

SILVER COINAGE IN 1890.

REMARKS

OF

MR. MORRILL,

OF VERMONT,

IN THE

SENATE OF THE UNITED STATES,

MONDAY, JUNE 2, 1890,

THE SENATE HAVING UNDER CONSIDERATION THE BILL
(S. 2350) AUTHORIZING THE ISSUE OF TREASURY
NOTES ON DEPOSITS OF SILVER BULLION.

WASHINGTON.

1890.

S P E E C H
OF
M R . M O R R I L L .

The Senate, as in Committee of the Whole, having under consideration the bill (S. 2350) authorizing the issue of Treasury notes on deposits of silver bullion—

Mr. MORRILL said:

Mr. PRESIDENT: My only excuse for trespassing upon the time of the Senate to-day is that I shall be compelled to be absent for the remainder of the week. It had not been my purpose to subject myself to the labor of making any speech at all on the silver question, but the opening speeches appeared to me to contain so much inflation of history that it might be well if they should be punctured by somebody, and I hope it may be the duty of some and the pleasure of others to undertake the task. I shall attempt only a very humble part of such work, and hope, in the presentation of my views on the subject, not to fatigue the Senate for much, if any, over an hour, in which it is not my intention to traduce any party, and certainly I shall not traduce the history of the Republican party for the last thirty years.

My friend, the senior Senator from Nevada, was authorized by the Committee on Finance to report the measure now before the Senate, but, in his learned and highly finished speech of two days, he did not find time to offer a single word in explanation of the measure reported or to suggest any argument in its behalf. Expecting to be persuaded by the eloquence of the Senator to support the measure of the committee, although I had preferred some of the provisions of the bill submitted, at the request of the Committee on Finance, by the Secretary of the Treasury, I hardly need to say that I was disappointed, and I am now left to grope my way without his assistance as I best can.

I think he almost persuaded me to support what is now called the Jones bill, though he said not a word about it in his speech, as I really like his orphan better than any of the progeny of which he seemed ready to become the god-father. The distinguished Senator appeared to me to cut loose from *terra firma* and to soar into the thin air of fiat

money, where the legal-tender stamp of the Government upon the slender paper protoplasm is claimed to create the most stable value of standard money.

The Senator from Nevada is a genius; he is magnetic, and we all like him—like even his fables, wherein when he chooses he can rival even La Fontaine; but his wealth of statistics—and he said no gatherer of statistics ever knew what to do with them—his exuberance of statistics concerning the marvelous growth and prosperity of our country, brought into contact with those he presented in support of his threnody of lamentation about the doleful condition of the debtor classes appeared to me to swear at and to slash each other.

Taking into consideration the general sentiment in favor of more silver, as entertained by Senators representing our youngest sister States, to whom I confess that I am most reluctant to refuse anything asked for, I had fully determined to favor doubling the amount of the purchase of silver bullion on the part of the Government, and in fact to do almost anything that would not absolutely and forever abandon the bimetallic standard of money which has prevailed for the most part of the time ever since the foundation of the Republic; certainly the use of gold has never been abandoned.

Not without some doubt of the final result—and no thoughtful man would venture too confident predictions as to the result where we are openly antagonizing the fixed policy of the chief part of the commercial world—I had concluded to vote for the substitute reported by the Senator from the Committee on Finance.

I find, however, from the lofty attitude of the debate on the part of the supporters of silver, that more extreme measures are to be presented. The newsilver gospel is not satisfied with the ordinance of sprinkling, and nothing less than immersion all over in silver will save us from perdition. With this, I suppose, we are to be financially saved by faith and without works.

The Jones substitute, so called, provided, first, for the purchase of four and one-half million dollars' worth of silver per month; second, the issue of Treasury notes in payment of such purchases, which should be redeemable in lawful money, and when redeemed to be canceled; and such notes were also to be receivable for customs, taxes, and public dues, and when so received were to be reissued, and when held by any national-banking association they were to be counted as part of their lawful reserve; third, authority was also given to coin such portion of

the bullion purchased as might be necessary to provide for the redemption of the Treasury notes, and the seigniorage was to be accounted for and paid into the Treasury; fourth, the act of 1878, requiring the purchase and coinage of not less than two million nor more than four million dollars' worth of silver per month, was to be repealed; fifth, the amendment agreed to by the Committee on Finance provided for using at once about \$60,000,000 of legal-tender notes deposited in and now held by the Treasury Department for the redemption of national-bank notes of banks whose charters had been surrendered or where their affairs were being wound up.

