

A FEW WORDS MORE ON SILVER,

BY

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OF VERMONT,

IN THE

SENATE OF THE UNITED STATES,

JUNE 16, 1892.



WASHINGTON.
1892.

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The Senate having under consideration the bill (S. 51) to provide for the free coinage of gold and silver bullion, and for other purposes--

Mr. MORRILL said:

Mr. PRESIDENT, we have had some examples of the repetition of speeches in the silver debate during the present session with little recognizable difference of argument or language; and therefore, not assuming that the subject was wholly exhausted by any previous remarks of mine, and that they only need to be repeated a little louder, I shall not dull the ears of the Senate with loudness, and with as little as possible of what Shakespeare called "damnable iteration."

The free-coinage resolution which opened this debate was evidently pushed by the distinguished Senator from Alabama with some comic hopefulness that the Senatorial Democratic candidates for the Presidency would remain in the Senate to have their votes counted, and not seek by flight outside into the boom-proof smoking room to escape from all harm. But the skilled marksman from Alabama must have been sadly disappointed, as I was, that he did not wing a single Presidential bird, and he was apparently not unwilling that the brave Senator from Nevada, "nothing loath," should jump on board of the rudderless free-coinage craft as the pilot to steer it on its perilous voyage. Surely no pilot from any Northern State east of the Mississippi could be found with a greater contempt of danger.

The accidental absence of Republican Senators and the failure of prominent Democratic members to respond at the roll call brought the question before us, but no friend of sound money on a real and just basis for the actual use of both gold and silver need be apprehensive about the most extended discussion nor about the final result.

Evidently the free-coinage prescription that has been prepared in Nevada for our monetary ills appears to be—

Take the hair, it is well written,
Of the dog by which you're bitten.

It will be seen that it is proposed to cure the plague of a great redundancy of American silver on the homœopathic theory of *similia similibus curantur*, not, however, by the orthodox diluted infinitesimal dose, but by a larger heroic dose, to include not only all of our own silver product, but also that of the world at large. When I am told by men, sane upon all other subjects, that the United States alone could safely assume, notwithstanding its present impaired digestive organs, the risk of unlimited silver coinage of the bullion of all mankind, I am forced to admit, as much as I am wont to admire glittering Fourth-of-July jaunty jingoism, that I believe the United States would suffer an inglorious surfeit, and it would turn out that we had been only used, like the cat in the fable, to pull the chestnuts out of the fire merely to save the paws of monkeys abroad from being burned, while depreciated silver here would still be depreciated silver.

It has been heretofore supposed that there was one point upon which all Senators were agreed, and that was as to the expediency and necessity of "an international bimetallic agreement." I confess that was and is my strongest hope of deliverance from monometallism. A joint resolution was introduced by the learned Senator from Colorado [Mr. TELLER] early in January last, and after reference to the Finance Committee, was promptly and unanimously reported with satisfactory amendment. The disclosure recently made in the Senate by the conspicuous leader of free-silver coinage from Nevada is, that an "international bimetallic agreement" is no longer to be sought after, or even tolerated, but to be dismissed with contumely. Even the author of the joint resolution can no longer be reckoned among its supporters. The rabbis of the recent prosilver convention, which assembled here to boom free coinage and dictate what should and what should not be done, issued their edict against any international attempt at an agreement, as well as against any change of the present ratio, by which silver should be maintained on a parity with gold. They do not want it. If any proof were

wanting before, this conclusively shows that the design is to thrust upon our country at once, if possible, the silver standard of all legal-tender money.

There never has been a time more auspicious for the solution of the silver problem than the present. All the leading European nations have accepted our invitation for an international monetary conference. With a President beyond all question earnestly in favor of bimetallism, we have an ample guaranty that persons would be selected on our part to conduct the international agreement with efficiency and with fidelity to every interest of the country. India, the most populous and profitable outlying possession of Great Britain, with its extensive industrial interests, disastrously handicapped by the free coinage of silver, sells its products without any augmentation of price for depreciated silver, and collects all of its revenue in silver, which has to be used at the rate of \$3 to pay \$2 of its enormous indebtedness to England. India is therefore now in precisely the same helpless and pitiful predicament in which the United States would be found whenever it attempts alone to relieve the universal depreciation of silver by free coinage—a job that no other enlightened nation could be induced to assume the risk. England, hitherto standing aloof from bimetallism, is now compelled to listen to the supplicants of India, and no longer withhold favor to all international agreements. Other nations of Europe will follow her example. For the first time in twenty years an agreement in favor of bimetallism no longer appears impossible.

