FREE COINAGE OF SILVER.

REMARKS

BY

JOHN DAVIS,

OF KANSAS,

IN THE

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SPEECH

OF

HON. JOHN DAVIS.

The House having under consideration the bill (H. R. 4426) for the free coinage of gold and silver, for the issue of coin notes, and for other purposes—

Mr. DAVIS said:

Mr. SPEAKER: When discussing an important question like this it is just as well to go to the bottom of it and get at the exact truth. The questions first arise, then, Whence came the silver dollar of the United States? What is it? And what is its history?

These questions were settled by our patriot ancestors, and the friends of the American silver dollar are neither theorists nor impracticable dishonest cranks. The credit of our decimal money is due to Robert Morris, and it was by the joint request of George Washington and Thomas Jefferson that the "Spanish milled dollar" of 371¼ grains of pure silver was adopted as the standard of value and unit of account in this country. This was in 1785. The silver dollar was sanctioned by the financial wisdom of Robert Morris, the solid practical judgment of Gen. Washington, and "the learning, genius, and philosophy of Thomas Jefferson." It is as much a tradition and emblem of patriotism in the United States as are our national military airs or as the Star Spangled Banner itself. "And," says the United States Monetary Commission of 1876, "it is a policy as well as a tradition."

By the mint act of 1792, the Spanish milled dollar was made the standard of value and unit of account for the United States. The law bears the approving signature of President George Washington. For eighty-one years that law remained in full force and effect, unquestioned and unrepealed. During all that time the amount of pure silver in our standard silver dollar remained unchanged. All monetary transactions in this country referred to it and were based upon it as the standard of value and unit of account. The bullion in the gold dollar was sometimes changed to make its value conform to the unchanging silver standard. It was known and respected everywhere in the commercial world as the "honest dollar" of the United States of America. The gold dollar was the fluctuating, unreliable dollar then, as it is yet, changing value with every changing wind, always being dearest and hardest to get when most wanted.

Prof. Vissering, of the University of Leyden, in 1876 said that England—

> Was subject to frequent monetary crises, because she had the gold standard. * * * The mass of silver in circulation and the conditions of the production of that metal, give it a fixity of value to which gold can not pretend.

An English writer of the London Statistical Society has stated the matter as follows:

> England is the peculiar seat of monetary crises, just as Egypt is of the plague and India of the cholera. The monetary plagues are the bane and opprobrium of our country.

The United States Monetary Commission of 1876 says:

> In addition to the irregularities of its production, gold lacks sufficiency of mass to give it steadiness. It is necessarily so subject to "jerks and changes" that to use it as an exclusive standard must reduce all business to gambling. No merchant can buy goods with gold to be sold for gold a year afterward, or even a few months afterward, without being subjected to a heavy risk. If he covers the risk by extra profits in the nature of insurance, he must impose a heavy tax upon those who deal with him. Whoever enters into a contract to pay gold in one, two, or three years can not, by any possibility, foresee what its value may be when the contract matures. Gold, when unsteadied by silver, is as unstable as water. The long experience of England has shown it to be one of the most fluctuating, treacherous, and dangerous currencies ever devised.
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> The present head of the British ministry said three years ago that England did not become rich by adopting gold, but adopted gold because it was already rich. He might have added that it was only the great wealth of England, acquired under a sounder and better system, which has enabled it to endure the mischiefs of a currency which has made it "the peculiar seat of monetary crises, just as Egypt is of the plague and India of the cholera." If England was not the creditor of all the world on gold contracts, and if that consideration did not really dominate over everything else in determining its policy, it would abandon a system which is its bane and opprobrium.