A heroic measure of this extraordinary scope, in the way of making a sure market for silver and of vastly increasing the amount of currency in circulation that would be redeemed in nothing worth less than legal-tender silver dollars, it would seem ought to have found prompt acceptance even by the most advanced silver advocates. But, judging by the tenor of the speeches already made here, the demands will be for much more. They want ounces of fine silver instead of dollars' worth, and more of them; and they want all the silver coined at the expense of the Government. They also want the Treasury notes or certificates to be made a legal tender for all debts, public and private.

Still more is wanted: The usual reserve deemed necessary for carrying on the disbursements of the Treasury Department they want to be paid out, so as to leave only \$10,000,000 at any time in the Treasury, though the monthly and quarterly payments often amount to from twenty-five to forty million dollars.

More yet: They want the one hundred millions of gold now held for the redemption of legal-tender notes reduced to fifty millions. Finally, rather than anything else, free coinage of all American silver as well as whatever may be brought here from Mexico or any other country is demanded. The cost of coining silver, about 2 per cent., on the annual fifty-five to seventy millions is to be borne by the Government, and the depositors of silver bullion are to receive all the difference of value between the bullion and the standard dollar. This is the feast to which we are invited by the distinguished Senators from Colorado and Nevada.

The wage-earners of the United States are to be counted by millions, and if the amount of their daily wages be estimated at barely a dollar or a dollar and a half per diem, it would be sure in the aggregate to show them to be the most numerous creditor class of the country, and

possibly the largest in amount. It is this class which it is now proposed shall be paid off in a cheaper or in a depreciated standard of money, that would compel them to pay higher prices for everything they have to buy. The necromancy of the performance could not even be concealed from our colored brother who works in the cotton fields of the South.

Could there be anything more likely, in all parts of our country at an early day, to provoke strikes for higher wages? Little or no reduction of wages has anywhere occurred, while there are many instances of recent increase, and the hours of labor also, in many places, have been shortened.

I suppose there are always idlers and ne'er-do-wells in the world, but that there are now more men than usual out of employment who are eager to work is a statement without the slightest foundation.

The distinguished Senator from Colorado [Mr. TELLER] said:

I desire for myself to disclaim any anxiety for any special interest in advancing the price of American silver, save and except that it is an American product.

As "American products," would he have equal anxiety to advance the price of iron, wool, and copper, by demanding, as he does in the case of silver, that the Government shall purchase and hold forever the whole annual product? "It is demanded" for silver, the Senator says, "in the interests of humanity, civilization, and of the whole human race."

Whether the people and the miners and the owners of smelting works in Colorado would be wholly in accord with so much disinterested philanthropy may be doubtful. The financial interest of a State which, it is claimed, produces one-sixth part of the annual product of silver of the whole world is worth looking after, and I do not blame the Senator for his show of zeal in the service of his State. If he could only demand such legislation as would make it safe for a great country to adopt, I should be with him heart and hand. Colorado in 1888 produced 14,695,313 ounces of fine silver, and, according to the statement of the Director of the Mint, 510 grains of pure silver were then purchasable at the average price of a United States dollar containing only 371½ grains of fine silver.

This amount of 510 grains of fine silver, therefore, was purchasable at the price of 72 cents; but, with free coinage, Colorado would have derived an advance upon all her millions of silver of not less than from 38 to 40 per cent., and the Government would have lost its seigniorage

in 1888 on the limited coinage of silver dollars then amounting to \$9,370,002. With free coinage this source of revenue would be wholly abandoned, and even if the United States were to purchase and hoard everlastingly all of the American product of silver, its value would be most likely to rise, to which I should have no objection, and the Government would lose much if not all of its profits of seigniorage. I only object when the silver barons profit by the losses of everybody else.

When Frederick the Great was once about to seize and annex an adjoining province, he directed his minister to prepare a proper proclamation setting forth his purpose. Whereupon the minister began one by saying "In the name of God"— "Stop, stop!" said Frederick, "and strike out all about God, and say, Frederick wants another province."

I think the miners of Colorado will also say "Strike out all about God and say we want 30 or 40 per cent. more profit."

It is manifest that the producers of gold must be equally interested in a divergence between the gold and silver standards of coin. When gold shall be driven out of circulation, of course gold bullion will bear a premium as well as gold coin.