And yet if free coinage of silver were to be established here precedent to any international agreement, there is not a single nation in Europe that would give the subject further consideration. They would all gladly leave to us and to India the possession of the great white elephant.

When the partisans of free coinage of silver talk about bimetalism, they mean good-bye to all but silver. All else must get out of the way. No provision is ever suggested in behalf of an increase or retention of gold; but we are asked to believe that when the Government purchases silver at the coining price the owners ask for it, and declare that the public shall take it at that price, that then its value will miraculously mount up to a parity with

gold. Mr. President, that declaration would not go unchallenged by the freshman class of a woman's village school in Wayback.

The contention that we can add 50 per cent to the value of silver throughout the world by the free coinage of silver dollars containing $371\frac{1}{2}$ grains of pure silver, to the full extent of whatever silver bullion may be attracted to the United States mints, or be presented from all quarters of the world, to be coined and held forever imprisoned in the tombs of the United States Treasury, and there to sustain a legal-tender paper circulation with the full value of any other dollar, is a feat of hardly less extravagance than would be a patent project to warm the moon by setting fire to a wood-pile on Pikes Peak.

Suppose for a moment that the learned and distinguished Senators from Colorado and Nevada, the Ulysses and Ajax of the silver hosts, working with all of the unflagging zeal of those who once burnt heretics at the stake in behalf of the rich silver combination, should be crowned with victory, but ultimately find that free coinage failed to fulfill their astonishing predictions, and that silver, instead of jumping up in value, remained at its present unsatisfactory price, or even drooped and dropped, as I sincerely believe it would, to a lower figure. They would then have to meet the rebound of the bitter disappointment of their too credulous followers, now visibly growing less, and showing some unwillingness to stand up in the House of Representatives to be counted. Like an enthused citizen on our northern border in the war of 1812, who offered to take all the Canadas on the condition that the General Government should furnish him with one regiment of soldiers, and if he then failed he would throw in his time, the enthused silver leaders, in the case of the failure of silver to rise in value from the present actual ratio of 23 to the old standard ratio of 16 to 1 of gold, could do no more than to throw in their time.

It is also persistently claimed that the deterioration in the value of silver throughout the wide world has been caused solely by our Government in purchasing it as a commodity at its market value; and now, as a potent remedy, it is rather queerly proposed that the Government shall make a standing and irrevocable offer, fixed by law, to accept at a fixed price all the silver

which the owners or producers may bring to our mints, and that the price shall be \$1 for 371½ grains of silver, or 50 per cent above the market price. The Government now purchases silver, and pays for it all that it is worth, but the silver corporations insist that it shall be purchased in wholly unlimited amounts; and at a price fixed by law 50 per cent above what any other purchaser would offer. The Government is also to coin it without toll or seigniorage, while giving to silver corporations a bonus or subsidy of unparalleled magnitude. By free coinage of silver we should purchase it of all silver owners and producers by a standing offer of 100 cents for the amount we now purchase for 67 cents; and, if we were to make the offer of \$1 for the amount of bullion required for a silver dollar, we should be likely to hear less about silver being treated as a commodity; for it is not merely more silver dollars that are so much wanted, as an obligation of the Government to pay a higher price for silver bullion, or that the dollar which they receive in payment shall pass as a Government promise of a dollar, and not as a representative of a limited amount of silver.