Mr. Speaker, in 1873 an act was passed by the American Congress, under British influences, demonetizing the ancient silver dollar of the realm and substituting for it the fluctuating gold dollar. This act was passed so stealthily and adroitly that the members of Congress who voted for it, and President Grant, who signed the bill, afterward, many of them, declared that they did not know that the standard dollar of the country was then and there demonetized. It was afterwards suggested that some of our Congressmen had been "hypnotized." In order to see that the crime was committed under British influences it is but necessary to refer to the report of the committee in charge of the bill. The chairman, Mr. Hooper, said:

Mr. Ernest Seyd, of London, a distinguished writer and bullionist, who is now here, has given great attention to the subject of mint and coinage. After having examined the first draft of this bill he made various sensible suggestions, which the committee adopted and embodied in the bill.

There was a report current afterward that England and Germany having previously demonetized silver, this Mr. Ernest Seyd, of London, was sent to the United States with half a million dollars in his pocket "to procure the demonetization of silver by the American Congress." Whether this report was true or not, the crime was stealthily committed by the said Congress, in the presence and under the advice of the alleged emissary. And that the British money power is familiar with the committing of monetary crimes I will abundantly prove before I am through.

In 1873, when the law was passed demonetizing silver, the bullion in the silver dollar was worth 3 cents more than the bullion in the gold dollar. That law increased the demand for gold and decreased the demand for silver. This new demand for gold caused that fluctuating metal to rapidly rise in value. But silver bullion did not fall in value, and has not fallen in value, as compared with the values of the commodities of commerce. The bullion in the silver dollar will buy as much, or more, of the average commodities of commerce now as it would in 1873, when it ruled above the gold dollar. Gold has risen since 1873 not less than 30 per cent; silver has risen about 3 to 10 per cent.

An enemy of the silver dollar writes me as follows:

Attempting to promote prosperity by the debasement of the currency leads to bad results. It is crooked financiering, and, therefore, must end disastrously. Whenever the stability of the currency has been undermined in this and other countries, calamity has followed.

In this I agree with my opponent. England undermined the stability of her currency in 1816 by demonetizing silver. This country did the same thing in 1873. They did not "debase the currency," but they enhanced its value by cutting off half the means of payment, thus doubling the burden of debts and taxes. They violated all existing contracts, adversely to the interests of the people, and in favor of the holders of bonds, mortgages, and all monetary obligations. In each case "calamity followed." So my opponent condemns himself. The currency should be maintained "undebased" and unappreciated. Either act is a monetary crime producing calamity. Silver men now desire to restore the ancient status for the relief of the people—to undo the crime of 1873.

The enemy of the steady, honest, old dollar of Washington, Jefferson, and Jackson continues his objections as follows:

When a dollar is not a dollar it is a fraud; it is the province of an honest government to make a dollar what it purports to be.

That is precisely our fix to-day. The gold dollar is not a dollar, but is very nearly a dollar and a half. The taxpayers and debtors must now sell much more of the products of their labor for a tax-paying dollar than when the taxes were levied and the debts incurred. They must pay in commodities about a dollar and a half for every dollar they get. Is that an honest dollar which "it purports to be?"

My objector says further:

I admit that free silver would make prices higher. Therefore it would degrade the purchasing power of a dollar. The silver in a dollar to-day is worth about 75 cents.

That is another misleading falsehood. Compared with the prices of the commodities of commerce, the silver dollar is a full dollar. By the same standard gold is higher. You can not value one money by another unless one is taken as the standard. In this case, by the judgment and laws of the patriot fathers, and by every monetary law and contract from 1785 to 1873, the silver dollar was the standard of value and unit of account. By the law of 1873, passed under the advice of the British fundholders, the gold dollar is the unit of account. It is a question of patriotism as well as of money. On whose side are we? "Choose ye this day whom ye will serve!" When an enemy insults the flag of our country the nation is stirred to the heart. The ancient standard of value and unit of account in this country has received the same disgrace at the hands of British emissaries, in the interest of the great fundholding money power of London!

My objector still continues:

The friends of free coinage, however, say that it would not depreciate the dollar, but make prices higher, increase the demand, accelerate the wheels of industry and make good times. This is to be accomplished by the Government agreeing to pay more for a metal than it is worth.