There is occasional talk about the retention and maintenance of gold as well as of silver in circulation as money, but whenever any proposition is presented to give any possible assurance of such retention, as by the redemption of silver notes with silver bullion at its market value, or by any limitation of the units of value to be put in circulation by the purchase of a less maximum amount of silver bullion, or by the sale of United States bonds, as was done in the case of our present legal-tender notes, it is pronounced by the leaders of what is called the "silver reform" as vicious and wholly inadmissible. They hate gold apparently because the world holds gold to be quite as much a precious metal as silver. It is in the way of silver, and silver would tolerate no brother near its throne.

The Senator from Nevada tells us that the best place for our gold is where we sell our products in foreign countries. He would like to have it go. There is no disguise on his part about it. We are offered a dose of silver to "kill or cure." Some of us on this side of the Chamber felt able to jump a five-rail fence, but it is understood that the Democratic acrobats on the other side of the Chamber, after some training, offer to go one better and will jump at six rails even if it breaks their necks. There may be some astute politics in the matter. Gentlemen

on the other side of the Chamber are not looking upon the increase of appropriations for pensions with much composure, nor with any delight upon a protective tariff, perhaps with no historical respect for the bonded debt of the United States, and they will therefore be the more easily reconciled to a depreciated standard of silver monometallism. At any rate according to their present calculation it will be quite good enough for such Republican purposes, as well as good enough to pay the wages of colored laborers.

It has been suggested that creditors are a "privileged class," and I suppose that those who have money to lend are and always were so; but I deny that such men belong to the class of men possessed of large fortunes. The latter class invest in real or personal property, or have it fully employed in trade, or in large industrial enterprises, giving employment to laboring men and women, and never are in the habit or business of loaning money. A large body of the creditor class are those who have laboriously saved a few hundred dollars and deposited it in savings-banks, from which they derive a small and safe semi-annual dividend. These depositors are largely young men and women striving to gather a little capital to start with in the battle of life.

As a class the money-lenders of fifty years ago, seeking the highest rates of interest, are entirely obsolete in the East, and nearly so in the West. These savings-banks have made some loans in the West, having been importuned to do so by Western agents, and have done so on lower terms than were current where made. The loans which have been made there were generally as much for the advantage of the borrower as for the lender. I may add that I have not a particle of faith in the enormous and preposterous estimates made of the indebtedness of any considerable portion of the American people. Whenever the truth shall be ascertained it will be found that at no time in our history has the indebtedness of the people of the United States been less per capita than in 1890. Business has been rather depressed in our own country, as well as throughout the world, since 1883, and men do not run in debt in times of depression, but are wildly tempted to do it in the time of money inflation, such as our enthusiastic silver friends are now directly aiming at.

It has been claimed that we need more money per capita for circulation than any other country because of the larger proportion of our people engaged in active business; but this is a grave mistake. Our national banks, savings-banks, and many other banks established in

almost every considerable town in every part of the country enable nearly all business men and firms to use their own checks instead of money of any description. If one party wishes to make a payment to another party it is made by a check on a bank, and the party receiving the check deposits it to his credit in some bank, where it is counted as equal in all respects to a deposit of gold and silver or any lawful money. Fully 95 per cent. of all business transactions are here adjusted in this way, and it enormously reduces the amount of circulating money actually handled or required.

There is no other country where these facilities can be used to anything like the same extent. They are very limited in Germany and England, and in France there are only a few places outside of Paris which enjoy such facilities at all. The French people were long in the habit of holding and hoarding all the money they received, whether of gold or silver. They had few places of deposit, no general use of personal checks on banks, and did not invest in securities until a very recent date. They at length had to pay the German indemnity of eleven hundred million dollars, and they have also lost largely by investments in the De Lesseps Panama Canal, so that the per capita amount of money claimed to be now in circulation in France, being only an estimate of an unknown quantity by an unknown authority, is most likely very unreliable and much overrated. Certainly, however, they would seem to require much more than we do with our habitual use of bank checks for more than nine-tenths of our daily business transactions.

Even if it is not yet wholly out of fashion in France to hoard money in idleness instead of making it earn something by investment, it does not follow that Americans should make extraordinary haste to copy a French fashion possibly already growing obsolete.

The French people are not only industrious, but very economical, and they are prosperous. They have recently been increasing their stock of gold, but they have done it by restricting any increase of the coinage of silver. The silver of each state of the Latin Union by treaty is allowed to circulate in all of the states, but it must be periodically redeemed by the state where coined. If silver in France is of equal value there with gold, why does France vigorously demand the redemption of any overflow of the 5-franc coins from Italy or from Belgium? France prudently limits herself by treaty as well as her neighbors.

