

Free Coinage of Silver.

SPEECH

OF

HON. ROBERT E. DE FOREST,

OF CONNECTICUT,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 22, 1892.

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. DE FOREST said:

Mr. SPEAKER: I very much regret that it becomes necessary for me to take anything from the time which the gentleman at my left [Mr. CRAWFORD] might have consumed in finishing his eloquent address. The bill now under consideration, Mr. Speaker, has in substance been already so thoroughly and so ably discussed not only here but elsewhere throughout the country, that I should not feel justified in consuming even the brief time allotted to me but for the sole purpose of recording against it, in the name of my constituents and in the name of my party, my most unqualified and emphatic protest.

This proposition for the free and unlimited coinage of silver, at the ratio and upon the terms here designated, excites in the minds of those whom I have the honor to represent, and, so far as I know, in the minds of all the people of the entire State and section from which I come, the profoundest apprehension, as being in their judgment a measure involving political heresy, unsound finance, commercial disaster, industrial prostration, and moral culpability.

It would not surprise me, sir, to find a scheme of this character emanating from Republican sources, because that party openly avows, stands distinctly pledged to, and I suppose honestly believes in, a policy of special class legislation, of governmental favoritism to certain select and powerful interests, of the diversion of public funds from their legitimate channels to partisan and personal objects, and of the oppressive taxation of the multitude for the aggrandizement of the privileged few. Hence we have had, under Republican auspices, taxes upon wool, for instance, for the accommodation of a handful of men to the very serious deprivation and discomfort of millions of our fellow-citizens. Hence, we have had for the pretended protection of tin

plate, one problematical industry, a thousand other more essential and more worthy industries shackled and burdened. Hence, we have had all the vast manufacturing interests of the entire nation hampered and prejudiced and thrown out of foreign markets, to the decided advantage of foreign manufacturers, by useless and unreasonable taxation on crude materials. Hence, we have had free ships denied us, our commerce swept from the seas, its profits, employments, and emoluments thrown into alien hands, and, as a fitting counterpart, bounties of public money to favored shipowners and transportation lines.

All these things we have had under Republican auspices, the natural fruit and outgrowth of Republican doctrines, doctrines which I do that party the credit to say they stand by and defend with most admirable courage and tenacity. But we of the Democratic faith profess entirely different principles. We have been crying out against these things; we have denounced them in national and in local conventions, from the platform and through the press, in public and in private, here and everywhere, and only two or three weeks ago, by an almost unanimous vote of our party upon this floor, we adopted this resolution:

That in the judgment of this House the granting of subsidies or bounties by Congress, in money, public lands, bonds, or by indorsement, or by pledge of public credit, to promote special private industries or the interests of corporations, independent of the constitutional power of Congress to make such grants, is unjust and impolitic and in manifest conflict with the spirit of our republican institutions.

It is, therefore, I say, sir, not only as a representative of my constituents, irrespective of party, whose rights I am sworn to defend, and to defend which to the best of my humble ability is my privilege and pleasure as well as my duty, but it is also as a Democrat, speaking from the Democratic standpoint and enunciating what I understand to be well-settled Democratic principles, that I feel obliged to raise my voice against a measure which under plausible pretexts and an enticing exterior enfolded one of the most stupendous and indefensible subsidies ever submitted to an American Congress.

It is nothing less, sir, than the consolidated corporate silver-mining interests of the nation, representing an annual product of \$57,000,000 in commercial value, and which there is good reason for saying does not cost them more than 50 per cent of that amount, asking us, representatives of the people, their servants and agents, the stewards and custodians of their property, to compel them to purchase and, out of the public Treasury, to pay for this entire annual product, with all present accumulations, with all possible accessions from outside sources, at 30 cents on the dollar more than its market value. I know that the honest friends of this measure, and they are many, will be unable to see it in this light. I know that the corporate interests to which I have alluded will hold up their hands in sanctimonious protestation at the very thought.

But, sir, it is to be observed that all this while, with an assiduity that can not be explained upon any principles of pure benevolence, they are establishing and maintaining here and elsewhere throughout the country expensive bureaus of so-called information; they are flooding the mails with pamphlets and circulars and speeches and letters and reported interviews. They

have their active agents in every community, their emissaries in every party, and with flaming headlines and vociferous declamation they besiege the path of the legislator with cries for "free silver" from early dawn till dewy eve, and during the watches of the night, and from the very hour of the primary meeting that placed him in nomination, to the last adjournment of the last session of his term of office. We are asked to believe that all this is disinterested, pure benevolence.

Mr. DICKERSON. I would like to ask whether the banks, on the opposite side of the question, are not about as importunate against the measure?

