

SILVER.

SPEECH

OF

HON. W. A. HARRIS,

OF KANSAS,

IN THE

HOUSE OF REPRESENTATIVES,

WEDNESDAY, AUGUST 23, 1893.

WASHINGTON.
1893.

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The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. HARRIS said:

Mr. SPEAKER: I must confess that I occupy the time of the House with some tropidation. I have been told since I came here that the people of the West, where money is scarce, where they are poor, have no right to a positive opinion upon these subjects; that they must come to the great centers where wealth is accumulated in vast amounts and where the great operations or exchanges of the country are carried on before this subject can be understood. I desire to say that I do not agree with that idea. I have read a good many commentaries on the Merchant of Venice; and not even among the most profound German commentators has there been evolved the idea that Shylock possessed any of the qualifications of a professor of political economy. There was another distinguished accumulator of wealth known not far from New York a great many years ago; but I have never heard that Captain Kidd "as he sailed" was supposed to have any of the qualities which rendered him fit to be a teacher of monetary science. There have been worthy successors to Captain Kidd in the vicinity of New York in the last twenty years; but we of the West do not feel that we are obliged to accept our opinions on these subjects from men who accumulate wealth by such or similar processes.

Who are these people in the great West who are so treated with contumely and scorn—this remote and alien horizon, as it seems to be to some of these people. Let me call your attention for a moment to the manner in which that country has been settled and the class of men who occupy those magnificent plains.

At the close of the greatest war that this world has ever seen, your younger brothers and your sons turned from the scenes of that great combat. The flame of battle still in their faces, begrimed with powder, they turned their steps to the great West. In that transmissouri region they have built up empires; they have faced all the privations, all the sufferings. With their young wives they went out into the wilderness, and they have builded an empire where beats the heart of this great American continent.

Wherever the bread of life is eaten all over this globe men rise up and call them blessed. And all over the prairies of that region are dotted the graves of those wives gone down prematurely with unrewarded, unrequited toil. Those people have been the victims for twenty years of the avarice, of the remorseless greed, of the

concurrence of selfish interests which seems to guide and control the eastern part of the country. It is time, sir, that they should rise in revolt, and that they should demand of both these great parties the rights which have been so long denied them, which have been so long falsely promised and refused.

The political parties of this country have boasted time and time again of the loyalty, of the devotion to party, which those people have displayed. For a quarter of a century Kansas was the tenth legion in the army of the Republican party. Her eagles never turned their backs on the enemy nor were ever bowed in defeat. For a quarter of a century the gentlemen on the other side of the House have admired the dogged persistency and devotion which the Democracy of that State has displayed. Like the "old guard" they might die, but they never surrendered. Again and again they came up in line of battle and met inevitable defeat, true in every respect to the traditions of the Democracy.

Both of these great parties in their political platforms from 1873 down to 1892 have promised over and over again that the straw should not be taken away from them, that their tale of bricks should not be produced at the expense of any more or greater effort than when the contract was made.

What were the conditions that these people found when they went into that region? I happen to know, as I was there with them at an early day, that they found the whole of that vast region had all practically been preempted by the widows and orphans and servant girls that we are told constitute the creditor classes of the East. These enterprising individuals had all gone out there, and, through land-grant railroads, through the acquisition of magnificent Indian reservations, and by other means, all of those magnificent prairies had been taken possession of by these people here. The settlers had to pay an increased price. Instead of getting their lands, as they should have done, from the Government, they had to pay millions and millions of dollars of profit into the coffers of these parties in the East. If they wanted to build schoolhouses, railroads, or any other improvement, the money was always ready and forthcoming—for a consideration. Bonds were voted everywhere. These railroads, which had been endowed by the Government, took advantage of their opportunities to pit neighborhood against neighborhood, county against county, for the voting of greater and greater amounts of bonds. We have been covered with debt, because we had faith in the future, because we had faith in our country, and we had faith in the great political parties that we believed would do us justice.

We believed that the means which were promised for increasing the amount of money for the payment of these debts would continue and not be denied us. There were men in those days who said we could depend upon it.