But the policy of any limitation of silver coinage in Colorado and

Nevada would appear in the present debate to be regarded as a crime against humanity, against civilization; and the unlimited coinage of silver is the universal solvent, the great and only remedy suggested to lift the whole commercial world, and especially the United States, out of the present dark age of inhumanity and barbarism. The only countries on the globe which have yet reached the loftiest heights of civilization by the free coinage of silver appear to be Mexico, Japan, and India. Consequently these are the only countries in comparison with which the United States may now be supposed to greatly suffer.

It is not that wage-earners are idle so much as that capital in vast amounts is dormant and unemployed, and that the interest to be obtained thereon has probably never been lower than for the past year, as at the Clearing-House in Boston it was (when noticed by me last) barely $2\frac{1}{2}$ to 3 per cent. The individual deposits in all of our national banks, September 12, 1873 were \$622,685,563, but on September 30, 1889, they were \$1,475,467,560; and this prodigious increase was largely in the country banks, where such deposits had risen at the same dates from \$283,107,798 to the sum of \$783,839,749, showing conclusively that there is no general lack of money for any legitimate use. And yet silver enthusiasts, to inspire confidence, assure us that if the Government will only fabricate cheaper money by the hundred millions, money will be in demand, everybody will then want it, and that it will command higher rates of interest. The policy is recommended, if by nothing else, by poetry—

Drink deep or taste not the silver spring;
There shallow draughts intoxicate the brain,
And drinking largely sobers us again.

In an aged bosom confidence is said to be a plant of slow growth, and I must confess I am apprehensive that the silver measures now proposed, and perhaps imminent, instead of electrifying the business of the country, may suddenly bring about heart-failure or a general lack of confidence.

There has been a great deal said about the flagrant wrong of diminishing the amount of money in circulation. Of course there is a variance in the amount of money held by banks and bankers, as well as in the hands of the people, in different seasons of the year. More or less is required for moving staple crops at certain periods, and the payments from the United States Treasury are sometimes greatly in excess of what they may be at some other time. But the amount of all kinds of our circulating medium for many years has not been diminished.

The loss by the retirement of national-bank notes has been much more than made good by the issue of silver certificates.

The fact, as disclosed by the tabulated statement in the last annual report of the Secretary of the Treasury, of the great increase of the amount of coin and paper currency in circulation since the act of 1873 has not been referred to by any one of the silver-tongued orators, but instead the evils of contraction of the money in circulation have been portrayed in the blackest colors in spite of facts showing a large expansion. I think the public will be rather astonished to learn from the authentic statement of the Secretary, which I will have appended to my remarks, that not only has there been no contraction of the currency, but it has been actually doubled in amount from June 30, 1873, to June 30, 1889; the total money, exclusive of gold and silver and legal-tender certificates at the period latest named being \$1,666,095,420, while in 1873 it was only \$831,316,387. Our population has not doubled, but the money in circulation has more than doubled. With such a stubborn fact as this waiting to be summoned to the front, what becomes of the vitriolic rhetoric poured forth upon those who are charged with all the calamities of the most atrocious and wicked contraction? The charge is as baseless as the stuff of which dreams are made.

I do not wish it to be inferred that I am opposed to a liberal, even a very large, increase of the money to be put into circulation, but I want it maintained on the standard of good and honest money, and that the wage-earners of our country shall not be cheated by finding out when they are paid that their wages have been cut down 20 or 30 per cent. by receiving money of 20 or 30 per cent. less purchasing value, and that our farmers shall not be deceived by a delusion and a snare, or by something called money, nominally gauging higher prices, but which fails to give the slightest increase to the exchangeable value of their products.

I do not wish to have the United States divorced from the commercial world. I have hoped that we might soon have the primacy in the exchanges of the world. With our larger product of both gold and silver it would be easy by wise and prudent measures to utilize a prodigious amount of silver and yet maintain the bimetallic standard. That is not the policy of those who have led off in this debate, but the transparent design is, and only very thinly attempted to be concealed, to go by a single bound to a silver standard. Of course they are not so witless as to suppose by our action here alone that the value of the billions

of silver in the whole world could be increased to the par of gold. A silver trust on the part of the Government while controlling the whole American product would cause some rise in the value of silver, and England and Germany would like to have us do it. Like the monkey, they prefer to use the cat's paw to pull chestnuts out of the fire.

