

FREE COINAGE OF SILVER—RATIO 16 TO 1.

S P E E C H

OF

HON. J. T. HEARD,
OF MISSOURI,

IN THE

HOUSE OF REPRESENTATIVES,

THURSDAY, AUGUST 24, 1893.



WASHINGTON.
1893.

SPEECH
OF
HON. J. T. HEARD.

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. HEARD said :

Mr. SPEAKER: It was not my purpose before coming to the House this morning to attempt any discussion of the silver question at this time; but by the indulgence of the House I will now submit a few observations upon one point in this controversy.

While the Sherman bill, or it was then called "the Conger bill," was pending in this House in 1890, I had the honor to present to the House, at some length, my views in opposition to the measure. My observation and the experience of the country, as it has impressed me since that time, give me no ground for desire to change anything that I then said against the propositions contained in that bill; and I have but little that I now desire to add in the way of general discussion of those propositions.

I wish to say, Mr. Speaker, that I shall vote against the unconditional repeal of the Sherman law. While there is no man on this floor who more utterly detests the main principles involved in that bill than I do, I shall in conformity with the wishes of my people refuse to vote for its unconditional repeal, because they believe, as I believe, that there should be given to us some assurance, in connection with such repeal, that its place shall be taken upon the statute book, by some law which will recognize the principle for which we contend—the right of free coinage of silver in our mints; in other words, the equality of the two money metals of this country in the mints of the country.

Mr. Speaker, I have no ear for the clamor raised in some quarters, and from which proceeds this demand for the unconditional repeal of the Sherman law, because of the effect of its operation upon the business interests of the country. I can not believe that the monthly addition of over \$3,000,000 of currency, as good as gold, to our volume of money makes money scarcer. I do not believe, Mr. Speaker, that the operation of the Sherman law has contributed in any material way, or even in the slightest degree, to produce the condition of affairs which to-day afflicts this country. The trouble is not a want of confidence in the quality of the money of the country; it is not a want of confidence among the people as to the ability of this Government to make, or rather to keep—for the different kinds of dollars of our currency are now equally

good—to keep every dollar afloat in the circulation of this country as sound in quality as any other dollar.

Mr. Speaker, I think recent experience in the commercial centers, as well as elsewhere throughout the country, establishes the soundness of the proposition that the people have as much confidence in, and as much desire for, the silver money of the country as they have for the gold.

In evidence of that, Mr. Speaker, I have only to refer to the fact that within the last few days, and to-day, these silver dollars, these derided dollars, and, as the enemies of silver say, these “dishonest dollars,” are not only sought for everywhere equally with gold, but that there has been a premium paid for them in gold. We find that a premium is actually paid in gold in the cities of New York, Philadelphia, and elsewhere.

Why? It is not because the silver dollar possesses any intrinsic value greater than the gold dollar, but because the silver dollar is needed for the money uses of the people, to which they desire to apply it. And I contend that the experience of all of the commercial nations of the world demonstrates the fact that within the limits to which the silver money is applicable and for which it is needed, it is as good money as gold; and our experience in this country, recent as well as remote, tends to show that it is just as good at the present ratio of 16 to 1 as it would be if we fixed it at 20 to 1, or 25 to 1, or at any other ratio.

We find that not only in the commercial centers has a premium been paid for silver for uses to which the twenty-dollar gold piece can not be put, but we find here at the Treasury of the nation, according to the report made to the Senate by our excellent Secretary of the Treasury, Mr. Carlisle, a few days ago, that within the first eighteen days of the present month, nearly three-quarters of a million of dollars was paid out over the counter of the Treasury in silver dollars for the Treasury notes issued for the purchase of silver bullion, and which notes command gold at the Treasury, and have done so ever since the issue of the very first one.

We also find that the silver dollars not only command a premium in New York and other financial centers, but are demanded from the Secretary of the Treasury here in preference to gold; and we are told by the Secretary himself, if I read his report correctly, that applications have been made to the Treasury for the exchange of silver for gold, which applications could not be granted. And that is nothing new. Mr. Speaker, for the records of the Treasury Department will show that in times past many millions of gold have there been exchanged for silver to serve the convenience of the people.

[Here the hammer fell.]

Mr. CLARK of Missouri. Mr. Speaker, I ask unanimous consent that my colleague may be permitted to proceed for five minutes longer.

There was no objection.

Mr. HEARD. Mr. Speaker, I am greatly obliged to my colleague for his courtesy and to the House for its indulgence. I will probably not consume the entire five minutes allotted to me.

