State of Oregon, which met in Portland, Oregon, in April last, adopted unanimously and with enthusiasm the following resolution as a part and parcel of the State platform:

That recognizing the fact that the United States is the greatest silver-producing country in the world, and that both gold and silver were equally the money of the Constitution from the beginning of the Republic until the hostile legislation against silver, which unduly contracted the circulating medium of the country, and recognizing that the great interests of the people demand more money for use in the channels of trade and commerce: therefore we declare ourselves in favor of the free and unlimited coinage of silver, and denounce any attempt to discriminate against silver as unwise and unjust.

The Democratic State convention of the same State, which met in the same place a few days subsequently followed suit and adopted with like unanimity and enthusiasm, as part and parcel of the State Democratic platform, the following:

We reaffirm the position which has been maintained by the Democratic party, that gold and silver are equally the people's money, and are opposed to all measures of discrimination against silver, and demand free coinage to supply the needs of business, and that all money issued by the Government be legal tender for all debts, both public and private.

While the Union party of Oregon adopted the following resolution as expressive of the views of that party on this subject:

*Resolved*, That the Government establish a national monetary system by which a circulating medium in necessary quantity shall issue direct to the

people; that all moneys issued, whether gold, silver, or paper, shall be full legal tender in payment of all debts, both public and private.

In the State of Oregon, therefore, Mr. President, as well as in every other State in this Union, as also in the Congress of the United States, this question as to the remonetization of silver and of an increase in the volume of the circulating medium of this country is not now, has not been for ten years past, and can not now by any attempted manipulation, caucus, conference, compromise, or combination on the part of either party, whether secret or otherwise, whether at the suggestion, entreaty, or dictation, either express or implied, of either President, Secretary, or any other agency, be tortured into a party question. It is not a party question. It is one so vitally connected with the general welfare and the common good as to rise above party, and so distinctively is it disconnected with everything pertaining to mere partisan politics, as parties are now organized in this country, as to take it out of, away from, and beyond the reach and the control of mere partisan politics.

Sentiment and opinions on this subject in this country are divided, not by party lines, but are rather in their different phases the outgrowth of that irrepressible conflict that is forever being waged between the creditor and the debtor classes, between the bondholder and the usurer on one hand, whose interests lie in the direction of a contraction of the currency and the consequent depression in the price of every commodity and every species of money, save and except bonds, notes, mortgages, and gold coin, and the great masses of the taxed and interest-paying people burdened with debt, their farms covered with mortgages, on the other hand, whose interests lie in the direction, not of inflation, but of a sufficient amount of circulating medium to meet the wants of the country, prevent contraction, and maintain at reasonable, proper, and living rates the prices of the products of the farm, mine, and shop. These are the lines, not of Republicanism or Democracy spoken of in a partisan sense, upon which the people of this country are divided on these great questions.

The late President Cleveland and his administration sought to link the nation's fate with the gold standard. He was not sustained by his party and he perished in the attempt; and it is not an unsafe prediction that any administration, whether Democratic or Republican, which shall hereafter strive to keep the nation's heel on silver and prevent the full remonetization of that metal, will, as it should be, when occasion presents, be hurled from power by a justly resentful and indignant constituency. I do not mean by this that a grand step, but yet one somewhat short of the free and unlimited coinage of silver, may not be taken by Congress in the direction of the remonetization of the silver dollar, and one which would tend largely to relieve the country by increasing the volume of circulating medium, and thus retard contraction and tend to increase the prices of all commodities. Upon the contrary, I believe such a measure, properly guarded, would be of much benefit, and the passage of such a measure by Congress and its approval by the present Administration would go far toward relieving those who gave it their support from the charge of opposition to bimetalism and the remonetization of silver; but what I do mean to say is that in my humble opinion and with all due respect to those entertained by others, there is but one Congressional act that will rise to the real dignity of the occasion and which will correctly respond to the full demands of the great majority of the people of this country,

and at the same time meet the real necessities of the case, and result in the absolute and complete remonetization of silver, and that is one providing for the free and unlimited coinage of the silver dollar. Anything short of this, however near to it in substance and effect the act may be, is lacking at least one step in reaching the real altitude, not only of the demand of the people, but of the necessities of the hour—the rights, privileges, and interests of the great masses of the people and of the Republic generally being considered. Believing this, and not believing that this ought to be by any possibility or arrangement a party question, I shall cast my vote freely, cordially, and hopefully for this amendment providing for the free and unlimited coinage of silver, not stopping while doing so to inquire in advance as to whether the proposition is to receive more or fewer Republican or Democratic votes; and should this amendment fail, then I shall cordially vote for the next best thing proposed, provided always that the measure is free from any provision which, in my judgment, will have the effect, whatever the intention of its promoters may be, to perpetuate the demonetization of silver by treating that metal purely as a commodity and not as legal-tender money.

The VICE-PRESIDENT. The Senator's time has expired.

Mr. EDMUNDS. The Senator is entitled by the rule to proceed if he wishes.

Mr. PLATT. Why?

Mr. EDMUNDS. Because there is no order of the Senate against it.

Mr. MITCHELL. I think in about five minutes more I can conclude what I have to say.

Mr. ALLISON. I ask unanimous consent that the Senator from Oregon may have a few minutes longer.

The VICE-PRESIDENT. Is there objection to the request made by the Senator from Iowa? ["None."] The Chair hears none and the Senator from Oregon will proceed.