But the task of raising the price of the whole world's product is too great, and we should find ourselves in the condition of the Virginian, who, after being told by his lawyer that he had no legal remedy for his case, and then, when asked if he could not lick his antagonist, answered: "I think I could, but it would strain me." The whole task of raising the price of silver against the world would strain us.

It has been claimed that the Republican national platform of 1888 specially pledged the party to the extreme silver measures advocated by the Senators from Colorado and Nevada. On the contrary, that pledge was in favor of the use of both gold and silver as money, and made in terms as follows:

[Republican National Platform, 1888.]

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 the efforts to demonetize silver.

Clearly this is quite as strongly in favor of gold as of silver, and the effort made by the Senators from Nevada and Colorado is indirectly to demonetize gold. They admit that the unit of value depends upon the limitation of amount. They propose unlimited coinage of silver, and leave gold, without any backing, to take its chances with the cheaper silver metal, which must sooner or later, as the merest tyro in political economy knows, infallibly banish gold from use as money, and leave it as a commodity to be sold at home or abroad.

From 1866 to 1876 we sold five hundred millions of gold, at a profit of over \$100,000,000. This does not look much like hostility to silver engendered by the act of 1873.

Our stock of silver coin November 1, 1889, as stated by the Director of the Mint, was \$420,266,782, while the stock of gold coin was \$619,640,459, or about \$230,000,000 more of gold than of silver. It would not seem, therefore, a propitious time to commence the warfare of demonetization against gold. If suddenly inaugurated it might cause the sudden withdrawal of even a larger amount of gold than that of our stock of silver. This could not occur without a stringency in the money market, which would produce a panic, and that should be avoided.

If we are to have a single money standard, I believe the silver stand-

ard far less desirable than the gold standard. It is cumbrous, far more fluctuating in value, changing our tariff from week to week, and more easily debased or counterfeited. Our present stock of gold is also the largest. I would, however, retain both, and with the expectation that with a very liberal increase of silver and with considerate management upon the part of the Treasury Department the parity in value could be preserved, and while silver was advancing a good deal gold might be somewhat receding in value.

Some response should be made to what has been rather recklessly uttered here wholly at variance with the facts, as I conceive, about the lack of fulfillment of predictions made in 1873, that silver, being the cheaper money, would drive out gold from circulation and from the country. But, so far as I know, these predictions were always hung and dependent upon the contingency of adverse exchanges, requiring the payment of large balances due abroad. Fortunately the exchanges have been in our favor. The prediction, however, can not fail to be verified whenever the contingency mentioned shall arise. So long as our exports largely exceed imports there is no danger of adverse exchanges, but when this condition of trade and commerce happens to be reversed gentlemen need not flatter themselves that no difference will appear in the market value between gold and silver coins, and when it does appear gold will be hoarded or sold only at a premium. It will no longer be money, but will be sold as a commodity.

Of course we can export large sums of gold without a flurry or ripple in the market, as we did fifty-nine millions in 1888, so long as we hold a large stock of it or when exchanges are largely in our favor, and especially so long as British investments appear to be annually made in the United States by the hundred millions. Exports and imports fluctuate and ebb and flow like the tides of the ocean, and they are not sure to continue in our favor forever. The sincerity of those who now make brave predictions that the legal-tender stamp of the Government, whether upon silver or paper, is omnipotent need not be denied, though they ought to know that the day of miracles is past; but should they carry all their extreme measures through Congress they can not shirk their responsibility, either for their predictions or for the results.

When the act of 1873, called the act demonetizing silver, was passed the fact was that at that time silver was worth in the markets of the world a trifle over 3 per cent. more than gold, and pretty much all of the silver and gold we had was being exported. Even the minor coins

had been superseded by paper. The proposition had been sent to Congress by the Secretary of the Treasury in 1870, with the bill drawn and elaborately reported by the Comptroller of the Currency. It was no stranger to either House for years. As we had once reduced our gold coins to keep them on a parity with silver, some men began to believe that the stability of money, after all, would have to rest on a single standard. Governor Boutwell, Mr. Bowen, and Hon. R. L. GIBSON, of the Monetary Commission, submitted in 1877 very able minority reports in favor of a gold standard.

I do not believe that at that time anybody had the remotest idea that there would be such an increase of the production of silver as would ever make it the cheapest standard; and I repel any such intimation as a slander upon the living, and upon many eminent American statesmen, alas, no longer living. Gold was then the lowest standard, and hence the proposed legislation provoked no opposition. It was seen that if the status of the precious metals remained as it then was the United States, as well as other debtors, could make their payments in gold at perhaps 3 per cent. less than in silver. The immense increase of gold had lowered its value, but it was still an honest standard among all of the largest commercial nations.