But the commodity complaint has no real foundation at the present time. It is only when gold or silver coins fall below or rise above par that either becomes a commodity and no longer money. That calamity has not yet befallen our country. Where the gold standard alone prevails, as in England, silver is below par and a commodity. In South America, and wherever the silver standard alone prevails, gold commands a premium, and is a commodity, and no longer money. In India silver is the standard coin, and gold commands a high premium, and is nothing but merchandise, or a commodity; but India sells its wheat and cotton for debased silver with no advancement of prices and with no increase of the wages of labor. Its wheat was worth three silver rupees per quintal in 1872, and no more fourteen years afterwards. Silver rupees were formerly worth 48 cents, and now are worth less than 32 cents. Of course it very largely reduced the price of English home-grown wheat, silver coinage and its paper representatives are all at par, and not commodities; but free coinage would make gold no longer money, and our silver friends appear to be determined to make it a commodity.

Never in all our history has loanable money been cheaper, or obtainable by worthy borrowers on more advantageous terms than to-day. Some economists have doubted whether or not the facility offered to the contraction of debts was altogether beneficial, as it encouraged too often more than doubtful enterprises, and enticed many men to ruin. Within a few years the general rates of interest have been reduced nearly one-half. This has recently caused a wider attention to investments in land as yielding a higher income, and perhaps more safe than any to be derived from loans or stock in corporations. Certainly land in many parts of the country appears to be advancing in price.

The stock of money at all the great money centers of the world was never greater and never offered at lower rates of interest to borrowers. The Bank of France has reduced its rate to 2½ per cent, and the open market rate, if correctly reported, in Paris is only 1 per cent. The Bank of England has made no recent change of its rate, but discounts in the open market have been as low as three-fourths of 1 per cent, and bankers' balances are obtainable at one-fourth to one-half per cent. At many other places in Europe rates of interest are unprecedentedly depressed, and in New York the rate is unusually low on time, and barely 1 per cent on call. The complaint about the dearness of money is manifestly unfounded, except in the imaginations of thick-and-thin partisans of cheap silver. It would seem that the business of the country would not be increased by increasing the plethora of money, especially of depreciated money, that would require three dollars to cover the present power of two, and that borrowers for legitimate purposes never had less to complain of as to the dearness or scarcity of money.

In States heavily laden with debt there may be some persons who have been convinced that the advantage to be gained by the State would justify its payment in coin of less value than the standard at the date of its contraction. There may be also those who owe personal debts, contracted in like manner, who intend to be honest, who would not play false, but who would willingly, wrongfully win, and hope this will be possible, not by their action alone, but through the action of the General Government by the issue of a depreciated and cheaper coin for the payment of such debts.

But these States and these debtors would be most unlikely to pay off all their indebtedness immediately after a silver era had been inaugurated. It would require much more of cheap money to cover the cost of any new enterprise or for the ordinary cost of living, and most debts might have to be renewed. Is it not likely that general credit would to a large extent suffer a collapse from any repudiating subterfuge, and that future borrowings and renewals would be hedged about with expensive conditions?

Hard times, it is to be feared, would not wholly cease. It must also be added that wherever the single standard of silver prevails there the very lowest standard of wages universally prevails for all wage-earners, and there the products of all labor command the lowest price. The payment of debts in any country where silver is the dominant currency is a slow and wearisome task. In Mexico, with the silver standard, peonage long prevailed, by which debtors were held in servitude until their debts were paid.

By the law of 1890 the amount of silver which must be purchased is constantly increasing our paper currency at the annual rate of between seventy and seventy-five million dollars. With more money in circulation than ever before, the silver orators stretch their consciences to make the American people unhappy, by persuading them that there is an alarming deficiency. They demand a greater abundance of what they call "cheap money." Apparently a 67-cent silver dollar is not cheap enough, and they put forth the lofty demand for an increase of our circulation from twenty-four to fifty dollars per capita, to be wholly propped up on silver, in order, to make assurance doubly sure by enormous inflation, that the silver dollar shall become still cheaper.

If it can not be made to appear that there is a deficiency of money in circulation, Othello's occupation would be gone, and the lavish expenditure by the chief of the silver bureau in Washington might be economically and hopelessly wound up. The delectable idea is sought to be propagated that "the more plenty money is, the better chance of every man to make a grab." The United States Government, it is proposed, shall make up and contribute a free-coinage grab-bag, and all of the silver-owners,

taking precedence of those who may be destitute of the white metal, are then to plunge in up to their arm-pits to make their grab.

