

FREE COINAGE AND THE REMONITIZATION
OF SILVER.

SPEECH

OF

HON. THOMAS E. WINN,
OF GEORGIA,

IN THE

HOUSE OF REPRESENTATIVES,

MARCH 22, 1892.

WASHINGTON.
1892.

SPEECH
OF
HON. T. E. WINN.

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. WINN said:

Mr. SPEAKER: The Committee on Coinage, Weights, and Measures have favorably reported the bill now before the House, with a recommendation that it do pass; and I desire briefly to submit some remarks in support of the measure. One of the greatest and most pressing needs of business, including the productive industries of the country, is, in my opinion, a larger volume of currency with which to do the business of the United States. We are at this time in a most anomalous condition with respect to our material condition and prosperity. With our gardens and warehouses overflowing with the products of the farms of the country, one would naturally suppose that we had a prosperous and contented population; that peace and plenty reigned supreme throughout the land. But is it so? Very far from it.

The cry of hard times and distress comes up to this Capitol, to the representatives of the people on this floor, from the South and West in letters from the people, asking and beseeching Congress to do something to relieve the distress of the people. Very much of this distress, in my opinion, is attributable to our congested financial system, and very much of the distress felt by the farmers, and the low prices of the products of their honest industry, is directly attributable to the small volume of currency. The people in their distress, think they have discovered this to be the source of the evil, and Congress ought to respond to their appeals. A great statesman once said that "a deep popular excitement is never without some reason, and ought ever to be treated with respect, and it is the part of wisdom to look timely into the cause and correct it before the excitement shall become so great as to demolish the object with all its good and evil against which it is directed."

It is estimated that we have \$1,600,000,000 in circulation. This is the estimate of the Secretary of the Treasury, I believe. This would give us a per capita circulation of about \$24, one-third less than the per capita circulation of England, and about half that of France. Well-posted writers, however, contend there is actually a much less per capita circulation in the United States. Whatever is the correct figure, it is clear to my mind that a well-guarded increase would greatly benefit the business interests of the country, and would put the farmers on their feet again and give a fresh impetus to the business interests of the country by infusing this healthy and life-giving vitalizer into the channels of trade. Any measure, therefore, looking to an increase in the circulation and money supply has my hearty approval.

It is estimated that the passage of this bill will add annually from twenty-five to thirty million dollars to the circulation, and

although far short of what the increase in the volume should be, I shall support it because it is a step in the right direction, without committing myself to the proposition that this will meet the business demands of the country for an increase of the currency.

Mr. Speaker, there is another consideration which ought always to be kept in view when Congress legislates on finance, and that is, that money is a measure of value, and is used as its representative, for convenience, in exchange. For instance, I will say: A. has a bale of cotton which he wishes to exchange for food and clothing, and he can not conveniently exchange it for these articles; he therefore sells it for money which represents the value of the bale of cotton, and employs the money to purchase the needed articles.

Now, the idea I wish to convey is that as money is only a representative of value, it ought to be of sufficient volume to be a correct measure, for it is a well-established principle in currency that when money is scarce, everything is cheapened, and when it is plentiful, everything is enhanced in value, and as the volume is diminished, its purchasing power is correspondingly increased, and as it is increased, its purchasing power is diminished, so that the influence of the volume of money has a great deal to do with the price and the remuneration of labor, and the price of the products of labor.

Mr. Calhoun, in his great speech in the Senate, delivered October 3, 1837, lays down this doctrine in so clear and comprehensive a manner, that I beg to quote from it:

The currency of a country, said he, is to the community what the blood is to the human system. It constitutes a small part, but it circulates through every portion, and is indispensable to all the functions of life. The currency bears even a smaller proportion to the aggregate capital of the community than what the blood does to the solids in the human system. What that portion is has not been, and perhaps can not be accurately ascertained, as it is probably subject to considerable variations. It is, however, probably between 25 and 35 to 1. It will assume it to be 30 to 1. With this assumption let us suppose a community whose aggregate capital is \$31,000,000—its currency would be, by supposition, \$1,000,000, and the residue of its capital \$30,000,000.