As to any practical effect of the act of 1873 for any time prior to our resumption of specie payments in 1879, as it appears to me, it was a dead letter. Nobody would use silver so long as it was dearer than gold, nor so long as greenbacks were cheaper than either gold or silver; and the sulphurous denunciation of the act of 1873, as an act demonetizing silver, perpetrated by robbers and the creditor classes, is an afterthought and merely theatrical thunder. It is more just to Congress to remember the historical facts surrounding this subject. I had no prominent part in the measure, and feel, nevertheless, that the obloquy often attempted to be thrown upon the Congress of 1873 is done by those who are unmindful of the main facts involved in the subject.

The demonetization of silver by Germany, and the sudden suspension of the coinage of silver by all the Latin nations, is one great cause of its diminishing value. It can not be charged to the United States, for we have coined since 1878 up to the 1st of May, 1890, the large sum of \$363,626,266 in silver dollars, and in minor coins and trade dollars over \$11,000,000 more. We have built vault after vault to store it. We have tried our best to put it into circulation, offering to carry it free and at a heavy expense to any place that would take it, and as

a result there were in actual circulation September, 1889, \$57,374,100, or \$4,617,348 less than there was three years before. Our people do not like to carry silver, and rather have silver certificates or paper money, even without the legal-tender function.

The act of Congress of June 28, 1834, was an act which indirectly but practically demonetized silver, or which reduced the weight of the gold eagle from 270 grains to 258 grains of gold and also reduced its fineness from 916 $\frac{2}{3}$ to about 900. This was a reduction in value of only about 6 per cent., but while, as Mercutio would say, "not so deep as a well, nor so wide as a church door," it was enough, and it banished the circulation of all silver except the foreign and minor coins, and our half-dollars were steadily exported. Even these were limited as to legal tender and reduced in weight by the act of 1853, in order to retain some part of them for home use. Both of these acts were passed under Democratic Administrations, that of 1834 under that of General Jackson, with the potent leadership of Mr. Benton, of Missouri, commonly then called "Old Bullion."

The act of 1873 left out of our coinage the silver dollar of which in many years none had been coined, and only an inconsiderable number in our whole history; and if they had been coined they would have been immediately exported; but the act of 1834 practically placed the country on the gold standard, because it was of the lowest value, as free coinage of silver would now leave us on the silver standard, and for precisely the same reason. But the demonetization of silver anywhere has not been the sole cause, nor even the principal cause of its depreciation in value.

In 1881 the product of silver of the whole world had been for some years about \$40,000,000 in value. The Comstock lode soon after vastly increased this amount, and the discovery of other silver mines in Colorado, Montana, and other places, vastly augmented the amount, so that the product of the world in 1888 was nearly quadrupled, or amounted to \$155,000,000 at coinage rates of value. Of this the United States produced over one-third, or 45,780,000 ounces of fine silver of the coinage value of \$59,198,000. The mines in Australia are growing more prosperous, and are expected to produce this year over 50 per cent. more than last year; in Mexico an increase is predicted, and, if the value of silver is here increased, no doubt there will be a large increase in the United States.

The phenomenal increase in the supply of silver determines its fall

in value just the same as it does with any other product, as with copper or any other metal; and the fact that it is one of the precious metals does not alter the case only so far as it is wisely and practically used as such. If there is an excess of it used as money, the value of the standard sinks together with the value of bullion as a commodity. Legislation against the depreciation of silver from its former value, which arises from placing nearly four times the ancient and usual amount on the market, is as bootless as the bull of the Pope against the comet. You may call 72 cents worth of silver a dollar, as you may call a calf's tail a leg, as the boy told his father, but it will not make it so.

The United States Government has not in any instance ever changed the standard of money to the disadvantage of the debtor class. The changes have always been in the other direction, as the statutes abundantly show. To charge otherwise is a baseless and reckless calumny, by whomsoever made.

But if we now plunge into this vast experiment axle deep, as some of our excellent friends propose, and then get mired, or find that it is destructive to the general welfare or disastrous to the largest interests of our people, there is no safe avenue left open to a retreat. Once on a silver basis all contracts would be made on that basis.