Mr. DE FOREST. I will speak of that later. We are asked to believe that this is pure benevolence. Why, sir, these efforts unmistakably betray the motive that underlies them, and they indicate to us with a clearness and certainty that defy all evasion, explanation, or contradiction who, at least in their own judgment, are to be the principal beneficiaries of this project.

That, sir, then, is the proposition as I understand it, stripped of all its flowery garniture and disguises. The public credit is to be used to enable a ring of silver speculators to unload their debased product upon the public Treasury at the expense primarily of the Government, and ultimately of every man who suffers or is ruined by it.

Mr. BLAND. Will the gentleman allow me to ask him—

Mr. DE FOREST. I can not yield; I shall not have time to finish.

They tell us, sir, I know, that by and by, after we have bought our 70 cents' worth of silver and paid for it, as we practically would, I think—at first, at any rate—100 cents in gold, the silver dollar will, by some sort of jugglery or mystery heretofore unknown in human experience and in the laws of political economy, rise to an equality in value with gold, so that we shall not lose so very much by our bargain. Upon what basis this pleasing expectation rests it is difficult to perceive or even to conjecture.

The immutable and unerring laws of supply and demand regulate the price of silver as of every other commodity. There is no necromancy about it. It is a fact as well established as the existence of the metal itself that since 1854 the annual production of silver in the world has more than quadrupled. It is a fact that all the existing conditions to-day—the boundless supply, the enormous profits of its mining operations, the eagerness of capital for new investment and of labor enterprise and speculation for new fields of employment and venture—insure the continuation and substantial enhancement of that increase in the future.

It is a fact that the demand for silver has steadily declined and is declining; that it is excluded from the mint of every European state; that it is a drug, though sometimes hoarded drug, I concede, in the Old World, and that the overflowing treasuries of the Orient are already beginning to deposit their surplus on our shores. And it is a fact that as to gold the supply and demand have in the mean time remained and are comparatively stable.

With all the conditions then against it, with the invariable testimony of human experience against it, with all the teachings of sound philosophy and political science against it, and with the simplest dictates of ordinary common sense against it, the claim

that silver can be raised to and permanently maintained at par with gold by this piece of legislative quackery is about as reasonable as to contend that the ocean can be bailed out with a spoon or the laws of gravity suspended and the planets sustained and guided in their majestic courses by the puppet-moving mechanism of a sixpenny show.

Nor do the friends of the measure expect it. They may believe that for a time silver will be buoyed up by gold; but after that is over, after the "barons" have had their day, have gathered their spoil and gone away with their booty, it is not expected, for while they are holding up to us on the one hand the prospect of silver at par, on the other hand and out of the other corner of the mouth they are singing the soothing song of "cheap money" and better prices. "Behold" they say to the agriculturist, "behold the El Dorado of better prices for your grain, your corn, your cotton, and your pork." What does it mean, sir? What can it mean except that as in comparison with gold, so also in comparison with every other commodity, silver is expected to go down in the scale of value. And thus out of the mouths of its own prophets is this theory of parity and appreciation disowned and rejected.

I have alluded to the captivating pretences under which this scheme is masked. Gentlemen here on this floor who seem to realize the inexpediency and injustice of the measure, feel constrained to support it because they say their constituents demand it. The common people of the South and of the West, it is said, are clamoring for it. Doubtless this may be so, and perhaps it is not so very surprising that it is, for under a popular form of government every legislative invasion of the rights, liberties, and happiness of the people must attain success, if at all, by means of some popular delusion.

The people themselves must of necessity be made the unconscious instruments of their own destruction. Their eyes must be blinded before they are led to the slaughter. The popular will, the fountain source of political power, must be poisoned before it can be used for purposes of popular oppression and robbery. Hence, it is that every unhallowed design against the public welfare invariably comes in the guise of some public benefaction. It plasters itself all over with panaceas for the ills of suffering mortality. It stands weeping at the corners of the streets; it goes bellowing its humane benedictions through the market places and by the highways and hedges to manifest its sympathy for the "beloved people."

So it was, Mr. Speaker, with the great high prohibitory protective tariff fraud. It said: "Oh that my head were waters and mine eyes a fountain of tears that I might weep day and night" for American labor." The people, the beloved people, were the objects of its first, its latest, and its inexhaustible solicitude. How many dollars a day the American mechanic was to receive, how many cents a bushel the American farmer was to receive, how great a sum total of material comforts the masses of the people were to enjoy. These were the sole ends of its existence and prayerful anxiety. And, sir, the people were deceived, for at election after election, and year after year, and almost from generation to generation, they bowed their necks to this Republican

Juggernaut, under the astounding delusion that taxation was the chiefest of blessings and that the more they paid out and the less they received the richer, the more prosperous, and happier they were.

