

The Free Coinage of Silver.

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S P E E C H

OF

HON. JOSEPH D. TAYLOR,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

*Wednesday, March 23, 1892.*

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

Mr. JOSEPH D. TAYLOR said:

Mr. SPEAKER: I voted for the consideration of this bill because I believe that every bill of great national importance is entitled to consideration, but in considering a measure no attempt should be made to mislead the House or the country. The gentleman from Missouri [Mr. HATCH] who has just taken his seat denounced the demonetization of silver as the greatest crime of this century, and then proceeded to lay the responsibility upon the Republican party. I wish to call his attention to the fact that this bill, which he pronounces an infamous measure, was not opposed by a single Democrat when it passed the United States Senate. Allen G. Thurman, of Ohio, who has since been a Democratic candidate for Vice-President, was then in the Senate and voted for it. Thomas F. Bayard, of Delaware, Grover Cleveland's Secretary of State, was also in the Senate at that time and voted for it, and the only men who voted against it were Republicans; and hence if the demonetization of silver was a crime the blame does not rest upon the Republican party.

The law of 1873, which is said to have demonetized silver, was thought to be a wise measure by both parties when it became a law. Even the distinguished Senator from Nevada [Mr. STEWART], who leads the crusade for free coinage at the other end of the Capitol, was then in Congress and gave his consent to the bill. This measure, which is now branded as infamous, was before Congress from the 25th of April, 1870, to the 12th of February, 1873, the date of its final passage, and yet no Democratic voice was ever raised against it, and although it was called up for consideration in the Senate and House more than twenty

times no Democrat ever discovered its infamous character until many years after it had become a law.

#### THE DEMONETIZATION OF SILVER.

The demonetization of silver is a misleading expression. We all agree that it is a good thing to have plenty of good money, but the laws which were repealed in 1873, about which so much has been said, never contributed to this end. From the passage of the first coinage laws in 1792 down to 1873 there were only about 8,000,000 silver dollars coined in the United States, while since the demonetization of silver, so called, in 1873, there have been coined over 400,000,000 silver dollars, with a corresponding increase in the coinage of silver half-dollars, silver quarter-dollars, and other subsidiary coin, and we have more money now than ever before, not only more, but more per capita, and what is still more important it is all good, as good as gold, not only good in this country but good all over the world. In 1861, when the Republican party came into power, the country had neither money nor credit, but we stand to-day the foremost nation in the world in financial wealth, in the quantity and quality of our money.

I wish to call the attention of the House to the last financial report of the Secretary of the Treasury, which is a monument to our national growth and prosperity.

*Statement showing the amounts of gold and silver coins and certificates, United States notes and national-bank notes in circulation April 1, 1892.*

	General stock coined or issued.	In Treasury.	Amount in circulation April 1, 1892.	Amount in circulation April 1, 1891.
Gold coin.....	\$806,564,310	\$198,949,892	\$407,614,418	\$408,468,850
Standard silver dollars..	412,535,360	354,053,617	58,471,743	62,921,010
Subsidiary silver.....	77,294,571	14,746,917	62,547,654	57,254,002
Gold certificates.....	178,002,999	23,673,770	154,329,229	144,317,069
Silver certificates.....	329,272,852	3,589,703	325,683,149	309,632,535
Treasury notes, act July 14, 1890.....	89,602,198	11,996,788	77,605,410	23,921,973
United States notes.....	346,681,016	22,776,054	323,904,962	
Currency certificates, act June 8, 1872.....	31,220,000	1,320,000	29,840,000	} 345,175,198
National-bank notes.....	172,529,451	3,884,496	168,644,955	
<b>Total.....</b>	<b>2,243,702,757</b>	<b>635,061,237</b>	<b>1,608,641,520</b>	<b>1,530,080,464</b>

Population of the United States April 1, 1892, estimated at 65,168,000; circulation per capita, \$24.68.