This being assumed, if the currency be increased or decreased, the other portion of the capital remaining the same according to the well-known laws of currency, property would rise or fall with the increase or decrease; that is, if the currency be increased to two millions, the aggregate value of property would rise to sixty millions; and if the currency be reduced to \$500,000, it would be reduced to fifteen millions. With this law so well established, place the money power in the hands of a single individual or a combination of individuals, and they, by expanding or contracting the currency, just as our present national banks do, may raise or sink prices at pleasure; and by purchasing when at the greatest depression and selling at the greatest elevation, may command the whole property and industry of the community, and control its fiscal operations. The banking system concentrates and places this power in the hands of those who control it, and its force increases just in proportion as it dispenses, with a metallic basis.

Never was an engine invented better calculated to place the destiny of the many in the hands of the few or less favorable to that equality and independence which lies at the bottom of our free institutions.

Before passing from this branch of my remarks, I trust the House will indulge me while I read a brief extract from a speech delivered in the Senate September 19, 1837, by the same great statesman previously quoted, as being peculiarly pertinent to this discussion and aptly depicting the operation of our present national banking system, which in connection with the demonetization of silver and other vicious legislation touching our finances, has produced in a marked degree the unequal condition which exists to-day, and has enriched the few at the expense of the many.

Suppose the Government were to take up the veriest beggar in the streets, and enter into a contract with him that nothing should be received in its dues or for the sales of its public lands in future except gold and silver and his promissory notes, and that he should have the use of the public funds from the time of their collection until their disbursement. Can anyone estimate the wealth which such a contract would confer? His notes would circulate far and wide over the whole extent of the Union; would be the medium through which the exchanges of the country would be performed, and his ample and extended credit would give him a control over all the banking institutions and moneyed transactions of the community. The possession of a hundred million would not give a control more effectual.

I ask:

Would it be fair; would it be equal; would it be consistent with the spirit of our free institutions to confer such advantages on any individual? And if not on one, would it be if conferred on any number? And if not, why should it be conferred on any corporate body of individuals? How can they possibly be entitled to benefits so vast, which all must acknowledge could not be justly conferred on any number of unincorporated individuals?

From the foregoing, two propositions are very clear to my mind. The first is, that the Government should provide a currency amply large enough to do the business of the country. And the second is, it ought to furnish this money direct to the people and without the intervention of these private corporations called "national banks."

Sir, I think the history of the past will bear me out when I say that when money is plentiful times are good, and the business interests of all classes are prosperous. It is necessary therefore for this Government to utilize both gold and silver, because the mines of the world, of both metals combined, are inadequate to furnish a sufficiency to meet the demands of the world for money. Recognizing this fact, the founders of this Government established a bimetallic standard, consisting of gold and silver, and established a proper ratio between them. That ratio was 16 grains of silver equal 1 grain in gold; or $41\frac{2}{3}$ grains of standard silver in the silver dollar and $25\frac{1}{2}$ grains standard gold in the gold dollar. This, sir, was the coinage system of the United States which, being adopted in 1792, was continued until 1873. No greater wrong was ever attempted upon a generous people than the bill of February 12, 1873. It was a crime.

Gold and silver ought to be treated alike as it had been for three-quarters of a century by this Government, without inconvenience and without any of the dire calamities befalling the country, which are to-day freely predicted by the monometalists of the East on this floor. Dire calamities are threatened to the country, and especially to the Democratic party if this measure is adopted.

It is a certain fact that for the eighty-two years that we had a bimetallic coinage that the two metals were substantially on a parity with each other, and wherever there was any variation between them, silver was at a premium above gold just as often as gold ever was over silver, and just where this dire calamity is to come in I must confess I can not for the life of me see. But they say the silver dollar is only worth 75 cents, and it would not be right to compel people to take it at a loss.

