FREE COINAGE OF SILVER.

SPEECH

OF

HON. O. M. HALL,

OF MINNESOTA,

IN THE

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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. HALL said:

Mr. SPEAKER: The present market value of the 371¼ grains of silver contained in the coined dollar is less than 70 cents.

Under the provisions of this pending bill, if I borrow $70 upon my promissory note, I can invest it in silver bullion, take the bullion to the mint, exchange it there for $100 in legal-tender money; with that money pay my $70 note in full, and pocket $30 as profit by the transaction.

It is such a financial measure as this which the majority of the Committee on Coinage propose to place upon the statute books of the nation.

The only difficulty in the transaction I have described is that no owner of bullion will sell his bullion to me for $70 when he can himself sell it to the mints for $100. Consequently I am barred out of the business, and it is to the bullion-owners only that the special privileges of the bill are extended.

To them the bill gives the right and the opportunity of selling their bullion to the American people for more than it is actually worth—for 42 per cent more than they could sell it to anyone else anywhere else on this round globe.

This is just what protection does. A protective tariff, when it in fact protects, does so by giving to its favored beneficiaries the right and the opportunity of selling their products to their own countrymen for more than they are worth—for more than they could be bought or sold for if unprotected.

This bill, as an annex, as an additional schedule to McKinley's law, would be germane to the subject and strictly in line with the principles, methods, and purposes of our system of protection.

Why should you give a bounty to the sugar-grower and not also to the silver-producer; why grant a subsidy to him who drives an alder spike into a maple tree and refuse it to him who drives a shaft into the solid earth? [Laughter.] Why protect iron, coal, lead, copper, and tin, and not do likewise by silver?

I confess, Mr. Speaker, if I was a protectionist, if I had aided in the passage of McKinley's law, I would vote for this bill as being an additional measure for the encouragement of an American industry and the establishment of a home market. [Laughter and applause.]

This bill, sir, should have emanated from the Republican side of this House. It belongs there. It is in harmony with the principles, practices, and purposes of the advocates of special privileges. It is a plant of such peculiar fiber that only the enriched soil of Republicanism could be expected to mature it in all its luxuriance. [Applause and laughter.]

The majority of the committee tell us in their report that "this is a bill for the free coinage of silver upon the same terms as gold is now coined." It is evident, sir, that this perplexed majority, like the hen that hatches a goose's egg, is not aware of the character of the bird it has brought into existence. With due respect for the able and distinguished gentlemen composing the majority of that committee, I assert that the bill is no such thing.

Why, look at it, and analyze its provisions! It, for example, allows the owner of $100 worth of gold bullion to exchange it at the mints of the United States for $100 in legal-tender money. While it allows the owner of $100 worth of silver bullion to so exchange his bullion for $142 of legal-tender money. There is no equality in this. The two metals are not upon the same terms. This is subsidy pure and simple—a subsidy wrenched from the people's treasury and turned over as a gratuity to the owners of silver bullion.

Now, let us go one step further into the bowels of this bill; it allows bullion to be exchanged at the mint either for coin of the same metal or for coin notes (legal-tender paper money), which is redeemable in gold or silver coin at the option of the Secretary of the Treasury. The inevitable effect of this is that it compels the gold man to take gold coin and not the notes, for if he takes a coin note he carries with him an obligation which, at the option of the Government, may be redeemed in 70-cent silver dollars; but you do better by the silver man, he has the right to exchange his bullion either for silver coin or for these coin notes which can not be redeemed in anything worse than silver, and may be redeemed in something a great deal better.

The result must be that the goldite will carry away gold coin, and the silverite will leave his silver. No gold will go into the Treasury and no silver will come out of it.

I submit that this is not putting the two metals upon equal terms. From first to last in every provision in the bill there is discrimination against gold, and in favor of silver for the profit of the silver mine owners.

Oh, you wise Bourbons of the Southland, pursuing the phantom of "cheap money," do you not see that this bill of yours is honeycombed and saturated with McKinleyism; that it contains every essence of special privilege and private profit; and that if you squeeze it, as you would a sponge, the golden drips of subsidy will ooze and trickle from it into the open mouths of the silver kings of the wild and woolly West? [Laughter and applause.]