#### THE DOUBLE STANDARD.

A great deal is said about the double standard. This is an impossibility. No country has ever had a double standard. It has been attempted again and again and has always failed. Two kinds of money of different values can not be kept in circulation at the same time. The fact that both kinds are made a legal tender does not help the matter in the least. The cheaper money, the money of less value in the markets of the world, will drive the other out of circulation. It has been tried a thousand times and this has always been the result. England found out two hundred years ago that the English Government could

not provide prisons enough or gallows enough to enforce a law which was intended to keep money of different values in circulation. There is not a government on the face of the earth today where free coinage and the parity between gold and silver are maintained. It is impossible when there is such a great disparity in the value of gold and silver as exists now all over the world. You might as well try to enforce the use of two yardsticks of different lengths.

#### THE QUANTITY OF SILVER.

The idea seems to prevail with some people that the single or gold standard has something to do with the quantity of money. This is a mistake. We can use just as much silver with a single standard, and transact just as much business as we can with a double standard. The only difference is that in the one case we use silver at its real value, and in the other at a fictitious value, which will ultimately bring ruin to labor and poverty to honest industry. I am in favor of using all the silver that we can use as money, all that we can redeem, all that we can keep from depreciating; and I have no hesitation in saying that we can use more silver, have a larger circulating medium, and sustain higher prices under existing laws than we could under free coinage.

#### A WICKED MISNOMER.

The advocates of free coinage are not advocates of free coinage in fact. If they were content with a free-coinage law, such as they have in Mexico, or in South America, or such a law as we formerly had in this country, they would propose such a measure; but they have not done this. They propose a legal-tender act, the very kind of an act which the Democrats have always held to be unconstitutional. They propose a bill which compels the Government to coin 70 cents' worth of silver into a dollar, and then compels the people to take it for a dollar in payment of a debt or in the discharge of an obligation. Not only this, but the bullion-owner can refuse to take his own silver when it has been coined at the expense of the Government, and can compel the Government to give him legal-tender coin certificates, redeemable in gold or silver. This is the Bland bill now before the House, the like of which was never a law in this or any other country.

In all the legislation we have ever had in this country, from the foundation of the Government to the present time, the owner of the bullion, whether silver or gold, was required to deposit it at the Mint and take his turn in getting his bullion coined, as the farmer used to take his turn in getting his wheat ground at the water mill; and the fact that gold and silver were legal-tender money did not allow him to demand any other money than his own, or prevent its depreciation after it was coined, but in this bill the holder or owner of silver bullion can demand not silver certificates, but coin certificates, for which he can demand payment in gold when presented at the Treasury of the United States. In other words, it is a scheme to enable the silver miners and the silver speculators to get a dollar in gold for 70 cents' worth of silver. Why not pass a bill to enable the farmers to get a dollar in gold for 70 cents' worth of potatoes?

## UNLIMITED COINAGE.

This bill proposes to open the mints of the United States to all the bullion-owners of the world; but this provision would be harmless compared with that part of the bill which requires the Government to issue coin certificates to all the holders of bullion in the world at the rate of a gold dollar for 70 cents' worth of silver. This would bankrupt any government and overturn any system of finance that ever existed. It would cost the Government more than all the wars we have ever had. But they tell us that silver would appreciate and rise at once to the value of gold. The advocates of free coinage said that the law of July 14, 1890, would have this effect, and for a time the price of silver did advance, but it was only a temporary stimulus, and silver soon went down lower than before.

There is no country in the world where silver coin is kept at a parity with gold except in those countries where they have limited coinage and where they keep their silver in circulation, at a gold value, by agreeing to redeem it in gold, just as we keep our United States notes at par by agreeing to redeem them in gold. The value of silver coin in countries which have free coinage or an unlimited coinage of silver is worth no more than the uncoined silver bullion. The Mexican dollar is a larger dollar than ours, and yet it is worth only about 70 cents. The trouble is that while Mexico has free coinage the Government is unable to redeem the silver in gold, just as we were unable to redeem our United States notes in gold when we had too many of them in circulation prior to 1879. There are some things that a government can do and some things that a government can not do, and one of the things that no government in the world can do is to maintain the parity of gold and silver when the commercial values of the two metals vary materially from the coinage values.

