

AGAINST THE FREE COINAGE OF SILVER.

SPEECH

OF

HON. GEO. FRED. WILLIAMS,

OF MASSACHUSETTS,

DELIVERED IN THE

HOUSE OF REPRESENTATIVES,

TUESDAY, MARCH 22, 1892.

WASHINGTON.

1892.

SPEECH
OF
HON. G. F. WILLIAMS.

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. WILLIAMS said:

Mr. SPEAKER: In order that some of my associates may have an opportunity to speak upon this question I shall occupy only one-half of the hour to which I am entitled, and I shall be grateful to the Speaker if he will kindly remind me when I have consumed thirty minutes of my time.

In opening the debate in support of the minority report of the Committee on Coinage, Weights, and Measures, I trust that I shall truly represent the people of this country who are in accord with me in my views upon this great question. I trust that I shall be able to represent, not only the minority of the minority of the Committee on Coinage, Weights, and Measures, but the majority as well.

Mr. BOUTELLE. Mr. Speaker, I would suggest to the gentleman that he has not been commissioned or requested to do anything of the kind. He has no authority to do it. [Laughter.]

Mr. O'NEILL of Missouri. Is he [Mr. BOUTELLE] a member of that committee? [Laughter.]

Mr. WILLIAMS of Massachusetts. Mr. Speaker, I am not acting by request. I am acting in behalf of the minority of the committee, and I am acting in behalf of the cause I represent, which, so far as I know, knows no party, but is a mere question of patriotism upon both sides. The man who now draws the party line upon the merits of this question does not represent his cause. He represents himself or his party, but he does not represent the true interests of the great American Commonwealth.

Mr. Speaker, I recognize the fact that in opening the debate upon this side of the question I am addressing a people which has already known the evils of depreciated money. Those evils were forced upon the people in time of national trouble and peril, and at the first breathing moment after our money had become depreciated it became the will and effort of the American people to rescue its credit in the markets of the world, to rescue its own people from the evils of depreciated money, and it deliberately undertook to appreciate its standard of value.

It undertook to lift the value of the dollar up to the value of the best dollar in the world. I recall that I represent now a party, or, if you please, I speak out of a party, which, during the period of resumption, in its platforms and in legislation never faltered

in its determination to assist in securing the resumption of specie payment.

Mr. SIMPSON. What party was that?

Mr. WILLIAMS of Massachusetts. That was the Democratic party.

Mr. SIMPSON. I simply wanted to know.

Mr. WILLIAMS of Massachusetts. Now, Mr. Speaker, politics should not be allowed in the discussion of this question at this time, and I make no distinction of party, perhaps, when I say that I am aware that the judgment of individual members upon this question may have been forestalled by local action. Many men upon this floor feel obliged to vote for the free coinage of silver though they do not believe in it, because their constituencies have instructed them.

I have but one word to say upon that point, and it is this: That this is a national question; that considerations which now weigh here in the judgment of men do not weigh in local conventions and local communities; that in different sections feelings may prevail which ought not to influence men here in this national assemblage. We all know that in local meetings sectional feelings may be expressed, and that even measures which are admitted to be nationally disastrous may be assented to because of the feelings of particular localities. But, Mr. Speaker, when men come here and take into their hands the destiny of the monetary system of this greatest nation of the world, I submit that they must, in their judgments, go beyond the narrow purview of their Congressional districts and be accountable to the people of this country, North, South, East, and West, alone.

The fundamental error, it seems to me, with which the free-coinage advocates start out is, that quantity of money is essentially more important than quality of money, and that money itself is of prime importance as compared with credit. These errors are one and the same in substance. Never was a better illustration given of the true inwardness of the question of the appreciated, the overvalued standard, if you please, than upon the floor of this House only a day or two ago from the lips of the gentleman from Arizona. The remarks of that gentleman [Mr. SMITH of Arizona] and his efforts upon this floor are in themselves a debate upon this question.

The gentleman brought in a bill for the refunding of the debt of Arizona, and asked to have inserted in it a provision that the bonds and their interest should be paid in gold. Objection was made by the gentleman from Georgia [Mr. LIVINGSTON] that that would establish a precedent, and the gentleman from Arizona answered, "I have tried to float this debt at a reasonable rate of interest, but I am satisfied that without that provision in the bill it can not be done at less than from 7 to 10 per cent. With this provision I believe the bonds can be floated at 5 per cent." And when the gentleman from Georgia insisted that this would be a national precedent which he did not care to indorse, the gentleman from Arizona responded, "It is not a question of indorsement; it is a question of floating our bonds at the cheapest interest we can get. It is a question of saving the people of my Territory \$75,000 a year in interest."

Mr. SMITH of Arizona. Will the gentleman permit me to interrupt him there?

Mr. WILLIAMS. I will yield for a question; not for an explanation.

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Mr. SMITH of Arizona. All right. I only wanted to explain, but I will ask a question.

Mr. WILLIAMS. My time is limited.

Mr. SMITH of Arizona. I will not detain the gentleman long. My question is this: Did not the condition which forced that expression from me result from the legislation enacted against silver? [Cries of "That's it!" "Now you've got it!"]