Let me call your attention, Mr. Speaker, to the utterance of one of the greatest, if not the greatest, of Americans. Mr. Lincoln, in an interview with Mr. Colfax, who was about to visit the West, said to him on the day he ended his life:

Mr. Colfax, I want you to take a message from me to the miners whom you visit. I have very large ideas of the mineral wealth of our nation. I believe it practically inexhaustible. It abounds all over the western country, from the Rocky Mountains to the Pacific, and its development has scarcely commenced. During the war, when we were adding a couple of million of dollars every day to our national debt, I did not care about encouraging the increase in the volume of our precious metals. We had the country to save first. But now that the rebellion is overthrown, and we

know pretty nearly the amount of our national debt, the more gold and silver we mine, we make the payment of that debt so much the easier. Now—

Said he, speaking with more emphasis—

I am going to encourage that in every possible way. We shall have hundreds of thousands of disbanded soldiers, and many have feared that their return home in such great numbers might paralyze industry, by furnishing, suddenly, a greater supply of labor than there will be demand for. I am going to try to attract them to the hidden wealth of our mountain ranges, where there is room enough for all. Immigration, which even the war has not stopped, will land upon our shores hundreds of thousands more per year from overcrowded Europe. I intend to point them to the gold and silver that wait for them in the West. Tell the miners for me that I shall promote their interests to the utmost of my ability, because their prosperity is the prosperity of the nation; and—

Said he, his eye kindling with enthusiasm—

we shall prove, in a very few years, that we are indeed the treasury of the world.

In addition to that, sir, I remember well myself hearing a speech which Mr. Blaine made in our country some twenty years ago, in which he said that we need no longer concern ourselves with regard to the rates of freightage to the Atlantic seaboard; that in a few years the Western mountains would furnish a market for all we should produce; that it was the great mineral storehouse of the world; and so from that time on down we have been encouraged to believe that those who went into these mountains and those who went on the plains would alike meet their reward.

We have believed that their efforts would be encouraged and that they would receive the final reward which their unexampled toil and bravery entitled them to.

Now we have our friends in the East whose eyes seem to be all turned in the other direction. They are more concerned with regard to the rate of exchange on London than in regard to the great internal financial interests of this country. They continually tell us that we will sink into the condition of Mexico. That if we remonetize silver it will put us on a silver basis and drag us down.

Mr. Speaker, I would like to ask these gentlemen if they consider that the condition of Mexico is owing to the fact that their currency is silver, or to the fact that they have not enough of silver? They are a poor people. They produce but little, and to ascribe their poverty or ignorance to the metal they use in their exchanges is absolutely absurd. And I wish to say further that, supposing we should come to that point, and we should for a time be placed on a silver basis, as an American I should not consider that an irretrievable mischief.

President Andrews, of Brown University, says:

I propose to consider what in all probability would come to pass should the United States begin free coinage alone. No doubt after the first stringency accompanying the announcement of a free-coinage policy, a stringency arising from the fact that gold would be instantly withdrawn from circulation, while silver could be coined to take its place but slowly, our country would derive great advantage from siding with the silver status. The fall of prices would be stayed, perhaps some rise of prices ensue, besides the United States would take its place as the one great manufacturing nation of the silver world, and derive from that position the immense gain which England has hitherto reaped, but largely lost by the demonetization of silver. We should manufacture for Mexico, South America, China, and Japan, and England, owing to the lack of par exchange with them, would lose most or all of their custom. No doubt here is a splendid chance. We may effectually dish England as a manufacturing and commercial nation by the means suggested. I do not wonder that this prospect carries away so many, for it is indeed a glorious one.

And I should be proud if we could have a financial arrangement with the vast empire south of us, the vast undeveloped region which

affords the nearest market for our manufactured products, our agricultural products, and our steel and iron, for years to come.

We can well afford to drop our financial relations in the way of borrowing money with Great Britain or with any of the other powers. In fact, on this subject of borrowing money, which seems to be the leading argument of the gentleman from New York, I have pretty nearly reached the opinion of old Polonius, that for a time it would be better for us—

Neither a borrower nor a lender be;
For loan oft loses both itself and friend,
And borrowing dulls the edge of husbandry.