Now, sir, if these circumstances prove anything to my mind as to the quality of our money, they tend to prove that for the

uses to which silver money is applicable, and to the extent that silver money is needed in this country, it is not only the equal of gold, but manifestly for some purposes is superior. I believe, therefore, that we should stand by the ratio now fixed in the law. I am in favor of retaining the present ratio and not going to another.

As I said before, Mr. Speaker, if the silver dollar as at present fixed, on the ratio of 16 to 1, is good enough to command a premium over gold in the money markets of this country, if it is so good that it is preferred by the holders of Treasury notes—which command gold or silver at the option of the holder—to the gold at the Treasury, there is no reason whatever why we should undertake to improve its quality, if it could be done by the increase of the ratio and the consequent addition of more silver.

Now, sir, suppose that we propose to increase the ratio, where will you fix it? Some of our friends say, "Why, your Democratic platform, on which you carried the country at the last election, pledges you to the making of all of the dollars of the Government equally good." The experience to which I have referred, Mr. Speaker, I insist, shows that right now the silver dollar is as good as the gold dollar, and that it would be no better for the money uses of the people, if the ratio were made 20 to 1, or even higher. But suppose, to please these gentlemen who insist on strict conformity with the exact letter of our pledges according to their own interpretation, that we shall, in order to put ourselves in harmony with the declarations of the Chicago platform as they construe it, add to the present intrinsic value of the silver dollar, where are we to draw the line?

I ask my Democratic friends who propose now in order to meet that demand which comes from those opposed to the present legal dollar, if we shall add more silver to the dollar, where are you going to draw the line? Why, if you propose 20 to 1 these gentlemen will say, "You have already confessed away your case; you have admitted that the 16 to 1 dollar is a dishonest dollar; you have admitted that the dollar is short and that it must be made good, and, having found that there is a deficiency in the weight of your dollar, yet you propose to go only one-third of the way marked out in the right direction."⁵ They say, "The commercial difference between the value of the two metals requires more than 20 to 1—that it requires 28 to 1—and therefore, if you give, as you propose, only 20 to 1, you have gone but one-third of the proper distance, according to your own admission, in the right direction."

Now, Mr. Speaker, it may be that our people are wrong in demanding the unlimited coinage of silver. I do not believe it, however, but I would sooner yield something from that demand than consent that the ratio should be changed. I do not believe, sir, that any harm would come to this country from the unlimited coinage of silver at the present ratio, at least for many years to come; and until, in case harm should be discovered, in the operation of the law, the people will have had ample opportunity for electing another Congress charged with the duty of repairing any wrong we may have done, or of rectifying any errors we have committed, by following now what we know to be their wishes—for that is the will of my people.

I would sooner stand by the present ratio and accept a reasonable limitation on the amount to be coined, and trust to future legislation to remove such limit, than to accept unlimited coinage at an increased, and a probably increasing ratio. We know, Mr. Speaker, that in this country, with our five hundred and odd million dollars of silver and silver certificates in circulation, the silver dollar is as good as a gold dollar. Then the first thing we want to do, Mr. Speaker, and the point we want most sacredly to guard, is to preserve the debt-paying power of the present silver dollar. We want to guard against the curtailment of the power of the silver dollar to discharge business obligations in this country, and next, to guard against making it a more expensive dollar.

Now, Mr. Speaker, if we can float the silver we do to-day, on an equality with gold, and as we see the European nations floating \$1,500,000,000 more of silver on a parity with gold, when the quality of their's is intrinsically poorer than our own, I say that the man who has want of faith in our country being able to keep our silver at a parity with gold, even at a largely increased coinage above what we now have, I think really lacks appreciation of what our people are capable of doing.

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

Mr. DOCKERY. I ask that he be allowed to proceed for five minutes.

Mr. BRETZ. Indefinitely.

The SPEAKER *pro tempore*. Without objection, the request of the gentleman from Missouri [Mr. DOCKERY] will be granted.

Mr. HEARD. Mr. Speaker, we are told by the Secretary of the Treasury—and there is no man filling a public position in this country in the accuracy of whose statements we have more confidence, and for whom officially and personally I have greater respect—that to increase the value of the silver dollar as suggested and to recoin our present volume of silver money at the increased ratio of 20 to 1 would cost this country not less than \$112,000,000 to \$120,000,000.

Now, I ask you, Mr. Speaker, how can I go before my people, who are perfectly content with the quality of the silver money which we have to-day, who see it applied for at our Treasury in exchange for gold, and who see it exactly equal with gold everywhere in the country, how am I to satisfy those people when I stand before them, having voluntarily consented and agreed to add \$120,000,000 to the debts and burdens of the people, not for the increase of the volume of their currency, but to supply a supposed defect in the quality of the money we now have afloat, which, as every man here is bound to admit, is meeting all the requirements of gold or paper in this country to-day? Why should we impose an additional burden upon our people amounting to \$120,000,000 to make good that which we now have and which, as my friend from Texas [Mr. BAILEY] says, is now as good as gold? To supply this additional value to our present silver coinage we must either issue bonds, and thus increase our interest-bearing debt, or raise the amount by increased taxation. I am unwilling to do either.