Mr. WILLIAMS. Mr. Speaker, when I answer that question I explain this whole silver question. I am debating the very question which the gentleman asks. But let me ask the gentleman how it is that this tyrant, the creditor, is willing to lend the gentleman from Arizona his money, if he can be secure in payment of his principal and interest, at 2 per cent less a year than he would lend it if he had to take the risk of a fluctuating and uncertain standard?

Mr. SMITH of Arizona. Because they have made that condition of difference by the legislation itself.

Mr. WILLIAMS. They have made the difference! "They!" Think you, Mr. Speaker, that the capital of this country is an organized conspiracy?

Mr. LIVINGSTON. That is just what it is.

Mr. WILLIAMS of Massachusetts. "They"—who are "they?" The gentleman from Arizona has every dollar of the world at his disposal if he has satisfactory security to give, and when he goes to any owner of money and says to him, "I want this loan," the owner of that money answers him: "Sir, the money is mine. Secure me a standard of payment, and I will let you have it at 2 per cent less a year than I can possibly accept if I am to take the risk of having my money returned to me at a depreciation of 30 or 40 per cent."

Mr. Speaker, that is the fundamental proposition with which I would approach the West and the South. Think you, gentlemen, that by legislation you can turn the channels of credit into your sections? Never: You turn it away every time you do anything to imperil the standard of payment. The creditor has a right, in law and in morals, to have his money returned to him, and when you imperil the standard of his payment you simply give him notice that he shall not loan you money.

Mr. LIVINGSTON. Lord knows we do not want the standard in the hands of an enemy any longer. We will take our chances on it.

Mr. WILLIAMS of Massachusetts. Now, Mr. Speaker, I have been diverted by the question of the gentleman from Arizona from the line of my argument. This objection of the "appreciating standard" is one which is much overestimated. I will not pretend to decide whether gold has appreciated in value or not. There are differences of opinion upon that question. But the fact that prices have fallen is not, I respectfully submit, any proof that gold has risen. These gentlemen leave out of consideration the tremendous expansion of industry in the last quarter or half century. They leave out the facilities of exchange—the bank, the clearing-house, the telegraph, the postal order; they leave out the opening up of enormous territory and the increase of population; and they leave out labor-saving machinery and other inventions of the time, when they consider the problem of the fall in prices. Admitting the claim, the question comes whether an appreciating standard is not better than a fluctuating standard. An apprecia-

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ting standard is certainly better than a constantly falling standard—better for the world.

Mr. Speaker, there are two fundamental arguments on the other side—arguments which have the most effect in the minds of men. The first is that we had the free coinage of silver before 1873, and that there can be no danger now in restoring a law which operated without loss to this country. That is one of the arguments. In the minority report I have attempted to point out that the conditions since that time have absolutely changed; the monetary conditions of the world have entirely changed, and they are beyond our control.

The gentleman from Missouri asks, "Are we to have our monetary system regulated by the rest of the world?" I answer him that the monetary system of commerce is the affair of the world, and that we can not settle it alone; that when he undertakes to do it the world will have its "own sweet will" with his American system, and we shall be thrown out of the commercial and monetary problems of the world.

The gentleman has adverted to an inconsistency in the minority report. I would like to point out to him that the inconsistency is his fault, not mine. He says that with one breath I say we are going on to a silver standard and a depreciated currency, and with the next breath I say that silver is going to pour in here to be exchanged for gold. I ask the gentleman to take his stand, and then I will take mine. I ask him to tell me which of those things will result—to tell me whether, in his judgment, silver is to remain exchangeable for gold at the ratio of 16 to 1, or whether silver is to go down to its market value, and when he will take his stand on that, I can discuss the question without the alternatives which I was obliged to put into that report.

I take it, Mr. Speaker, that the recent thought upon the free-coinage side of this question is in favor of the lapsing of our currency system into the silver standard. I think it may now be taken as practically admitted that the silver standard is what we are coming to under this legislation; that it is not probable, or even possible, that gold should remain in the currency system at a par with silver at the ratio fixed by law. Now, what is the silver standard, and what does it mean? When we cut off gold and drive it to a premium, where will silver go? It will go to a discount. The premium upon gold is the discount upon silver; and how is that discount to be measured?

When the gentleman asks me whether we are to regulate our monetary system by the will of the rest of the world, I answer him that the rest of the world will fix the depreciation upon silver according to the markets of the world, and that our standard will then be 70 cents for \$1 in very truth. That will be the truth. That, Mr. Speaker, is repudiation; that is the scaling down of debts; that is the spectacle of this country going into a dishonest settlement of every debt contracted upon our present gold basis. Now, it is because the scaling of debts is dishonest and unjust that I believe the people of this country will never listen to this proposition. Scaling of debts! Whom does it benefit? Very few, very few. Out of our whole population there may be some who will gain by it; there may be some fixed debts payable in honor upon the standard of the time when they were contracted that will be liquidated upon this dishonest standard

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Mr. LIVINGSTON. Will the gentleman allow me to ask a question?

Mr. WILLIAMS of Massachusetts. I prefer not; I have only ten minutes left.