## EQUALITY OF THE METALS.

There is a great hue and cry for the equality of the two metals. The complaint is made that the present law discriminates against silver. If this is true, who is to blame for it? If the equality of the two metals means anything it means that a gold dollar should weigh just as much as a silver dollar, and I am surprised that our free-coinage friends do not demand this broad democratic equality; but instead of this they discriminate against silver in their own bill by providing that an ounce of gold shall be worth 16 ounces of silver, and that these values shall be stamped upon the coins.

Why this ratio of 16 to 1? Why not 10 to 1? Why not 20 to 1? What is the meaning of this ratio? How did it originate? The answer to these questions unmasks the hypocrisy of the pending bill. This ratio of 16 to 1 means that it is the ratio between the commercial values of the two metals, irrespective of coinage laws or Government stamps. In the first legislation that we ever had regarding mints and the coinage of money, the ratio was fixed at 15 to 1, because at that time an ounce of gold was worth 15 ounces of silver in the markets of the world; and later on, when the commercial values of gold and silver bullion changed, Congress changed the ratio to 16 to 1, to correspond with the commercial change. In France the ratio is 15½ to 1, but

the ratio is not so material where limited coinage prevails, as the responsibility is upon the Government, and so long as the Government is not overtaxed no serious damage need be apprehended. A gold dollar contains 25.8 grains of standard gold, while a silver dollar contains 412½ grains of standard silver (standard gold and silver being one-tenth alloy and nine-tenths pure), and the peril of free coinage consists in requiring the Government to redeem 412½ grains of standard silver, which can be bought for 70 cents, with a coin certificate calling for a dollar, while under the present law the Government only issues a coin certificate for the actual value of the silver, and if the Government coins the silver it will have a sufficient margin to enable it to redeem its certificates in gold. This is the difference between the present policy and the policy now proposed.

#### DANGER IN THE DISTANCE.

The only question to be considered by this Congress or any other Congress is how much silver in coin or in coin certificates can be used or kept at its present value without endangering the national credit. In a letter written by Grover Cleveland on the 24th of February, 1885, a month before his inauguration, he pointed out the danger of increasing the quantity of silver coin, and recommended the repeal of the law which at that time was increasing the silver coin about two millions per month, and he expressed the conviction that the two metals would soon part company, which he said would result in an incalculable loss to the wage-workers of the country. Samuel J. Tilden expressed the same views, and demonstrated his faith in this conviction by sending a million dollars of gold to London where he could have the benefit of its market value in case gold should cease to circulate as money.

Hundreds of boards of trade in the great business centers have again and again expressed the same apprehension, but the last Congress repealed the law which required the Government to purchase and coin not less than two nor more than four million dollars of silver per month, and enacted a law requiring the Government to purchase 4,500,000 ounces (63 tons) of silver per month and pay for the same in legal-tender coin certificates, which provides for the purchase of all the silver produced in this country, and an increase of the circulation to this extent. And while the former law was discretionary as to whether two or four millions per month should be coined (and the fact is that the coinage was kept at the minimum by both parties for fear of a money crisis), the present law is compulsory, and is now increasing the volume of money more rapidly than any law that was ever passed by any Congress since the days of Washington, an increase of over fifty millions a year.

#### THE FEAR OF A LOBBY.

The gentleman from Missouri [Mr. HATCH] points to the crowded galleries and expresses the conviction that they are crowded in the interest of the moneyed men of the country. I presume that he will go home and tell his constituents that these people who sit in the galleries to-day listening to these proceedings are hired to come here at \$4 or \$5 a day to influence legis-

lation, just how he did not state. He neglected to tell you that the free-coinage people have had the largest and ablest lobby in this city that has ever been here in the interest of a measure in Congress; but I do not object to a lobby, and I desire to express my respect for the men who have been here in the interest of free silver. If the people who are interested in these measures can send men here who can influence legislation by giving to members of Congress information, they have a right to do so, and I am satisfied that no other methods have been attempted.