No retreat or change could be made without augmenting the obligations of the debtor class. No party that ever existed could afford to do that. The bold experiment of free coinage of silver without let or hinderance, if once started, must go on forever or until the silver mines of the world are exhausted, or until new rivers of Pactolian gold shall have been found in such abundance as to make gold a cheaper and lower standard of money than silver. However deep down the step now may be, the next step must be to a lower deep.

It has been already proposed that any Treasury notes or silver certificates which may be issued by the Government, even though redeemable in coin, shall also be made a legal tender. When paper was first made a legal tender, Secretary Chase said it was an absolute necessity to carrying on the war against the rebellion. After the war was over Chief-Justice Chase said, that it was not such a necessity; and, like Brutus, sacrificed his own child because it threatened danger to the Republic and declared the legal-tender act to be unconstitutional. Even Charles Sumner, who voted for the original act as the extreme medicine of the Constitution, declared that it must not become its daily food. Jacob Collamer and William Pitt Fessenden, then an eminent member

of the Senate, did not vote for it. But now in time of peace and of pre-eminent prosperity, as every orator will announce on the next Fourth of July, with no financial plague spot visible, but a large surplus of money in the Treasury, we are threatened with the extreme medicine of the Constitution as our daily food.

I shall not even attempt, at any length, to argue this great and vital question. But even a layman must read the Constitution for himself, as he does the Bible, guided by his conscience as well as by his oath, to learn the whole truth; and the truth, as interpreted by our fathers, to me still seems worthy of our love and devotion.

The Constitution declares that Congress shall have power "to coin money, regulate the value thereof, and of foreign coins." It would be a monstrous perversion of the English language to claim that these words include anything but metallic money. There is also this other provision, that Congress shall have power "to borrow money on the credit of the United States."

To claim that in this grant of power there lay concealed for seventy-odd years the power not only to borrow money, but even to fabricate paper money and to declare it a legal tender on contracts past, present, and future, is equally, in my judgment, a monstrous perversion of plain English. If anything was needed to demonstrate this conclusion it is only necessary to refer to the fact that in the original draught of the Constitution the clause about borrowing money read as follows: "To borrow money and emit bills on the credit of the United States," and that the words "and emit bills" were unanimously stricken out by the convention with the concurrence of every State. The power was not granted, but was expressly withheld, and therefore can not be lawfully exercised.

The papers of The Federalist furnish no hint that the power to coin money was a power to fabricate anything else than metallic money. No statesman, jurist, or executive officer prior to the late war ever advanced the theory that the Government of the United States was authorized to make anything but coin a legal tender.

The Constitution declares that "no State shall coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts."

This prohibition upon States is fully recognized and obeyed, and it can not be supposed that the framers of the Constitution intended to

prohibit the States from making "anything but gold and silver coin a tender in payment of debt" for the purpose of permitting the United States to leap into the business of making anything it might choose a legal tender, no matter what might be its intrinsic value; but the advocates of legal tender to-day hold otherwise and it seems to me to place their country in the position which may be illustrated by an incident told me by one of my neighbors. He said he had a little dog that when the cat was about to lick food from any porringer of the kitchen would make the fur fly from poor pussy and then immediately invite himself to the same repast. To the States paper legal tender was the forbidden fruit, and it can not be that our fathers intended to have the United States use it as their daily food.

I will only add an extract from one of the speeches of Daniel Webster, and if there is any higher authority on constitutional questions I do not think the American people have yet recognized the fact:

Most unquestionably there is no legal tender, and there can be no legal tender in this country, under the authority of this Government or any other, but gold and silver, either the coinage of our own mints or foreign coins at rates regulated by Congress. This is a constitutional principle, perfectly plain and of the highest importance.

The States are expressly prohibited from making anything but gold and silver a legal tender in payment of debts, and although no such express prohibition is applied to Congress, yet, as Congress has no power granted to it in this respect but to coin money and to regulate the value of foreign coins, it clearly has no power to substitute paper or anything else for coin as a tender in payment of debts and in discharge of contracts. Congress has exercised this power fully in both its branches; it has coined money, and still coins it; it has regulated the value of foreign coins, and still regulates their value.

The legal tender, therefore, the constitutional standard of value is established and can not be overthrown. To overthrow it would shake the whole system.