That particular form of delusion has happily spent its force. The eyes of the blind are opened in that respect. They have come to see that they were simply imposed upon; that after all its plausibility and humane professions it was simply a selfish swindle of trusts and monopolies and the grasping few against the interests of American industry, against the interests of American labor, and against all the deceived, defrauded, and suffering masses. But here, sir, we have a project of a similar character, employing similar instrumentalities, and it is to me simply amazing that we do not perceive; that any of us can fail to perceive under this free silver sheepskin, the claws and the teeth and the greedy rapacity of the same old monopolistic, lamb-destroying wolf.

"The people"—"the beloved people." That is still the cry. How the free silver men love the people! How much concerned they are for their poverty, for their unremunerated toil, for their oppressive taxes, for their mortgaged farms, and for all their misfortunes! No doubt, sir, the people are poor and do suffer. It is undoubtedly true that notwithstanding all of our manifold providential blessings; notwithstanding our fertile fields, our inexhaustible mineral resources, our marvelous system of transportation, and intercommunication, the growth and development of every form of human industry, our natural opportunities for commercial supremacy, the favoring seasons, the genial rains and dews and sunlight and abundant harvest from the hand of our common Father; our commanding position on the throne of a continent, our entire freedom from foreign interference, and our nearly thirty years of unbroken peace; notwithstanding all this, and notwithstanding the enormous increase of aggregate wealth within our borders, the masses of the people have steadily grown poorer and poorer, and the riches are in the hands of a few.

It is true, as stated early in the session by the honorable gentleman from Georgia [Mr. LIVINGSTON], that taxation takes from us more than four times as much of our substance, measured in the toil and the productions of working men and women, than it did forty years ago. It is true that labor is sending up a cry more bitter and more justifiable than that which brought the wrath of heaven on the head and kingdom of a pitiless Pharaoh. Yes, sir; and it is largely the result of misgovernment, under the unscrupulous and tyrannical sway of a party that gained ascendancy by hypocritical professions of regard for the downtrodden and oppressed of the earth.

This is the truth of history.

But the supreme folly of hoping, promising or attempting to relieve this suffering and atone for these wrongs by means of this free-silver cheap-money nostrum could be equaled only by the conduct of that shipwrecked lunatic who, standing on the planks of a sinking vessel, fastens about his neck the plummet lead for a life-preserver.

How do the advocates of this act claim it will remedy existing evils? By increasing the volume of the currency, they say. As

though, forsooth, the quantity of currency in circulation, beyond what is actually needed as a simple measure of value and medium of exchange, and irrespective of its intrinsic worth or of its whereabouts in society could relieve the poverty and enhance the material comforts of the great body of the population! Never was argument more fallacious, or belief, if it is belief, more insane. There is, in fact, no scarcity of currency in this country at the present time.

Indeed, as unquestionable statistics show and as everybody who has taken the pains to examine them knows, there is more of it in circulation per capita to-day than ever before in the history of this Government. The quantity has gradually increased. In the times of our greatest prosperity it has been much smaller than now, and to-day, while it is larger than ever before, the general poverty is even in a greater proportion intensified and aggravated, showing, if it shows anything, that beyond a certain point the expansion of the circulating medium of exchange is positively detrimental rather than advantageous. It allures men into the belief that they are rich when in fact they are poor. It fosters extravagance for a season, to be followed by stringency, failure, and destitution.

Simple reflection must show, and the cry of "cheap money" confesses, that inflation means depreciation; that the more of this silver you have the less it is worth—the smaller will be the quantity not only of gold but of any other commodity that you can obtain for it; that if you double the quantity of silver, other commodities remaining stable, it will require twice as much of it as now to purchase and be the equivalent of the same quantity of these other commodities. You have gained nothing. You have simply put yourself to the expense and inconvenience of using twice the bulk and weight of silver to accomplish the same commercial transaction. You might just as well imagine you were improving your condition by using a 3-foot section of a railroad tie for a yardstick or a stone mortar for a milk measure.

If the mere extension of the quantity, bulk, and weight of the circulating mediums employed were any advantage to the people, as the free-silver-cheap-money doctrinaires assert, why stop at silver? Why not have brass and iron, and codfish and tobacco, the good old money of the ancients? The agriculturist could take his wagon load of grain to the market and come back with his wagon load of iron and feel that he was rich indeed. Why should these evangelists of the new gospel of material salvation hide any of their light under a bushel, stop half way in the grand march of reform, or withhold any portion of the precious word of truth? Let us be consistent, gentlemen; let us down with silver rings and gold rings together, and come back to the plain, simple, solid currency of the fathers, that was so eminently satisfactory to everybody before some now-forgotten and nameless, but none the less execrable rascal, took it into his head to demonetize it.

There is, sir, one, and only one, phase of this free-silver argument which will bear logical investigation, and the fatal weakness of that lies in its moral aspect.