That statement in the last sentence is false. Under a free-coinage law the Government pays nothing for silver. It does not buy silver. It merely coins it and returns it to the owner, just as it now does gold. That is the whole truth. If coinage adds nothing to the value of metal, as some bullionists assert, then the silver man is no richer with new coin than he was with his silver bricks.

My objector becomes very candid, as follows:

There is some plausibility to the statement that free silver would produce a temporary activity, especially in the West. But how? Could it be done without injustice to anybody? Let us see. If the debtors of the country could rob their creditors of one-fourth or one-fifth of the indebtedness, paying 75 or 80 cents upon the dollar, would it not improve trade? Debtors would feel richer, and the money they had saved by the one-quarter repudiation could be devoted to better food and clothing, furniture, fast horses, travel, and other uses. They would consider that the money cost them nothing, and spend it accordingly. The gambler or thief is generally very liberal with his winnings. This high is waymanship; not statesmanship.

The above statement is based on the assumption that the debts of the country came into existence on the basis of gold loans. That is untrue. The lender usually loans the cheapest money he has at hand. Then, why should he be paid in the dearest? Suppose I loan a man bank-notes, greenbacks, silver certificates, or silver dollars, have I not a bona fide debt against him? And shall I refuse payment in the same kind of money I loaned him? Yet every form of paper money mentioned is legally redeemable in silver coin. Now, who is the repudiator of contracts? Our editor flippantly talks of a 75 or 80 cent dollar; and yet if he will take a bag of silver dollars into Wall street—the very head center of the silver haters—he can get 99 cents in gold for each of them! Is that not true? And if buying goods in the usual line of commerce for home supplies, merchants will only be too glad to take all his silver dollars at par. I have seen merchants well pleased to be the subjects of such "highwaymanship." And even the Government of the United States, in all the custom-houses, gladly accept silver dollars, or a paper money at par if redeemable in silver dollars only. And that has been the law and the usage in this country from the very beginning. In 1885 the New York banks exchanged gold coin for our lightest silver coins to the amount of $10,000,000, and offered to immediately double that amount if the Government would consent.

To authorize debtors to directly and openly repudiate 20 per cent of their obligations would be a vulgar robbery, and convict the Goverment of monstrous criminality. Take a hypothetical case that has many duplicates in principle: A man dies and leaves his widow little or nothing but a large family and a $10,000 life insurance policy. She invests the $10,000 in a gilt-edged mortgage at 5 per cent interest, and is mainly dependent upon the income of $500 for a livelihood. The mortgagor is a speculator, and happens to have silver bullion in his cellar worth at current rates $7,500. Just before the mortgage matures Congress passes a free silver bill. The mortgagor, who expected to pay three-fourths of his indebtedness and keep an incumbrance of $2,500 on his real estate, thereupon rushes to the mint, gets his silver coined and nominally pays the widow the $10,000, thereby extinguishing the mortgage. He puts $2,500 in his pockets without doing anything to earn it, or rendering any compensation whatever. Does anybody lose the $2,500?

Let us "hypothecate" that case a little further. The Government of the United States has now been coining silver and issuing silver certificates, under the laws of the country, about fourteen years. It has been issuing Treasury notes since 1812, and the present national banks have been issuing notes since their organization. Every form of paper money here mention d is now and has always been redeemable in standard silver dollars. Just as like as not that $10,000 insurance money was paid in bank bills, silver certificates, or greenbacks. Or, if paid in gold, then that was changed to paper before the investment in the mortgage occurred, if anything could be made by it. So we find a "poor widow" loaning $10,000 of paper money, which is and always has been legally redeemable in silver coin; and then our silver hater says if she is paid in silver dollars she will lose $2,500 by the operation. Senator JOHN SHERMAN, of Ohio, once said:

The bondholder who refuses to take the same kind of money for his bonds that he paid for them is a repudiator and extortioner.

What does our goldite think of millionaire testimony like that?

Does a bare act of legislation put a gratuity of $2,500 into one man's pock ets without taking the money from somebody else? Was the $2,500 evolved from nowhere? Before answering affirmatively it is well to see how the legislation affects the widow and her family.