The new silver school of statesmen have no regard for statesmen who have been the glory of their country for the past century, and they are not content with paper redeemable in coin, but would make it a legal-tender; not content with the purchase of the entire product of American silver, but it must all be coined whether necessary or not; and reject with scorn any conditions that would preserve equality in the continuous use and circulation of both gold and silver or that would not at once give the supremacy to silver alone. In empty talk, but not in any legislative enactment, they will concede that gold and silver are twin metals and that we can no more dispense with one of them than with the other, and yet they are prodigal of rancorous sneers and denunciations about gold, and would "raise Cain" to slay his golden twin brother and drive him out of the country.

Free coinage and a seventy-five-cent silver dollar may be a nice thing for railroad corporations which have many millions of outstanding bonds, as these would be scaled as remorselessly as any other contracts.

But there are no trades or industries, large or small, that will not, as it appears to me, be touched disastrously by the bold experiments now proposed with silver and paper legal tender. The vehemence with which they are urged does not satisfy me of their safety or expediency, and I can not persuade myself that they would promote the enduring prosperity and happiness of the largest number of the American people, nor am I quite ready, as much as I personally respect and admire the great ability of the Senators who are pushing these new and untried theories upon us, to accept them in defiance of all the teachings of Jefferson, Hamilton, Madison, Marshall, Story, Benton, and Daniel Webster. It will be a sad day for our country when our highest authorities on constitutional questions are no longer heeded or revered.

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APPENDIX.

Amount of gold and silver coin and bullion; gold, silver, and currency certificates; United States notes, and national and State bank-notes in the United States, and distribution thereof at the close of the fiscal years 1873 and 1889.

[From the report of the Secretary of the Treasury.]

	June 30—	
	1873.	1889.
Gold:		
In Treasury, including bullion.....	\$72,281,687.86	\$303,581,937.00
In national banks.....	3,370,378.40	82,651,610.00
In other banks and in individual hands....	59,347,933.74	293,329,958.00
Total	135,000,000.00	680,063,505.00
Gold certificates:		
In Treasury	\$5,208,680.00	\$36,918,323.00
In national banks.....	22,139,090.00	69,517,790.00
In other banks and in individual hands....	12,112,230.00	47,612,439.00
Total	39,460,000.00	154,048,552.00
Silver certificates:		
In Treasury		5,474,181.00
In national banks.....		12,452,057.00
In other banks and in individual hands....		244,703,508.00
Total		262,629,746.00
Silver dollars:		
In Treasury, including silver bullion.....	1,149,305.00	289,489,794.00
In national banks.....		6,786,730.00
In other banks and in individual hands....		47,670,569.00
Total	1,149,305.00	343,947,093.00

Amount of gold and silver coin and bullion, etc.—Continued.

	June 30—	
	1873.	1889.
Subsidiary silver:		
In Treasury	905,344.88	25,124,672.00
In national banks	2,440,618.32	4,495,681.00
In other banks and in individual hands.....	1,654,036.80	46,981,433.00
Total	5,000,000.00	76,601,836.00
State-bank circulation.....	1,899,184.00	201,170.00
Demand notes.....	79,967.50	56,442.00
One and two year notes of 1863.....	142,105.00	62,955.00
Compound-interest notes	479,400.00	185,750.00
Fractional currency.....	44,799,365.44	6,916,690.47
National-bank notes:		
In Treasury.....	8,304,596.00	4,158,330.00
In national banks	26,955,726.00	27,715,587.00
In other banks and in individual hands.....	312,006,749.00	179,505,046.00
Total.....	347,267,061.00	211,378,963.00
Legal-tender notes:		
In Treasury.....	39,050,855.00	47,196,825.00
In national banks.....	106,381,491.00	97,456,832.00
In other banks and in individual hands.....	210,567,654.00	202,027,359.00
Total.....	356,000,000.00	346,681,016.00
Legal-tender certificates:		
In banks	31,515,000.00	16,955,000.00
In Treasury.....	215,000.00	240,000.00
Total.....	31,730,000.00	17,195,000.00
Total bullion and metallic and paper money ..	902,506,387.94	2,099,968,718.47
Total money exclusive of gold and silver and legal-tender certificates.....	831,316,387.94	1,666,095,420.47

a Bullion in the mints and New York assay office.

NOTE 1.—The aggregate circulation should be reduced by the total amount of gold, silver, and legal-tender certificates to obtain the net circulation, as the funds which these certificates represent are also included in the aggregate.

NOTE 2.—The stock of gold and silver coin and bullion at the close of the fiscal years 1873 and 1889 was the amount estimated by the Director of the Mint.

NOTE 3.—The State-bank circulation includes only the notes of State banks converted into national banks. The amount of the outstanding notes of non-converted State banks is estimated at \$148,434.