But I say if silver is below gold in value it is because of the statute of 1873 outlawing it. Repeal this law; let the Government remove this ban which has been put upon it; turn it loose and let it go free; give it the same treatment that gold receives and, in my opinion, it will take its ancient place in our coinage as certainly as the needle points to the pole. Until 1873 no statesman who valued his reputation or favor with the people would

have dared to advocate on this floor the striking down of either one of these metals.

No law of this character, if properly understood, could have passed Congress, especially as the Government contemplated the resumption of specie payments at an early day, and it would need every dollar of both metals to accomplish it. Very few, if any, except the Senator who introduced the bill, knew its effect, as is evident from reading the proceedings of the Senate when it passed that body. Mr. Casserly, during the slight debate, said it was evident that few Senators were paying any attention to the subject. (Congressional Globe, third session, Forty-second Congress, page 671.)

After its passage and the President had signed it neither he nor Senators and Representatives knew that its effect was to demonetize silver. Members of Congress awoke when it was too late to the realization of what had been done unwittingly by them, as from a dazed dream. It was a fraud upon the intelligence of the American Congress, passed with undue haste and without proper consideration and discussion. It was a fraud upon the laboring men of this country, the merchant, the farmer, the mechanic, and every legitimate interest in America. It was the consummation of a conspiracy which stretched beyond the seas and embraced the greed and avarice and moneyed interests of certain Shylocks in foreign countries.

It is in its character like much legislation enacted by the Republican party of that period in which the interests of the common people were shamefully betrayed. The principles and traditions of the Democratic party have ever favored the gold and silver coinage of the Constitution, and yet we have members on this floor, calling themselves Democrats, who are opposing with all their might and main, by dilatory motions and inflammatory speeches, the passage of this bill, and are loud in their protestations and prophecies of disaster to the Democratic party in the event it is passed. I would like to know "what we are here for?" Are we to be controlled by considerations of party success and subordinate principle to it, regardless of the wishes and interests of the people whom we represent?

Must this be the purpose, and only purpose, of the party of Thomas Jefferson, the great Democratic party of the United States? Is this the momentum which moves the Republicans? Is there not something higher and better than mere party success? Is public patronage and public plunder the *ultima thule* which moves and actuates the statesman of to-day? For myself, I am a Democrat from principle, and I thoroughly believe the application of those principles to the government of our country will insure "equal rights to all and special favors to none," and give the country such an era of prosperity and contentment to the people as has not been witnessed in thirty years.

But, if principle is to be subordinated to policy, and national prosperity to party success, I wish to make the solemn declaration that in my opinion it will make very little difference with the people (to use an expression in popular parlance) "which set of rascals are in." It will make very little difference with them whether it be the Republican "rascal" or the Democratic "rascal." I am glad to know, however, that an overwhelming majority of the Democrats on this floor are in favor of the passage of this bill.

The Democratic party would to-day have been in possession of

every department of this Government if all its representatives had stood together as a unit and contended firmly and uncompromisingly for the principles of Jeffersonian Democracy. It will not do to ignore a great question like this from considerations of policy.

The people expect relief at the hands of the Democratic party, and I know they will not look in vain whenever it is intrusted with the power. It is our duty, therefore, to grasp the situation and cover the field. It will not do to ignore every other question for one, simply because that question is of paramount importance. If this policy had prevailed in the past the Democratic party would not to-day be a unit on the tariff issue. This unity has been brought about by steady insistence on the part of the majority for the tariff principles which had characterized the party from its very birth. And I insist, therefore, that it is equally its duty to take position on all the great questions before the country.

Questions which the people will insist must be met and solved in the interests of the people. Questions on which the great masses of the American people are better posted than ever before, and they are watching with breathless interest the action which this Congress will take upon them. These questions may be embraced under three general heads of finance, taxation, and transportation. But I can not do more than mention them in passing.