The proposition brings us face to face with the greatest crimes of this century. When an act of legislation puts a gratuity into the pockets of a man, or a class of men, the money does not come "from nowhere." It comes from the pockets of some other man or class. When through the influence of the New York bankers, as related by Thaddeus Stevens, the exception was placed on the greenback, making it a depreciated money, it cheated the American soldier out of about half his coin contract pay, and at the same time created the New York gold room, where gold and bonds were bought and sold, so that the holder of gold doubled his money at every turn of the scale or tip of the beam. I wonder if those great gold fortunes were "evolved from nowhere." And how did that legislation affect the widows and children of half-paid soldiers?

When the bondholders obtained a banking law by which they could deposit 50-cent bonds without losing the interest, and then take from the United States Treasury nine-tenths of the face of the bonds in notes to bank with, more fortunes were made by an "act of legislation." Wonder if those fortunes were "evolved from nowhere"? And if not, then whose widows and orphans are "affected" by it?

By act of legislation in 1869 $1,500,000 of currency bonds were changed to coin bonds. This added to their value about $500,000,000. That vast sum went to the credit of the great millionaire fundholders of New York and London. It was "evolved" from the pockets of American taxpayers, from the very men who now might be benefited a very little if the free coinage of silver should make money a little plentier and easier to get. Later on came the crime against silver which we are now discussing. It added another 25 or 50 per cent to the people's burdens by making money scarcer and dearer and property cheaper.

More fortunes sprung up, "evolved" from the pockets of the people, filling the land with two great classes, the dangerously rich and the suffering poor. It is to stop this dangerous process of "evolution" that we now desire to remonetize the old silver dollar of the patriot fathers, in all its force and vigor, restoring it to its ancient place as the standard of value and unit of account. The national banking law must also be repealed, and the ashes of the old greenbacks burned up under the law of 1866 must be reissued in the form of new, crisp Treasury notes, with no deadly "exceptions" on them.

But these things can not be done in a moment. We have to deal with a money power which deems itself all-powerful, flushed with a thousand victories over justice and humanity. It is unscrupulous. Things which are deadly crimes in others, when committed by this money power are condoned or applauded as wisdom.

During the war of the American Revolution the British Government embarked in the business of counterfeiting the Continental money. Gen. Howe advertised in the colonial papers that he could supply "any number of counterfeited Congress notes at the price of paper per ream." And Gen. Clinton included "the arts of counterfeiting" in the items of his regular dispatches to his home Government.

On one occasion the Americans captured and destroyed "a shipload of this counterfeit Continental money coming from Britain." It was this same unscrupulous money power which sent Mr. Ernest Seyd into the American Congress, where he offered some "some sensible suggestions," which were embodied in the bill demonetizing the ancient standard of value and unit of account in the great American Republic. And it is this crime which our gold men now justify and fight so sturdily to perpetuate, calling its repeal "highwaymanship!"

I desire to call attention to one more specimen of the criminality of the great London money power, which uses the British Government as its willing tool and accomplice, and, in some cases, as its police force to enforce its robberies, as in the case of Egypt, where a whole country was devastated and a populous city of innocent and helpless people were bombarded by a British ironclad to "enforce the rights of the bondholders."

In his History of the Assignats and Mandats of France, published in Philadelphia in 1877, Stephen D. Delay says:

> But finding that the Revolution was stronger than the clergy, stronger than the nobility; that Imperial France was conquering the enemies of liberty everywhere; that nation after nation was yielding to its power; that its armies were victorious and its principles, as developed by the constitution and laws, were such as reason and humanity approved, the clergy and the nobility set criminal law, honor, and every principle of honesty at defiance, and organized forgery as a business and made the passage of counterfeit assignats their occupation—thus attempting by crime, by stealth, and by felonious and secret infamy to undermine the credit of the assignat, deprive France of its resources, and overthrow the Revolution.