For this reason it is not often boldly expressed, though it furnishes, I am convinced, the secret motive that underlies much of

the popular cry for this legislation. It is the suggestion that by this means debtors would be able to free themselves from legal obligations heretofore contracted at a substantial discount from the sum honestly due. This doubtless would be so. The man who owes \$1,000 contracted upon a gold basis, and for which he is justly bound to pay \$1,000 in gold or its equivalent, would be enabled by this law to gain a legal quittance for perhaps \$700 or less.

But the dishonesty of the proposition is so glaring that it does not show its head in print or in debate, except by inference and indirection; and it ought of itself—that one single feature of the bill, regarded either as its main object or as necessarily incidental to it, ought to condemn it in the eyes of all honorable men and forever end all possibility of its serious consideration by this House.

Gentlemen on the other side of this question, and who are eagerly pressing it to an issue, never tire of denouncing in unmeasured terms the act of 1873, by which they say silver was demonetized. They call it scandalous, atrocious, infamous, and fairly exhaust the whole vocabulary of condemnation whenever they refer to it. I am not by any means here to defend it, but I say that if it was infamous it was so because it violated the sanctity of contract obligations. That is precisely what the advocates of free silver base their accusations upon. They say that obligations contracted before and outstanding at that time, which when entered into were payable in silver, by the act of 1873 became payable only in gold or its equivalent, and that as gold was intrinsically worth more than silver it thereby compelled the debtor to pay more than he justly owed.

Upon that assumption I grant that the act was infamous. But precisely the same infamy is involved here. The only difference is that in the former case the debtor was compelled to pay more than he owed and was therefore defrauded, while in this case the creditor is to receive less than his due, and will be likewise defrauded.

No one, so far as I know, has had the hardihood to claim that a fraud on the creditor is any less reprehensible than a fraud on the debtor. One, however, hears now and then from the silver men, as a sort of a balm for the conscience or apology for their scheme, such expressions as "restitution" and "reparation of the great wrong of 1873." As though indeed it must not be entirely patent to the most unsophisticated intelligence that in the interval of nineteen years all the relations of all the parties have radically changed, and that it is beyond the bounds of human probability that any single individual under the sun to-day owes a new debt of precisely the same amount to precisely the same party as in 1873.

Respecting the act of 1873 there is not in the one now proposed the first shadow of a shade, the first drop of the essence of reparation or restitution. It is simply a proposition to attempt to right one wrong by perpetrating another of the same character and of equal flagrancy. It is a proposition to rob Peter, not even for the purpose of paying Paul, but to defray the expenses of a donation party for the benefit of Cæsar Augustus. "Infamous," most assuredly it would be. Over five and a half billion of dollars, more than six times our national debt, that railroad corporations

owe to the people would be payable in a currency worth 70 cents or less on the dollar. Over two and a half billions of dollars that the savings banks owe their depositors, largely made up of the hard earnings and close and frugal savings of the humble poor, would be payable in a currency worth 70 cents on the dollar. The pension of every soldier would be payable in a currency worth 70 cents on a dollar. The salary of the clerk, the wages of the laborer, would be payable in a currency worth 70 cents on the dollar.

Great capitalists, the far-seeing financiers, would in some cases be able to trim their sails to the blast and escape the storm, but the helpless and toiling common people, to whom these alluring assurances are held out, and in whose sacred name this free silver cheap money crusade is masquerading, would beyond all question be the principal, the severest, and the longest sufferers.

Mr. Speaker, if this unwise and dangerous bill should ever become a law a most profound and ruinous disturbance of all our monetary and business relations would inevitably follow. There might be a period of unnatural activity and fictitious prosperity. There probably would be. The jingle and glitter of the superabundant and comparatively debased metal would stimulate rash speculation and doubtful investments. Obligations would be contracted that could never be fulfilled—ventures undertaken that could end only in disappointment and ruin. Then the reaction would come. Gold would disappear and contraction would follow. Money would be sought for and not found. Credit would be asked and denied, except upon such terms of gold repayment and unquestionable security as the debtor could no longer comply with. Faith would vanish. Stagnation, shrinkage, bankruptcy, and every form of distress would ensue.

The mere pendency of this bill in Congress, the mere agitation of the subject in the public mind, sends an ominous tremor throughout every fiber of our financial system.

Confidence, that delicate nerve that controls and preserves in healthy operation all the commercial functions of the entire social body, can not be safely trifled with. Wound it ever so slightly and paralysis, disease, and death may follow.

We owe it to ourselves, to our constituents, to our country, and to humanity at large, dismissing all party, personal, and sectional considerations, to stand together in this matter as men, early and late, by voice and by vote for sound money, national credit, and the general welfare. [Applause.]