I do not regard our condition as a perpetual borrower of Great Britain to be one that will lead us ultimately to the high position that we ought to occupy. I believe that by the adoption of a liberal remonetization of silver, as it was prior to 1873, we will so encourage the production of wealth, we will so encourage the accumulation of capital, that we will in a short time be rendered independent of those people. Capital is timid, but after all I have never yet known conditions to be so risky or so fearful that capital will not seek the more profitable investment. A great and growing country like this will attract capital, whether the par of exchange be maintained at all times or not. That has nothing whatever to do with it, and would not present any insuperable obstacle to the doing of business with those great people.

A great many of the gentlemen who have spoken on this subject, who call themselves international bimetallics, seem to be willing to aid to precipitate in Europe another fall in prices so aggravated that the most obdurate banker of Lombard street will have to admit that gold can not be safely taken as the sole metallic money in order to bring about silver coinage in this country. They seem to be willing to perform the part of Sampson. They are willing to pull the pillars of the temple down, to destroy their enemies, regardless of the consequences to themselves or to their countrymen. I have no special desire to destroy Great Britain or to destroy France. The prosperity of those people is a matter which vitally affects us, but I certainly would not seek to advance it by first destroying ourselves. I am more inclined to respect the opinion of the great people in the West on these matters when I recall the speech which Edmund Burke delivered on the floor of the House of Commons in defending Woodfall, the publisher of the Letters of Junius. He exclaimed:

The wisdom of the whole nation can see farther than the sages of Westminster Hall. The collective knowledge and penetration of the people at large are more to be depended on than the boasted discernment of all the bar. The reason is clear: Their eyes are not dazzled by the prospects of an opposite interest. The Crown has no lure sufficiently tempting to make them forget themselves and the general good.

And I desire to commend that extract to gentlemen who some day may find inconsistency a hobgoblin if they do not now find consistency having anything frightful to them.

Why should we not do then, Mr. Speaker, what the great majority of the people have so often desired, what they have time and time again expressed themselves as in favor of? How should we arrive at what is the opinion of the majority of those people, or what is the opinion of the great mass of the people? Is there any better means of arriving at it than to study the political platforms which for twenty years have been made with special reference to catching

the majority of votes? There is not a single solitary exception in any of the platforms in any of the parties, where the delusion has not been held out that they intended to remonetize silver. Ever since the great revolt in 1878 no public man has dared to face these people upon any other kind of pretense. They have one and all endeavored to give the impression, no matter what their real opinions were, that they would consult the wishes and the will of the people; and I wish to say that the time has come when the people are becoming indignant, when they deem it a crime that public office is not treated as a public trust, when political expediency and jugglery will no longer avail.

Now, sir; we are told that the sum of iniquities, that the cause of all this trouble and unrest, is the purchasing clause of the Sherman bill; and we are brought here for the express purpose of repealing that law. That is supposed to be all that is necessary to put us back upon the high road to prosperity.

Why, gentlemen, we in the West some five to eight years ago began to see that there were a great many causes conspiring to this unfortunate end. The present condition is but the culmination of those causes, most of them antedating by years this Sherman bill. The people of the West as a rule did not approve of the Sherman bill. They did not consider that it was in accord with true monetary principles; but the Republican party enacted it and the Republicans of the West accepted it as affording some measure of relief. It was not all that they desired, yet they thought in time free coinage would come; and it did make a positive addition to the currency; and had it been administered by its friends, I have no doubt that it would have been a powerful auxiliary in reestablishing the remonetization of silver.

We do not regard it as a vital thing in the present condition. While, as I say, we do not regard it as a proper monetary measure, yet we do not propose to repeal that which we have, without some knowledge of that which will come hereafter. We desire to know that the pledges of the Democratic party—that being the party in power, that being the party which we have all looked to more or less as intending to act in good faith and honestly in this matter—we look to that party to carry out the platform as an entirety. We do not consider that it is legitimate to select a single clause and to act upon that in a manner which will jeopardize for years to come the vital principle of free coinage.