This business was prosecuted by individuals in a small way in Belgium and Switzerland, but mainly in the city of London, under the eye and approval of William Pitt, the premier of England.

The historian proceeds as follows:

> Seventeen manufacturing establishments were in full operation in London, with a force of 400 men, devoted to the production of false and forged assignats. The extent and the success of the labor may be judged by the quantity and value they represented. In the month of May, 1795, it was found that there were in circulation from 12,000,000,000 to 15,000,000,000 francs of forged assignats, which were so exact in form, appearance, texture, and design as to defy detection except by the most minute examination and exact knowledge of the secret signs by which the initiated were taught to distinguish them.

Thomas Doubleday, an eminent English historian, in his Life of Sir Robert Peel, corroborates the above statements, and describes a personal visit of himself and friend to an old Scotch paper mill on North Tyne, where the paper was made for the counterfeit assignats. He expressly states and proves that Sir William Pitt, premier of Egnland, conceived the device and authorized the manufacture of counterfeit assignats, bearing date 1790, The issues were "sanctioned by the Government."

In the light of history like that, it can not be doubted that Mr. Ernest Seyd, of London, with his half million dollars, was the secret agent of that colossal, merciless, and unscrupulous London money power, sent here, it is said, "to procure the demonetization of silver." The demonetization of silver put several millions additional value into the United States bonds, which by their terms were payable in coin of the standard value of July 14, 1870; but henceforth, after 1873, were to be paid in gold only. It also added billions to the monetary obligations resting in various forms on the people of the United States. The demonetization made all debts and taxes harder to pay, by cutting off half the means of payment. The remonetization will add to the means of payment and lighten the weight of all debts and taxes. Is it not right to undo a wrong? Is it "highwaymanship" to recover my property when found in the hands of the thief?

As matters now stand, with the Government in the market buying silver, we have a regular silver bullion gambling room, as we had a gold room during the war. Silver bullion is bought in London at a discount and shipped to India or to the South American countries, where it is coined (free) into the money of the respective countries. The coinage adds to the value of the metal. It is then, at the enhanced value, invested in wheat, cotton, beef, and hides for the London market, where they are sold in competition with American products. Free coinage will abolish that discount which now operates against the interests of American producers. Free coinage thus raises the prices of all American products. The rise in the price of silver is incidental and will encourage the mining industries of the mountain States and Territories. This makes a better market for the products of adjacent agricultural States and for the manufactures of the Eastern States. The agricultural States, having a larger and better market for their products, will in turn become better customers of the manufacturing States. So, with every proper view of the case, it appears to me that the remonetization of silver and the undoing of the colossal wrong of the century is an act of "statesmanship," and not of "highwaymanship!" Honesty is the best policy in all cases, and there surely can be no doubt now, in view of all the facts, where the honest course lies.

Mr. Speaker, I have thus far discussed silver with incidental mention of gold. A Senator of the United States, standing high in the councils of the nation at that time, has described that treacherous metal in words substantially as follows:

No people in a great emergency every found a faithful ally in gold. It is the most cowardly and treacherous of all metals. It makes no treaty it does not break. It has no friend it does not sooner or later betray. Armies and navies are not maintained by gold. In times of panic and calamity, shipwreck and disaster, it becomes the agent and minister of ruin. No nation ever fought a great war by the aid of gold. On the contrary, in the crisis of the greatest peril, it becomes an enemy more potent than the foe in the field; but when the battle is won and peace has been secured gold reappears and claims the fruits of victory. In our own civil war it is doubtful if the gold of New York and London did not work us greater injury than the powder and lead and iron of the enemy. It was the most invincible enemy of the public credit. Gold paid no soldier or sailor. It refused the national obligations. It was worth most when our fortunes were the lowest. Every defeat gave it increased value. It was in open alliance with our enemies the world over, and all its energies were evoked for our destruction. But as usual, when danger had been averted and the victory secured, gold swaggers to the front and asserts the supremacy.—*Ingalls's speech in the United States Senate*, February 15, 1878.