Mr. LIVINGSTON. It is only a question for information.

Mr. WILLIAMS of Massachusetts. The gentleman will excuse me; I have only ten minutes left; and I do not wish to consume my time in that way.

The people who will lose by this depreciation are mainly the industrial classes of this country. I assert, Mr. Speaker, that the wealth of this country which is loaned is in great part the wealth belonging to the industrial classes of this country. If any gentleman here is a lawyer from the Northeast, I beg to compare experiences with him; I ask him who they are who have placed their money in Western mortgages; whether the great invested trust estates of Boston are put into Western mortgages?

No, sir; the people who have loaned money from the East to the West are comparatively poor people; the people of small earnings who wish to speculate perhaps somewhat to get large rates of interest. The people who have invested in Western mortgages, are, I believe, seven out of ten, people who would be seriously injured in their incomes and in their living by the scaling of the western mortgages from \$1 to 70 cents. This is not a question between wealth and poverty; it is a question between honorable industry in one section and honorable industry in the other.

I wish to point out in very few words what silver money on the continent of Europe threatens our monetary system in case of free coinage. I would point out the fact that there is now in Germany \$100,000,000 in old thalers, which the German Government did not sell in 1879 because the price of silver went down, and it is perfectly well known that Germany would like to melt all of that hundred millions and sell it where it can find a market. I would call attention to the fact that Roumania has recently melted five millions of silver coin and sold it in the market at a sacrifice of 25 per cent to get gold.

I would call attention further to the fact that Austria-Hungary is now proposing, and has made it public, to melt up \$30,000,000 out of its total of eighty millions of silver stock, and sell it in the market as bullion in order to secure gold. I would point out to you that Italy has about sixty millions of silver 5-franc pieces in the Bank of France which it would like to sell for gold; that Belgium has between sixty and seventy millions of dollars in 5-franc pieces in circulation in France which the press of Belgium has already claimed should be sold as bullion in order that Belgium may get on the gold standard. About \$500,000,000 worth of silver are ready for the market out of the coin systems of Europe.

Mr. Speaker, are we ready to have that \$500,000,000 sent over here to be exchanged for the gold which is in our Treasury, which is circulating among the people, and which measures the daily business of this vast country? What will be the result? Does anyone need to be told? One of two things must result. Either this Government must issue bonds to buy gold to exchange for that silver or our silver dollar will go down, and it will be no object for them to send their silver over here, because the silver dollar of this country has descended to its market value.

But, Mr. Speaker, there is a remedy which I shall present, un-

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less the gentleman who succeeds me from the committee wishes to present it; and that is a bill providing that the President of the United States shall seek an international conference upon this question. That is the true solution of the question. I agree, sir, that it is unfortunate that gold has become the standard coin of Europe. I agree that this country should do everything in its power to secure silver again in its proper place in the currency systems of the world.

I will not yield even to the gentleman from Missouri himself in the desire to accomplish this great result. I believe that it is necessary, just as the gentleman does. But I do not believe that because we see the evil, which is the world's evil, this country should attempt to do the world's work alone and the people of this country be inflicted with all the disastrous results which must flow from it under such circumstances. The nations of the world should come together. I believe that they are ready to come together on this great question.

I believe that the movement of Austria-Hungary at the present time of Italy and Belgium, as well as other European nations, to adopt the gold standard, can be averted if we meet them and invite them to join with us in changing the world's system, so far as in them lies. If gold is depreciating the whole world is suffering from it and not the United States alone.

Why, Mr. Speaker, for this nation to undertake to stem the tide of commerce of the world would be as unreasonable as it would be if we saw the mercury rising in the thermometer and, wishing to stop the heat, should get an elephant to tread on the bulb in order to lower the temperature. This proposition is in the last degree absurd, that because the evil exists throughout the world we should attempt single-handed to do the business of the world and to remedy it.

The SPEAKER *pro tempore* (Mr. RICHARDSON in the chair). The gentleman has exhausted thirty minutes of his time.

Mr. WILLIAMS of Massachusetts. I now offer, Mr. Speaker, the bill to which I have referred, but will waive the reading of it at the present to save time. I offer it as a substitute for the pending bill.

The SPEAKER *pro tempore*. It will be considered as pending

The proposed substitute is as follows: Strike out all after the enacting clause and insert:

That the President is authorized to invite the governments of such countries as he may deem advisable to join the United States in a conference to be held at a time and place agreed upon, such conference to be called with a view of securing a permanence in the relative value of gold and silver, at a common coinage ratio to be mutually agreed upon, through international agreements providing for the enlarged monetary use of silver and for giving to that metal equal mintage rights with gold.

SEC. 2. That the President shall, by and with the advice of the Senate, appoint three commissioners, who shall attend such conference on behalf of the United States, and shall report the doings thereof to the President, who shall transmit the same to Congress. Said commissioners shall receive the sum of \$5,000 each and their reasonable expenses, including the compensation of a secretary and such other assistance as may be necessary, to be approved by the Secretary of State.

Mr. WILLIAMS of Massachusetts. I now yield to the gentleman from Ohio [Mr. HARTER].

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