In the State of Kansas there is no division on this question; Democrats, Republicans, and Populists alike are all agreed that we will stand by the Sherman act until we get free coinage of silver at a ratio of 16 to 1. [Applause.] There is nothing indistinct in the utterances from that part of the country. There are no juggleries in language out there. They say exactly what they mean, and propose to do exactly what they say. There will be no chance for any party in this country that does not stand upon that platform so far as that part of the country is concerned.

Now, sir, this question has been thoroughly examined. It has been taken before conferences and before commissions without end, where the ablest and most expert financiers have controlled. The argument has been gone over and over, and our people out there are impatient of delay. They say the time has come when you must act, when you must say what you mean. I desire to have the Clerk read an extract from the unanimous decision of the great English monetary commission, which practically covers the points that have

been so much discussed. It will show that a commission composed of twelve men, six bimetallicists and six monometallicists, unanimously agreed on the power of a single nation to fix the ratio, not only in her own limits, but in outside countries, a nation not comparable in strength, commerce, importance, population, territory, or resources, to this great country of ours.

The Clerk read as follows:

Now, undoubtedly, the date which forms the dividing line between an epoch of approximate fixity in the relative value of gold and silver and one of marked instability, is the year when the bimetallic system which had previously been in force in the Latin Union ceased to be in full operation, and we are irresistibly led to the conclusion that the operation of that system, established as it was in countries the population and commerce of which were considerable, exerted a material influence upon the relative value of the two metals.

So long as that system was in force we think that, notwithstanding the changes in the production and use of the precious metals, it kept the market price of silver approximately steady at the ratio fixed by law between them, namely, 15½ to 1.

Section 193. Nor does it appear to us *a priori* unreasonable to suppose that the existence in the Latin Union of a bimetallic system with a ratio of 15½ to 1 fixed between the two metals should have been capable of keeping the market price of silver steady at approximately that ratio.

The view that it could only affect the market price to the extent to which there was a demand for it for currency purposes in the Latin Union, or to which it was actually taken to the points of those countries, is, we think, fallacious.

The fact that the owner of silver could, in the last resort, take it to those mints and have it converted into coin which would purchase commodities at the ratio of 15½ of silver to 1 of gold, would, in our opinion, be likely to affect the price of silver in the market generally, whoever the purchaser and for whatever country it was destined. It would enable the seller to stand out for a price approximating to the legal coin and would tend to keep the market steady at about that point.

Now, sir, this is what the people believe and have a right to believe.

And, sir, as the doctors are so confused, would it not be well as a representative body to be guided by what the people want, and to make an honest effort to execute the popular will? Is there doubt in any man's mind what that is? That in spite of the tremendous enginery that has been employed to turn them, the vast majority of the people of this country for twenty years have steadily and continuously struggled with wonderful patience and persistency to have silver placed back on the throne from which it has been expelled, but which it has never abdicated.

The simple fact that every political party in this country has in all this time recognized this demand, and everywhere has promised, or pretended to promise, to be governed by it, is an all-sufficient proof of the fact. That they have juggled with words till they quarrel among themselves as to what their platforms really mean only adds to their deeper damnation.

Let me quote from a distinguished Senator [Ingalls]:

I say, if without impropriety I may do so, to the Executive of the nation, that there will come a time when the people will be trifled with no longer on this subject. Once, twice, thrice, by Executive intervention, Democratic and Republican, by parliamentary proceedings that I need not characterize, by various methods of legislative jugglery, the deliberate purpose of the American people, irrespective of party, has been thwarted; it has been defied; it has been contumaciously trodden under foot; and I repeat to those who have been the instruments and implements, no matter what the impulse or the motive or the intention may have been, at some time the people will elect a House of Representatives, they will elect a Senate of the United States, they will elect a President of the United States, who will carry out the pledges and execute the popular will.

In all this discussion as to the single standard and double standard it is strange that no mention has been made of that which is the single and only standard by which we form the mental concep-

tion, which we call exchangeable value, and that is, human effort or labor. The average labor cost of the greatest number of articles involving human effort would be the nearest possible approach to an unvarying standard. Gold and silver bullion are simply two commodities selected and used by society at something near the average cost in labor, as an expression of this idea, having in the smallest bulk the greatest labor cost.