The distinguished Senator from Kansas [Mr. PEPPER] holds that Congress can coin money—coin it—out of cowry shells, tobacco, skins of animals, paper, or anything else, as constitutionally as out of metallic gold or silver, and that the essential matter is that Congress shall regulate the value of such coinage and put on the Government stamp. This is in accordance with "the law and the prophets" of the silver disciples. But is it not sad to think that these ancient and wholly obsolete financial devices should be cited in the American Senate to justify the full and unlimited use of silver as money when stamped by the Government, however small its value may be, and then to further claim it as a necessity of advanced civilization? We might as well go ages backward, and pin our faith to witchcraft, or to the touch of the king for the cure of disease, as to rely on such examples to show that any modern enlightened nations can wisely and safely coin money out of anything though destitute of all intrinsic value. "The awful face of some monarch" stamped on coins has ceased to confer value beyond that of the metal contained therein. Far less will grotesque examples of a long time ago serve to interpret the coinage provisions of the Constitution of the United States. Our late experience with greenbacks from 1862 to 1873, in spite of the magical stamp of the Government, shows they were all the time below par, and that experience ignominiously crushed the doctrine of fiat money forever.

The bane of all commerce, as well as of all domestic business, is an unsound, vacillating, and depreciated currency. The unsoundness of the transferable mortgage bonds authorized to be issued with the guaranty of the Argentine Republic was the primary cause of the failure of the great banking house of the Barings in London, which proved to be a financial thunderbolt "heard round the world." And just now comes another big crash in London of the New Oriental Bank failure for \$36,000,000, due to the depreciation of silver and the increasing distrust of investments in silver countries and the withdrawal of capital therefrom. That distrust, I regret to say, has already reached our shores.

The large issue of assignats by France from 1789 to 1793 were made a legal tender, bore $4\frac{1}{2}$ per cent interest, for the redemption of which the church and crown lands were pledged. The public debt rapidly increased. Trade and production nearly ceased. Public functionaries could no longer live on their salaries, and one-third of the French army deserted. A silver franc got to be worth six in assignats. Shopkeepers refused them for prime necessities, and their shops were plundered in general riots. The convention decreed six years' imprisonment to any person who should sell assignats at less than their nominal value, or make any difference in price, whether paid in paper or specie, and death was decreed against all who kept back from public sale articles of first necessity. At length a thousand francs of this currency became worth less than a single franc, and then the Government decreed that "anyone might make bargains in any currency he pleased." This displays how powerless all governments are to create money without full intrinsic value in the money itself. If the dollar of free coinage should fail to be current at its nominal value, is it too much to expect that we have no Don Quixotes to propose penalties of imprisonment, and perhaps of death, to any person who should part with a silver dollar for less than its nominal value? At any rate, such heretics could not escape the awful penalty of being denounced as "gold bugs."

Some silver partisans insist that the free coinage of silver, when made a legal tender by the *fiat* of the Government, would bring it to a parity with gold on the old ratio, and declare there is no proof to the contrary. They well know that not for twenty years, not since the sudden and growing depreciation of silver, has any nation, enlightened or unenlightened, been so foolhardy as to attempt the rash experiment; and yet they appear to insist that the United States shall alone accept it without trial, take the leap in the dark, and cut off all chance of retreat.

If, however, the *fiat* of the Government should exhibit magical power to give a 67-cent silver dollar by coining it and making it a legal tender as much current value year after year as a hundred-cent dollar, how long would it be before some Greenback party, or before the honorable Senator from Kansas [Mr.

PEPPER], in behalf of the Farmers' Alliance, would be pushing some measure to drive all silver out the field, by declaring with irresistible logic, that if the *fiat* of the Government saves one-third of the cost of money by the use of silver, why not save it all by the use of paper? The silver men will find in the belly of their argument a half-grown, lusty Greenback party, that it will not be possible to underbid.