That is a short but fair description of the men who are called "shylocks." Thomas Jefferson called them the "traitorous class." Senator WILSON called them "brokers, jobbers, and money-changers." Thaddeus Stevens called them "bullion-brokers," who sent their cashiers and agents into Congress to influence legislation in their own interest; also, "sharks and brokers."

It appears, then, that "Shylock" is not a "a phantom of somebody's brain," but a living reality, who, according to Mr. Spaulding, would only loan his currency to the Government for big interest, on good security, and interest and principal payable in gold.

Gold and silver have both made a record in history. Silver bought the field of Machpelah, where Abraham laid to rest his beloved Sarah. Gold was the ally and tool of Philip of Macedon when he overthrew the liberties of Greece. Silver was the only coin in the pockets of poverty during the struggle for American independence. Gold was the coin of the enemy, for which the first American traitor sold himself and his country's liberties.

Mr. Speaker, let us stand by the dollar of the common people—the money of liberty, the money of the Constitution, the money of four-fifths of the populations of the world. Let us place the honest silver dollar of steady habits on an equal footing with that "jumping jack" known as the gold dollar. As a basis of values the fluctuating gold dollar is about as appropriate as is a powder keg for the corner stone of a family residence. Silver is steady and reliable, constituting the favorite hoards in the pockets of the people, and serving as a balance wheel on the approach of panics. Gold has ruined Germany, covering 80 per cent of the people's homes with irredeemable mortgages, and at this moment the unhoused and unfed people are jostling the throne of the Empire with the thunders of revolution. Silver and paper were the money of France in the days of anguish and adversity. They have raised France to be the most prosperous and independent nation of Europe. Mr. Speaker, let us profit by the lessons of history. Let us restore and rehabilitate the money of the common people.

It is claimed by the gold men that the present gold standard must be maintained in justice to labor; that it would be very wrong to pay the wage-workers a so-called "70-cent dollar." And yet the great bulk of the wages paid to labor under the present system is paid with token money, nickels, light subsidiary silver coin, and currency redeemable in "70-cent dollars." It is the present prerogative of the rich bondholders to demand gold coin. Labor has no part nor lot in the handling of the coin of the money kings. The advocates of silver coinage would place the coin and currency of the poor man on a level with that of the rich man. It is only just that this should be done.

Mr. Speaker, gold has been called "the money of the world." This is not true. There is no international money. Gold and silver bullion and wheat and cotton are alike used to settle balances and to adjust accounts in the world's commerce. There is no "money of the world." But, since this cosmopolitan view of the subject has been broached, let us examine it. There are in the world, not counting the United States, say, 1,000,000,000 of people. In round numbers seven-tenths of the people of the world use for money silver only; two-tenths use both gold and silver, and one-tenth use gold as the standard, with silver as a subsidiary coin of light weight with which to pay the wages of the poor.

In this account I have not included our own country, that we may view the case impartially. Now, the question arises, shall we cast in our lot with the great family of silver republics of America, with the Republic of France, which is friendly to silver, and with the great, rich, and populous continent of Asia, where gold is unknown as money, or shall we discard and abandon our own silver product as base metal on demand of the fundholders and gold gamblers of New York and London? The case is so plain that to state it is argument sufficient.

Mr. Speaker, gold men claim that to pay debts with silver is repudiation; that gold coin is the only just means of paying debts. And yet, in the face of this claim, the fact exists that of all the twenty billions ($20,000,000,000) of public and private debts resting on the people of the United States, not 1 per cent of all that vast indebtedness was incurred through loans of gold coin. Why should we be expected to pay money more valuable than that we borrowed? The Attorney-General of the United States in 1884 declared that every bond and monetary obligation of this Government in existence at that time was legally and justly payable in standard silver dollars.

Mr. Speaker, shall we pay more than is due, and load our children with burdens grievous to be borne, merely to get the applause of our overpaid creditors? The case is too plain to require argument. It is a question for our patriotism and love of justice to answer.