That the accidents of mining and the vicissitudes attending the production of the two would have an average of fluctuation less marked in range than would one is unquestionable, and the average price line which is established by the mean between the two metals is the nearest approach to stability which we can have.

The gentleman from Ohio [Mr. HARTER] is partially right in contending that there is a tendency to the alternate actual use of the metals, and it is in that very fact that, as so superbly shown by the gentleman from Nebraska [Mr. BRYAN], exists the automatic regulation which tends to insure stability. As a man in walking rests his weight first on one foot and then the other, his stability would not be increased by cutting off one of his legs and leaving him to hop on one alone. [Applause.]

Here the hammer fell.

The SPEAKER *pro tempore*. The time of the gentleman from Kansas has expired.

Mr. PENCE. Mr. Speaker, if I can be recognized, I will state that the only speaker to follow the gentleman from Kansas [Mr. HARRIS] is my colleague [Mr. BELL], and at his suggestion, I ask that the time of the gentleman from Kansas be extended at least five minutes, so that he may follow the present thread of his argument. There was no objection.

Mr. HARRIS. I simply wish to add a quotation from Francis A. Walker:

The abandonment of silver will result in the enhancement of the burden of all debts and fixed charges, acting as a drag upon production, and suffocation, strangulation, are words hardly too strong to express the agony of the industrial body when embraced in the fatal coils of a contracting money.

Now, sir, the supply of the two metals has never been so great that the prices of other things have been very greatly raised at any time, and now that a determined effort to destroy the use of one metal, and thereby double the demand for the other, is being made, as an undoubted result prices have been falling all over the world with all of the dire results which universally follow such a condition, and which will result in the ruin of all debtors and the steady concentration of wealth in the hands of the few.

One of England's truest poets once, at such an era, exclaimed:

Ye friends to truth, ye statesmen who survey
The rich man's joys increase, the poor's decay,
'Tis yours to mark how wide the limits stand
Between a splendid and a happy land.

Whenever men have protested against the metallic base as narrow, fluctuating, often insufficient almost to ruin, at other times flowing in with such abundance as to lead to wild excitement and speculation for short periods, as unscientific and unphilosophic, they have been met with the argument that God made these metals for man's needs.

With our catechism we have been taught that the precious metals were provided for the use of mankind as money, that the automatic theory was something sacred; that human intelligence and honesty

were all insufficient to regulate or restrain human authority in providing society with a medium of exchange and that only the limitation of nature could and should be trusted with this greatest of functions. When darkness covered the world and civilization was about to perish it was a providential interposition that inspired Columbus to open the way to the metallic treasures of the New World. Again, when from the same cause, in the first half of the century, poverty, suffering, and discontent opened the bloody gates of revolution upon Europe, divine pity directed men to the golden store of California and Australia, and hope returned to the hearts of the people, civilization, with its science, art, and literature received a mighty impetus and the world laughed.

Allison, alluding to the discovery of the silver mines of Mexico and Peru in the sixteenth century, and of the gold mines of California and Australia in this, says:

If ever the benevolence of the Almighty was clearly revealed in human affairs, it was in these two decisive discoveries made at such periods; and he who, on considering them, is not persuaded of the superintendence of an ever-watchful Providence would not be convinced though one rose from the dead.

Predicting the great output of gold, he says:

Before half a century has elapsed prices of every article of commerce will be tripled, enterprise proportionately encouraged, industry vivified, debts and taxes lessened.

And—

We can now contemplate with complacency any given increase in mankind; the growth of their numbers will not lead to the aggravation of their sufferings.

Hardly, however, had these words been written when a new gospel was discovered and preached. It was found that this "happiness of mankind" was about to interfere with the interests of a small but powerful class, debts were being paid too rapidly and easily, "the financial world was becoming saturated with gold" (Chevalier), the debtor was about to escape, and human intelligence and honesty were now invoked to stop the flow of God's beneficence. But the memories of revolution were too fresh. As Mr. A. Allard (delegate of Belgium to the Brussels conference) says:

We had just left 1848 behind us. Beside, both prophets of good and of evil were disappointed, and the stream of gold gradually diminished.