Mr. Speaker, I believe the farmers and farming interests of the country are in a worse condition than they have been at any time in twenty-five years. I know, sir, this is true of Southern farmers. Cotton is selling at 6½ cents per pound that cost at least that much or more to produce it. A price which is lower than it has been in fifty years. Indeed, I might say it reached the lowest point in New York a few days ago that was ever known in the cotton marts of the world before. The price of American wheat also experienced a steady decline from the year 1879, when it brought \$1.25 per bushel, to the year 1891, when it brought about 60 cents per bushel. This year the price has improved on account of the short crop in Europe.

But, sir, the same causes which have operated to force the price of cotton down to its present unprecedented cheapness has also had its effect on the price of other farm products. I know the theory of Mr. Dodge, Statistician to the Agricultural Department, is over production. But if this theory is correct, why has cotton goods not correspondingly declined? We know every effect has its cause. There is evidently something wrong somewhere. Does not cheap raw material mean cheap finished fabrics? It seems to me when cotton has recently taken such a tumble, that cotton manufactures would, by the natural laws of trade, have also declined, which we know they have not done.

Sir Robert N. Fowler, M. P., the London banker and ex-lord mayor, said:

The effect of the demonetization of silver must finally be the ruin of the wheat and cotton industry of America, and be the development of India as the chief wheat and cotton exporter of the world.

It is just this difference in the price of silver bullion which ruins the American farmer. It can be very readily seen why the foreign exporters of cotton and wheat in this country, who buy for British account, now cry out against the remonetization and free coinage of silver. They do it for a selfish interest, and

accounts for the opposition of the money lords of the East with one accord, who are opposing this bill, and are using every means in their power to defeat it. They cry loudly and vehemently for what they call the "honest dollar," meaning a gold dollar.

Now, sir, if the gold dollar is the only honest dollar, it is a solemn fact that this Government for eighty-two years of its existence had been issuing dishonest dollars, and no complaint was made until 1873. If the silver dollar of our fathers, which this bill proposes to reinstate, is a dishonest dollar, worth only 75 cents, as is alleged by its opponents, why is it the fact was not discovered in the long years of its existence previous to 1873? And if they are so sure that it is a dishonest dollar, why should they display so much uneasiness about it driving gold out of circulation in this country? A worthless or depreciated dollar can never drive out and take the place of sound money freely circulating with it, but it is the bad dollar that invariably suffers defeat and goes out of circulation.

Now, let me ask who it is that is asking that silver be not reinstated to its ancient place in our coinage. Is it the people? Is it the farmers, the mechanics, and workers in our productive industries, the toilers, who with brawn and muscle and sweat dig all we have from out of the earth either in the form of the metal itself or in the form of cotton and wheat and corn to clothe and feed the world? Is it those engaged in other lines of useful employment? Do they refuse silver in payment for their toil? No; a silver dollar will buy just as much of what they need as any other dollar. And there is no difference between gold and silver among the people. It is only when you strike a coupon-clipper that the difference comes in. Like Shylock, he must have his pound of flesh; and this difference between the outlawed silver dollar and the gold dollar in foreign exchange is just where he gets his coveted pound of flesh.

Now, I say, sir, that every dollar the Government puts its stamp upon, whether it be gold, silver, or paper, should be the equal of every other dollar issued by the Government, and this money, of whatever character, ought to be receivable and paid out on equal terms and to every creditor of the Government alike. Not one sort of money for the bondholder and plutocrat and another for the people.

Great as is the tariff question, and however much it needs to be regulated and remodeled in the interest of the taxpayers, and however much some may be impressed with the notion that it is the only question of importance before the country, and fully agreeing with them that it should be made an issue in the coming elections, I am very far from agreeing with them that it should be made the sole issue. The question of finance is of too great a magnitude to be utterly ignored. There is nothing, in my opinion, that contributes so much to the unhappy condition of our people as our partial, unequal, and vicious national system of finance. Put upon the country at a time of great national peril to meet an emergency, which could have been better met by the direct issue of its own Treasury notes, like the striking down and emasculation of silver, was at the suggestion and direct complicity of English bankers.

I trust, sir, the bill will pass and become a law, and the first step taken by the Fifty-second Congress in the much-needed financial legislation. [Applause.]