It is difficult, I know, for any of us to escape from the influence of our local surroundings. Their memories are ever vigorous. I am firmly of the opinion that maple sugar made in the spring of the year is as much entitled to a bounty as sugar made in the autumn by those who raise cane and cornstalks. I live in a State where the maple grows "fit to be the mast of some great admiral," but I find now and then one, residing where the magnolia and tulip trees are most prolific, so obtuse as to say that I am mistaken about tree sugar, certainly about "tree molasses." If the great silver mines of Nevada, Colorado, and Montana had been located and developed in Europe or in Asia, instead of the United States, can anyone suppose that free coinage would have inspired eloquence in Colorado, much less in Kansas, and loom up here "as a subject that touches every human being in civilized society?" Is it not probable that all portions of the American people would have contemplated the fact without nervous prostration and have felt that their prosperity would suffer therefrom no decadence? The rhetorical idea that the free coinage of silver would touch and be a benediction to every human being in civilized society was obviously evolved from prominent local surroundings.

Surely all of the so-called silver States expect to receive for their silver under the terms of the free-coinage bill, as offered by the Senator from Nevada, legal-tender Treasury notes of exactly the same description as those now paid to them for silver bullion. With this they seem contented. All of these States are also now supplied with and have had, and now have, the first grip of a legal-tender increase of money to the extent of over \$4,000,000 every month, or about \$50,000,000 per year. It is incredible that they can experience any insufficiency of money in local circulation. Why should they not also be contented with this?

Why should they go in quest for grief? Their pathos and tears on account of a lack of money in circulation would come with a better grace from quarters not already so prodigally supplied.

That a permanent monopoly of silver would prove to be a dangerous and most unprofitable measure for our country is so palpable from a business man's point of view, it seems strange that it should be boomed or even tolerated by shrewd silver corporations. The market here is already overfed, greatly needing relief by some demand abroad, and an unfettered future inflow of the metal here must necessarily further cheapen its value. A monopoly of silver by the United States would also emancipate all European nations from any fraternity with or bondage to silver, and leave them with the uncontested mastery of gold, the masters in war if there is any validity in the current European idea that a country which can pay for war supplies in gold will prevail against any power which lacks such resources. Certainly no nation destitute of the use of gold as money has ever established large and diversified home industries or foreign commerce of any considerable importance. With a permanent monopoly of silver once established here the producers of silver would find the truth of Scripture that "Whoso diggeth a pit shall fall therein," and that a cheap dollar made for others would be no more in the end than a cheap dollar for themselves, with no purchasing power or exchangeable value above an equal weight of silver bullion. Should they ever get the country to reel into the bottomless pit of free coinage silver-producers could not help us out nor escape from falling in themselves. Silver mines might then prove to be a drug, not only to the public, but to the owners also. The owners might be in the condition of the gentleman who was a little crazed, but not with silver, while walking in the evening with a boon companion close to one side of the old canal as it was in the south part of Washington City in 1855, when the tide was out and the mud deep, his companion blundered off the path and went like a driven pile into the mud up to his hips and called lustily upon his associate to help him out, but was answered, "I can't exactly do that, but I will jump in along with you." The silver-mine owners, now a little dazed, may get a tumble into the mud with none left behind to help them out, and such of

their cranky leaders as have been constrained by "foreknowledge absolute" to have all debts due to them made payable in gold can not be relied upon to have the knightly courtesy to jump in along with them.

The silver combination point to the fact that the gold in the Treasury is disappearing, and, as a remedy, offer silver in unlimited abundance to fill the void. This serious proposal, destitute of all purpose to retain even the gold we now have, has directly promoted the disappearance of gold, and, if adopted, could not fail to expel it as money from the country, although the annual production of gold in the United States exceeds that of any other country.

This may be denied by ultra silver partisans, as they pretend with a don't-care-anyhow shrug that free coinage would restore the lost value of silver; but it would be an impeachment of their intelligence to assume that they have implicit faith in the pretension. Business men, having abundant but unadvertised knowledge and to whom a sound and stable currency is vitally important, have not the slightest faith in the pretense, and declare that an unlimited increase of silver would not only cause the expulsion of gold, but would at once effect a further depreciation of silver.