The numbers and needs of mankind continued to increase, however, to 1860 to 1870 found half the civilized world on a paper basis, the arts and natural loss depleting the accumulated stock more and more, the strain and stress again began to be felt, when lo! a miracle—in the West the dawn of light appeared.

A third time (under the automatic theory) God turned again His face towards His creatures, and from the frowning heights of our Western mountains a silver rivulet began to descend. The parched and thirsty earth was gladdened at the sight and mankind rejoiced. Here in our own country we were inexpressibly exhilarated, saved from the reaction of a great war; a new field opened for the bold and active; the road to resumption made plain and easy; the great debt of the nation to be paid as no other had ever been. We girded up our loins, and, full of hope and courage and patriotism, we started on our great work. But we reckoned without our host. A new power now essayed to dominate the world; somewhat timid in 1857, it had grown great on the world's misfortunes or mistakes.

The "bondholder," asserted his right to limit the means of the debtor to pay, and the "financier" waved his glittering wand before the eyes of the people, and from the rosy mists of confidence evolved

castles of credit-currency upon the steadily thinning foundation of gold, and claimed that under the modern art of exchanges (swapping checks) practically so much metal money was a burden, a relic of barbarism, cumbrous and to be abandoned; and so the work was done, this time silver, the selected victim. Here it was done "in the night," no man daring openly to avow the full design, nor to this day has any party dared to face an indignant people with a frank avowal of such a purpose.

The two great parties have

Paltered with us in a double sense,
Keeping the word of promise to our ear
And breaking it to our hope.

Grudgingly have they been forced to concede various palliative measures, all alike unfairly and dishonestly administered. The last (the Sherman law), a compromise forced upon us, an openness, a violation of every principle, and, as administered, an open dishonoring of silver as a money metal, and yet to-day it, instead of being the cause of gold leaving us, is, to the extent to which the currency has been increased, standing between us and panic.

Gold is leaving us. Why? Because the world is trying to keep warm under a blanket all too small, and each nation is tugging for a part of it. Austria is paying a premium (4 per cent bonds at 95½ or less). The Baring failure, and later the Australian crash, started a flood of our bonds home, to save the gold based English credit system from a collapse not yet ended.

An unfavorable balance of trade, in spite of high tariff, if not caused by it, and a determined effort to scare the nation from its purpose, and this outflow was in no way to be prevented or cured by going in debt or issuing bonds. "We are like children who make a shadow on the wall, and are as alarmed at it as if it were a reality."

Had we never demonetized silver "the shadow would never have existed and we would still be in that era of prosperity which we regret to-day" (Allard).

If the flow of gold is a misfortune, which I do not believe, why not check it, as would England, France, or Germany when demanded for export? The law gives Mr. Carlisle the option in payment of Treasury notes to coin silver and use it. The "honest dollar" is the dollar of the contract; no more, no less. Open the mints, coin dollars "of the present weight and standard of fineness." Establish "parity" by parity of use. To expect the bullion values of gold and silver to approach equality, with one sustained by an increased demand originating in legislative action, and an open mint with its fixed unflinching price, while the other is made a commodity, to be purchased at the lowest bid, is an absurdity and a sham.

Give both equal treatment and fixed mint values, then if in due time there should be any inequality, exercise the constitutional right "to regulate the value thereof" in the interests of the great "plain people" of the country. But, says some bright genius, "the silver miners will be benefited." Why should we hate the silver miner or love him less than the man who with a minimum of cost washes the gravel of placers for gold? Shall we freeze because the coal miner might make a profit on coal?

Let no one think that there is unjust prejudice against the legitimate and well-guarded use of bank credit currency; but no one will deny that it is the most subtle and dangerous form of inflation known to the world, and capable of being used to the greatest injury of

mankind, especially when the reserve of money of redemption is admitted by all to be inadequate, as is the case with gold.

With all the gold and all the silver the world will still be scantily supplied and the arts will more and more encroach on the stock accumulated.

Let us lead the way alone, and the world will follow. Otherwise the metallic basis for money, or automatic theory, will be forever destroyed by the calamities which will follow and overwhelm us in the attempt to do the business of the world on bank credits resting on the basis of diminishing gold, for the benefit of the "financiers."

[Applause.]

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