#### MORE MONEY.

Money is the measure of values as well as the medium of exchange, and unless the volume of money increases with the increase of population and the increase of business values will diminish and trade will be crippled; but we do not suffer so much for the lack of money in the whole country as we do from the improper distribution of it. New York has too much money, while we have too little in Ohio and farther West. The flow of money is towards the great cities, where the greatest amount of business is done and where the highest wages are paid. To equalize the distribution of money is a great problem, and a problem difficult of solution. All new countries labor under this difficulty. They buy more than they sell, and this creates a money famine in the rural districts and a plethora in the great money centers. We would kill two birds with one stone if we would pension every soldier who followed his country's flag in the late war. We would do an act of justice to the soldier and an act of financial wisdom to the country at the same time, by bringing money from the money centers into the rural districts, where it is greatly needed. If it were not for the pension money which is now distributed in the rural districts there would be greater depression in the country than there is.

We need more money, but the best free-coinage law that was ever devised is a protective tariff, a law that will enable us to sell more than we buy, to export more than we import, and in this way increase our gold and silver by bringing it from abroad, as we are now doing under our present protective system. No free-coinage law would increase our currency. On the contrary, it would immediately contract it by withdrawing from circulation all the gold in the country, which would sell as merchandise at a high premium before the ink of the President's signature would dry, as it was sold in this country from 1861 to 1879. Our circulating medium is increasing rapidly now, and we had better let well enough alone.

#### THE MILK OF THE COCOANUT.

The milk of the cocconut appears when it is shown that in Nevada, and in all the silver States, they have anticipated free coinage by having their contracts made payable in gold. We have not done this in the older States, and hence are not prepared to stand aside and avoid the calamities that will lie in its path. If the free coinage of silver will not disturb values or drive gold out of the country, why these gold contracts in the West? The fact is apparent that free coinage means that the business of this country would be done on a silver basis. It could mean

nothing else. The commerce of the world is done on a gold basis, and no nation can have commercial relations with the great nations of the earth that does its business on a silver basis. If this country wishes to take its place alongside of Spain and Mexico and all of the other silver countries, it can do so by passing this bill.

#### THE USE OF MONEY.

Mr. Speaker, the one thing always to be kept in mind in discussing this question is the use of money, the purpose for which it is provided, and the end which it accomplishes. There are in the world to-day only about \$12,000,000,000 of money, about four billions of paper money, about four billions of silver money, and about four billions of gold; a little more paper money than silver and a little more silver than gold. With this amount of money the entire business of the world is carried on. All the trade and commerce between the people of this country, between the States of this Union, between this and other countries, and between all the other countries of the world are carried on with this small amount of money, small in comparison with the value of all the other property in the world. It serves as a medium of exchange, its only object, facilitates business, and is a convenience to everybody.

The value of the property in the United States is not less than \$66,000,000,000, and yet we have never had \$2,000,000,000 of money in circulation. The business done in this country alone is measured by thousands of millions of dollars and credit goes farther in commercial transactions than money. Money is only a medium of exchange, nothing more. If I conclude to make my future home in Nebraska I would find it difficult to exchange my farm in Ohio for the farm in Nebraska that I may happen to admire, but I could sell my farm in Ohio for money and buy a farm suited to my taste in Nebraska. I could carry the money to Nebraska, but I could not carry the farm. I could sell my stock in Ohio and buy stock in Nebraska better than I could ship my stock from one State to the other.

This being the only use of money, Mr. Chairman, no good can be accomplished by increasing the quantity of money when the value of the money is diminished in the same proportion. If a hundred silver dollars under free-coinage will only do \$70 worth of business, why not do this business with the seventy silver dollars, which are now worth as much as the hundred silver dollars will be then? No money can represent in any transaction more than its commercial value in the markets of the world, and no coin is worth more than the bullion from which it is coined where free coinage prevails; hence no good in any event can be accomplished, while the harm which will follow is immeasurable. Cheap money, debased money of any kind, has always fallen most heavily upon the laboring classes and upon the agricultural districts. The other classes, by making gold contracts and by anticipating results, will avoid the ravages of the storm, while the masses of the people, who bear the great burdens of life, will pay the penalty and suffer the consequences.