And how great is the subsidy it gives? Study the story of the statistics. If the product of our silver mines in 1892 is the same as in 1891 we shall have 54,000,000 ounces of silver bullion. This bullion, coined under the provisions of the bill, will give to its owners 74,989,898 silver dollars, or their equivalent coin notes, each a legal tender. Nowhere in the world, except at the mints of the United States, could they sell this bullion at its present market price for more than $52,200,000. By coining it under this bill they reap a harvest, they pocket a subsidy, they get for it

$22,789,898 more than it is worth—a subsidy of nearly $23,000,000 in one year.

Why, McKinley, in the hour of his greatest audacity, had neither the hardihood nor the conscience to "protect" his favorites as bounteously as you would subsidize yours! [Applause.]

How do you dodge the logic of these figures? Why, just as the protectionists do when we drive them into a corner, by "summoning spirits from the vasty deep" and drowning the voice of argument in the awful tones of bewildering prophecy and unanswerable prediction. [Laughter.]

You, too, are conjuring with the mysteries of the future. You tell us that as the ultimate result of this measure the two metals will come to a parity; that silver will rise or gold fall in value until at last they meet in a loving embrace on the eternal and immutable ratio of 16 to 1; when the distinguished gentleman from Missouri, as the high priest of financial legerdemain, can exclaim with uplifted hands, "Those which I have joined together let no man put asunder." [Applause and laughter.]

"'Tis a consummation devoutly to be wished." But when will it come? When? Oh, some time. Some time in the dim and distant hereafter. But how about the meantime? How about the subsidy during that meantime, from now on, day after day, month after month, until the some time comes?

You base your prophecy upon the assumption that when the Almighty molded this earth for the use of man he put into it for every 1 ounce of gold it contained just 16 ounces of silver, neither more nor less. It yet remains for the geologists to demonstrate the accuracy of your assumption.

Perhaps you are false prophets. It may be that this bill of yours will result in driving gold out of circulation, in sending it to a premium, in making it a mere commodity in the markets, and placing the business of the people upon a silver basis, with all the disturbance and possible disaster which that implies.

In that case he whose note or mortgage is payable in gold must buy gold at a premium to pay it. The great corporations whose railways gridiron the wheat fields of the West must also buy gold to pay the interest and principal of their bonded indebtedness. This increased expense will necessitate increased revenues and increased rates for the transportation of the crops to the seaboard; so that finally, as in all other schemes of subsidy, it is the farmer, after all, who pays the premium and foots the bill.

This pending measure, I admit, is very like the silver bill passed by the billion Congress. The two are identical in principle, methods, purpose, and effect; they differ only in degree. That bill gave its subsidy to the silver pool—to the speculators who first cornered the silver market—then passed the bill, and finally unloaded their accumulated stock of silver upon the Government at a large profit. This bill gives its continuing subsidy to the silver-producers as well as to the speculators. The difference between them is the distinction between grand and petit larceny.

The bills are alike, too, in their probable results. The immediate effect of the legislation of the last Congress was to cause the export abroad of such large quantities of gold as to startle and alarm the prudent business men of the nation. Gold as currency became scarcer, the banks began to lock it up as a reserve, and people begun to hoard it against the possible contingency of a financial convulsion. We stood trembling upon the brink of hard times and a depreciated currency.

The crops came and saved us. With fruitfulness here and scarcity and famine over the seas, with an unusual supply and an extraordinary demand we called back from Europe much of the gold we had shipped there.

Now, however, the wants of Europe have been nearly supplied and gold is again taking its outward flight. Any enterprising Wall street gambler with $50,000 or $60,000 to use as margins can at his will send gold to a premium and keep it there. There is not enough free gold in the vaults of the Treasury to defeat him.

When gold goes to a premium it ceases to be money and becomes a commodity. Then it disappears from circulation and the currency of the country is instantaneously contracted to that extent.

To this are we rapidly tending by reason and under the operation of the bullion purchase bill passed by the billion-dollar Congress. I can readily understand why the Republican members of this Congress are secretly and indirectly forwarding the passage of this measure through a Democratic House. The only way they can hope to escape the responsibility for the evident results of the bad legislation of the last Congress is by allowing to be superseded the laws they have not the courage to repeal.