The attempt made here to lift and build up the value of silver by free coinage, and that by the United States alone, excites the amazement if not the derision of all Europe. Their experienced political and financial sages regard even our silver legislation of 1890 as bringing us to the perilous edge of a separation between our gold and silver currency, and it must be admitted that the policy of issuing millions of paper currency represented only by purchases of depreciated and nonusable silver, with the more reckless agitation of free coinage, has reduced the proportion of gold to notes over one-half in less than two years. What, then, would be the effect if we were to offer to receive all the silver of American producers as well as all the idle and unemployed surplus of the rest of mankind for free and unlimited coinage at 50 per cent above its real value? The silver would all come to stay, and with no tracks visible of the return of any fraction of our lost gold.

But it is claimed that no silver from abroad can or will be brought here. Why not? The total foreign annual production in 1891 was \$110,183,100, or more than one-third larger than that of the United States, which was \$75,416,500, with the output daily increasing, and all Europe is sturdily refusing to increase its coinage and is curtailing its use. They will buy it as a commodity to the extent of whatever may be wanted for the arts, and all beyond that, should free coinage ever prevail here, would be brought here to be sold as a commodity or to be coined into silver dollars, but not to be carried back where they would be worth less than silver bullion. What will hinder its coming from countries where the doors are slammed against its ingress, when it is here passionately courted and invited with wide-open doors? What would hinder the hundreds of millions of the stale silver, no longer in actual circulation, which Europe seems eager to be rid of, from coming here to claim all the privileges that may be accorded to the American output of silver already indigestible, and so excessive as to seriously embarrass our great Republic?

Obviously by no possibility would any gain accrue from a silver standard to the price of cotton, whether sold for gold or silver, and it might involve a serious loss. Cotton is now paid for on a gold standard, and a change to greatly depreciated silver could hardly fail to give some substantial advantages to buyers of cotton in the American market. It would have to compete with the cotton of India, Egypt, and other countries. The very excess of the American product must make it an uncrowned king in European markets.

It may be true that some free-trade partisans, especially in the cotton States, would rejoice to see the standard money of our country depreciated, at least to the amount of the protective duties, by giving foreigners the right to pay in silver all duties on their merchandise brought to our market; but they forget that the great prosperity their leading States have enjoyed since the war of the rebellion has been entirely due to a protective tariff, which has decorated their States with flourishing manufactures, with many millions of capital, and created more profitable employment to labor than would have been derived otherwise from an increase of cotton planting. The splendor of these achievements, and the utilizing by diversifying the labor of large

numbers of men and women, would be extinguished by the sudden removal of all the protection which prompted and cheered the birth of these infant establishments.

Is it not improbable that our Southern brethren would wholly escape the drawback of perils which might arise in enforcing a cheaper standard of money upon the laborers of the South? If a silver standard should be reached by free coinage, as merchants, bankers, and chambers of commerce believe it would be, there are few laborers, North or South, who would not quickly discover the shortage in the purchasing power of silver. Strikes would be almost inevitable, and should they occur and spread from plantation to plantation they might prove formidable if not disastrous.

The latitudinarian proposition to open the United States mints to all the silver that may be offered at the price of \$1 for 371½ grains, when a dollar should purchase in any market 55½ grains, with the same sense of security for the public welfare that might have prevailed fifty years ago, or prior to silver depreciation, is now impossible, on account of the unforeseen and universal declension in the value of silver, arising from its recent boundless increased production. This pivotal fact is not proclaimed even in whispers by the happy-go-lucky silver orators, but it is decisive proof of the reckless character of the proposition. There is no remedy for large and persistent overproduction save that of a largely increased consumption, and that, unfortunately, is nowhere yet in sight.

If there are any prosilver men who would not favor a 33 per cent horizontal reduction of the tariff, whether because it would subject the country to a loss of revenue or a loss of protection, they will decline to force upon the United States alone the rash measure of free coinage of silver.

If there are among our people many who still retain confidence in Henry Cernuschi, the eminent French leader of bimetallism, they will put faith in his recent words, that "it can be established only through the accord of the great metallic powers."

If we have here those who prize and reverence the profound wisdom of Hamilton and Jefferson in monetary affairs, they will not favor any policy which seriously threatens to harm all our business relations with leading commercial nations and offers to the farmer and laborer only depreciated money.