Mr. MITCHELL. A bill compelling the Secretary of the Treasury, for instance, to purchase, say, \$4,500,000 worth of silver bullion, or, what would be still better, 4,500,000 ounces of silver bullion per month, as that would doubtless consume the whole American product, including Mexican silver coming through American smelters, payable in United States legal-tender Treasury notes, redeemable in coin, either gold or silver, with a provision that one-half of this amount so purchased, or at least enough to meet all the requirements of redemption, shall from time to time be coined into legal-tender silver dollars of 412½ grains of standard silver, under the existing ratio of 16 to 1, would be a measure in its practical effect so nearly akin to free and unlimited coinage as to be of immense value to the business interests of the country. And some such bill, if free and unlimited coinage should fail, shall, if opportunity offers, receive my cordial support.

But sooner than see the bill recently passed the House of Representatives become a law without material amendment, I would infinitely prefer that the law as it stands to-day, compelling the Secretary of the Treasury to purchase at least \$2,000,000 worth of silver bullion each month and coin it into legal-tender silver dollars and issue silver certificates, should remain on the statute-book. The bullion-redemption feature of the House bill is one which, in my judgment, ought to stamp it as a measure not only intended, but the inevitable effect of which must necessarily be to absolutely demonetize silver by depriving it of its function as money and stamping it forever as a commodity only. Such

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a measure can never receive my vote. But why should Congress hesitate to provide for the free and unlimited coinage of silver the same as gold? What argument has been advanced against it which has for its support any averment of fact or logical deduction borne out by anything in our past financial history or in our present monetary or commercial conditions? What argument drawn from the history of other nations or from our relations, commercially, financially, or otherwise, with other nations has been brought forward that ought to cause us to hesitate? I have listened attentively, but have failed to hear it. Every argument used now against the free and unlimited coinage of silver was used in the shape of prediction seventeen years ago against the passage of the Allison-Bland bill, and yet not a single one of the evil effects then predicted has ever come to pass.

The seers of seventeen years ago are the false prophets of to-day, condemned before the country and the world as such by the utter and absolute failure to materialize, of every prediction indulged in. We were then told, as we are now told, that the coinage of \$2,000,000 worth of silver bullion per month would drive all the gold from this country, and what is the actual fact? We have coined under that act nearly 370,000,000 of silver dollars; to be entirely accurate, up to the 10th of this month \$367,166,266, and so far from gold having taken wings and departed to foreign climes, we have to-day from five to seven hundred millions more gold in this country than we had then. We were told furthermore that not exceeding fifty millions of silver could be absorbed or be by any process forced into circulation in this country; but what has been the result? Of the 367,166,266 silver dollars coined under that act all but \$15,529,126 are to-day in circulation, either in the shape of the standard silver dollar or in silver certificates; there are 56,403,772 of the standard silver dollars in circulation, while 295,333,368 of these dollars are represented by silver certificates.

And so it has been with every other prediction indulged in. And now every argument in opposition to the free coinage of silver is based either upon some prediction as to the evil effects that may possibly follow the opening of our mints, or upon some fear upon the part of the objector that certain evil effects may possibly follow. And these may be summed up in a word:

First. Gold may be driven from the country and contraction would follow.

Second. The United States will be made the dumping-ground for the silver of the world, from France, Belgium, Roumania, India, and other European and Asiatic nations.

Third. It will destroy all chances of securing an international agreement.

Fourth. If the balance of trade should turn against us we would be ruined.

Fifth. If we should open our mints to free coinage at the present ratio of 15.98 to 1 and France should eventually open her mints to free coinage at her present ratio of 15½ to 1, that in such event all our silver would leave this country and flow into the French mints.

These, in brief, are the arguments—if supposition, prediction, and bald assertion can be taken for argument—upon which is based the objection to the free and unlimited coinage of silver. I submit, Mr. President, not one of them, singly or all taken together, are entitled to controlling weight. But my time has expired.

The amendment was adopted, and the bill as amended passed the Senate—43 yeas, 25 nays.

BILL AS PASSED THE SENATE.

That from and after the date and passage of this act the unit of value in the United States shall be the dollar, and the same may be coined of 412½ grains of standard silver, or of 25.8 grains of standard gold; and the said coins shall be legal tender for all debts, public and private. That hereafter any owner of silver or gold bullion may deposit the same at any mint of the United States to be formed into standard dollars or bars for his benefit and without charge; but it shall be lawful to refuse any deposit of less value than \$100, or any bullion so base as to be unsuitable for the operations of the mint.

SEC. 2. That the provisions of section 3 of "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," which became a law February 28, 1878, are hereby made applicable to the coinage in this act provided for.

SEC. 3. That the certificates provided for in the second section of this act shall be of denominations of not less than one nor more than one hundred dollars, and such certificates shall be redeemable in coin of standard value. A sufficient sum to carry out the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. The provision in section 1 of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard dollar and to restore its legal-tender character," which requires the Secretary of the Treasury to purchase, at the market price thereof, not less than \$2,000,000 worth of silver bullion per month nor more than \$4,000,000 worth per month of such bullion, is hereby repealed.

SEC. 4. That the certificates provided for in this act and all silver and gold certificates already issued shall be receivable for all taxes and dues to the United States of every description, and shall be a legal tender for the payment of all debts, public and private.

SEC. 5. The owners of bullion deposited for coinage shall have the option to receive coin or its equivalent in the certificates provided for in this act, and such bullion shall be subsequently coined.

SEC. 6. That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption; and upon the certificate of the Comptroller of the Currency that such notes have been received by him and that they have been destroyed and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created, to be known as "national-bank notes, redemption account," but the provisions of this act shall not apply to the deposits received under section 3 of the act of June 20, 1874, requiring every national bank to keep in lawful money with the Treasurer of the United States a sum equal to 5 per cent. of its circulation, to be held and used for the redemption of its circulating notes; and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public-debt statement as debt of the United States bearing no interest.

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