Mr. Speaker, more than that, the gentlemen who, upon this

floor and elsewhere in this country, have always opposed and who to-day oppose the extension of the coinage of silver, have a great deal of confidence in the regulations to be hereafter made by some imaginary or possible international monetary conference. Whenever the people of this country have shown a determination to put silver on an equality with gold, and have had a prospect of being able to do it, those who are opposed to silver coinage at all, or except as subsidiary coin only, those who stand for gold monometallism, try to divert the attention of the public from the issue by promising some possible relief to come from the operation of a phantom international monetary conference.

Now, Mr. Speaker, suppose we are to pin our faith to the action of such international monetary conference, how will we stand before such body with our increased ratio? I admit that international action would be very valuable. It may be necessary, but I do not believe it. But, Mr. Speaker, how are we to get to that? That increase in ratio would make an increased burden upon the people you ask to go with us in the opening of the mints of the world to the coinage of silver. Why shall we so greatly increase to them the burden of accomplishing what we ask them to do?

Why, Mr. Speaker, France has \$700,000,000 of silver. It is in circulation to-day side by side with gold, as ours is in this country, and as ours always has been for over one hundred years; but if we should establish a new ratio of 20 to 1, and ask France to come with us on that ratio, we would virtually ask her to add \$160,000,000 or \$170,000,000 to the value of her present money circulation, and to put that burden upon her people when they have not asked for it, when the people do not want it, when France's silver is as good as her gold.

And so, Mr. Speaker, it would be with the other nations who own the balance of the \$1,500,000,000 of silver circulation. In the different commercial nations of the earth to-day this silver is engaged in performing all the offices of good, sound money. No, Mr. Speaker, the experiences of our people here at home show that we do not need it so far as the quality of our money is concerned. We can not expect by so doing to encourage these other nations of the earth to join us in an international monetary arrangement. They certainly would not accept such ratio if we offered it. As my friend from Texas [Mr. CULBERSON] says, we have tried it, and they have refused to accept any such proposition.

The fact is, Mr. Speaker, that those who are opposed to the free coinage at the present ratio would oppose it if it was proposed to make the dollar on a basis of 28 to 1. They are not opposing the quality of the money, because it is just as good as any other, but they are opposed to an extension of silver coinage on any condition; and that, Mr. Speaker, is where this clamor against the Sherman law comes up. It is opposed not because of the quality of the money by which it increases our volume of money, but simply because it does increase it. That it is a vicious law, being founded upon the "subtreasury" principle advocated by our Populist friends, can not be denied; but that is not the ground of the present opposition. It establishes the pawnbroking system of depositing a commodity and issuing pawn tickets, or

Treasury notes, in lieu of it; and it not only adopts the subtreasury principle referred to, but applies it to one of the money metals of the country, making it a commodity only, and virtually destroying its money quality.

Mr. Speaker, for that reason, if for no others, we should all be in favor of the repeal of the law on general principles; and if it did not recognize the right of silver coinage, and was not the only remaining law on our statute books that does, I should say repeal it.

Now, one word further. It not only recognizes the right of silver coinage under some conditions (though I believe that provision in the bill was intended as a cheat and a fraud), but the conditions have so changed as to surprise its authors; and the fact is that the Secretary of the Treasury has been compelled within the last month under the provisions of the law to increase our silver coinage nearly three-quarters of a million of dollars, because he is obliged to coin a sufficient amount of the silver bullion purchased to provide for the redemption of Treasury notes returned for redemption in silver coin, and the report shows that for this month there has been a redemption of Treasury notes in silver to the amount of over \$700,000. Then the proper enforcement of this law not only gives us recognition of silver coinage, but an actual increase in circulation by reason of some silver coinage.

Mr. Speaker, I do not desire to enter into a general discussion of this subject, which has already been discussed so thoroughly; but I want to say, in one moment, by the indulgence of the House, that I will vote for the free coinage of silver, as my people desire me to do, at the ratio of 16 to 1. I do not say that I will not accept some other, for I believe it to be my duty to go as far as I can within the limits of my conscience and judgment to try and accomplish what they need and desire, and that is an increased coinage, if I can not get unlimited coinage at the ratio we desire; but my candid judgment is that we should adhere to the present ratio. [Applause.]