So far as this tendency to a silver basis is concerned, this bill is no worse than that passed in 1890. Both are pregnant with the germs of financial disease and disaster. The difference between them is the difference between the regular train and the limited express. Both are upon the same track and bound to the same destination. The one gets there "sooner," but they both get there just the same.

It is the subsidy feature of the bill which is most objectionable. This objection, so far as I am aware, has not been met by any, and has been wisely avoided by all of the gentlemen whom we have heard in advocacy of the bill.

Certainly, if this measure becomes a law one of three things must result from it. Either the ratio of value between gold and silver will remain substantially as it is, or the two metals will gradually approach a parity, or they will separate farther apart until one ceases to be currency. Whichever of these results ensues, it is indisputable that until the metals are equal to each other in value, or until gold is entirely driven out of circulation and silver becomes the single standard, the owners of silver bullion will, under the operations of the bill, receive from the Government enormous gratuities for their product.

Gentlemen declaim much about the "crime of '73," by which the silver dollar was demonetized. Let it be admitted that the act was as serious and criminal as it is charged to be. It has nothing to do with the question now before us. It is not that which has been done, but that which should be done which now concerns us. When the silver dollar containing 371¼ grains of pure silver was stricken from the coinage of the United States in 1873, the ratio of value between gold and silver bullion was as

1 to 16; 1 ounce of gold was worth 16 ounces of silver in the markets of the world. To-day this ratio is as of 1 to 23. The two metals are now farther apart in their relative value than ever before in the history of our coinage.

We must meet the question of bimetallism as it confronts us to-day. There is nothing sacred about the old ratio of 1 to 16 which should make it an immutable and everlasting standard. We must adjust the ratio of our coinage to the existing ratio of values—treat the metals as we find them to-day and not as they stood twenty or fifty years ago.

The way to remonetize silver is to coin a silver dollar containing 100 cents' worth of silver. Such a dollar will stand the test of the melting-pot and the markets. It will pass current and be interchangeable with gold wherever civilized man trades with his fellow.

The gold dollar mingles with the currency of the world, not because our laws make it a legal tender or because it bears the Government's stamp, but because it has the purchasing power of a dollar, because it is a dollar.

Give to the silver dollar the same intrinsic value, and arm in arm with its yellow brother it will go over the seas and into the marts of trade and commerce as a recognized part of the world's money.

Such a coinage will in a short time test the theories upon both sides of this question. It will demonstrate to a certainty whether the free coinage of silver will bring it to a parity with gold, or whether silver will continue to decline in value. Such a coinage neither subsidizes nor injures any man. It will not disturb the business of the country; it will not contract the currency by driving gold out; it will not give us a depreciated currency.

It is true that the ratio between the metals may change, not only soon, but continually, but the ratio of coinage may also, at each successive session of Congress, be changed if necessary until it is conclusively demonstrated to the satisfaction of all men either that the metals have at last reached an unchangeable ratio of comparative value, or that no such ratio can be attained.

The bill which I have introduced into this House provides for the coinage of such a dollar. If an opportunity is given me to offer it as a substitute to the pending bill I shall do so.

The majority of the people of this country, regardless of party affiliations, are bimetallists. They are, as I am, in favor of the free and unlimited coinage of gold and silver upon equal terms. They want both metals to use and to be used as the money of the people. They do not want one coin to drive the other out, but want both to be equal and interchangeable. This is what the people mean and understand by free coinage.

The people are bimetallists. They recognize the desirability, possibly the necessity, for an increase in the circulating money of the nation; but they want that increase to be of honest money; and above all they do not want a bankrupt's dollar, nor a rogue's dollar.

It is honest bimetallism they want and you refuse it to them. They ask for bread, and you give them a stone. They demand genuine free coinage, and you offer to their lips this unwholesome concoction of subsidy and plunder.

In conclusion, Mr. Speaker, I wish to say to the gentlemen who are pushing this measure to its passage, that if they will eliminate from the bill the subsidy it gives, if they will extract from it the plunder with which it is reeking, I will vote for it as it is, not as being the measure I most desire, but because it would be no worse, and possibly a little better, than the existing law.

In its present form, however, it is exposed to every objection which can be urged against a protective tariff, and every other system of enriching a few men at the expense of the many, and for that reason, mainly, I shall vote against the bill.

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