

FREE COINAGE OF SILVER
AND
REPEAL OF THE SHERMAN ACT.

SPEECH

OF

HON. W. A. JONES,
OF VIRGINIA,

IN THE

HOUSE OF REPRESENTATIVES,

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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. JONES said:

Mr. SPEAKER: The pending proposition to repeal unconditionally the purchasing clause of the Sherman act is, in my judgment, fraught with the gravest peril to the American people. Nothing short of this deep-seated conviction would induce me to occupy the attention of the House, at this late stage in the discussion, with a brief statement of some of the reasons which satisfy my mind that no more vicious and unjustifiable measure than this, considering the ultimate object had in view by those who are behind it, has been seriously considered by Congress within the present century.

We have been told that the exceptionally heavy exportation of gold during the first six months of the present year is the result of the pernicious effects of the Sherman law, and that the apprehension, whether well founded or not, that the Government will not be able to maintain its silver currency at a parity with gold if the Sherman law is longer kept upon our statute books, has brought upon us the monetary crisis which has of late enveloped the country and paralyzed its business interests.

In other words, that the monthly purchase of 4,500,000 ounces of silver by the Government and the issuance of coin certificates to the amount of the market value of that silver in payment thereof is driving gold out of the country, and has so shaken the confidence of the people in the ability of their Government to meet its obligations that a wild panic has seized upon them for-

which the unconditional and immediate repeal of the Sherman law is the only panacea.

Mr. Speaker, with the utmost respect for those who may have been imposed upon by these baseless assumptions and who have honestly accepted them as true, I shall endeavor to demonstrate from figures that are incontestible and facts that are indisputable that there is no earthly connection between these shipments of gold and the much-denounced Sherman law.

The Sherman law has now been on trial a little over three years, and under its operations \$180,000,000, in round numbers, have been added to our circulating medium, every dollar of which is of full legal tender, and as good as any other dollar in our currency. To be entirely accurate—for varying statements have been made upon this floor and elsewhere—the Government has coined 36,087,185 standard dollars and issued coin notes to the amount of \$148,286,348, there being in actual circulation of these notes \$143,774,138.

According to a calculation made by the Director of the Mint, taking the depreciated value of silver bullion on the 17th day of this month as its true value, about which I shall presently have something to say, the Government has lost on its silver purchases under the Sherman act just \$33,387,108. Admitting this to be a fair calculation, does anybody believe that the total destruction of that amount of the currency of this great country could possibly shake the confidence of any sane man in the ability of this Government to meet its obligations? Does anybody believe that such a loss, if real, could have had the effect of driving gold abroad? A government whose income is half a billion of dollars a year and which gives away in charities two-fifths of that amount could hardly be embarrassed by the loss of eleven millions a year for any number of years.

The Sherman bill was approved on the 14th of July, 1890, and the gold export movement, as everybody knows, commenced more than two years prior to that date. Although we lost by exportation \$87,506,463 in gold during the fiscal year ending June 30, 1893, the bulk of that amount has gone abroad since January 1, and in the preceding year, when the Sherman law was in like full force, the excess of our exports over our imports of gold was

only \$495,873. If the Sherman law drove gold abroad in the fiscal year 1892-'93, why did not the same cause produce like effects in that of 1891-'92?

But under the operation of the Bland law of 1878, denounced as a more vicious piece of silver legislation, and more menacing to the business interests of the country than even the Sherman act, by the very people who are now laying all of the present business depression at the doors of that act, and in almost the same breath—for they dread its restoration more than they do a continuance of the Sherman law—the Government coined 378,166,793 standard dollars, all of which, either in that form or in the shape of silver certificates, is practically in circulation to-day.

Was the effect of the Bland law to drive gold out of the country? So far from it, during the period from June 30, 1878, to June 30, 1890, there was imported into this country \$186,088,510 more of gold than was exported during that period. If it be just to charge the Sherman bill with the gold that has been sent abroad since its passage, must not the Bland act be given credit for bringing to our shores the far larger sum?

It seems to me, Mr. Speaker, that this is logical. But again, for the first fifteen days of this month the importations of gold have exceeded the exportations to the amount of \$16,250,000, and by the end of the month may reach \$25,000,000 or more. How is this turn in the golden tide to be accounted for? Shall we set it down to the credit of the Sherman law? We are still purchasing silver bullion and increasing the circulating medium by issuing notes against it, and the silver dollar is daily becoming more and more dishonest in the estimation of those who seek to debase it, and who yet belie their words by paying a premium for it.

I can not, in the time allotted me, Mr. Speaker, enumerate the causes that have led to the unusual exportation of gold during the first half of this year. For the purposes of my contention it is enough to know that the Sherman law was not one of them. But reasons in abundance are not far to seek, and it is not necessary to go back more than a few months to find them.

I may instance the bank failures in Australia, which caused a rude shock throughout the financial world, when England, the

largest holder of American securities, threw large quantities of them upon the market, thus drawing from us gold that otherwise would have remained here. Austria, as all know, has recently undertaken to refund her debt and to go to a gold basis. To do this required a large amount of gold, and she has necessarily drawn heavily upon our supply.

India, at the dictation of Great Britain, has been driven to suspend the coinage of silver on private account, and the enemies of silver have not been slow to seize upon that fact as a weapon with which to beat down the market value of silver and to still further appreciate the value of gold. But in my opinion, Mr. Speaker, the McKinley bill, that iniquity of iniquities, that crowning piece of Republican robber-legislation, which the people by an overwhelming majority condemned at the polls, and the repeal of which they then were told and believed would be speedily accomplished once the Democratic party was in full control of the Government, is far more responsible than all these causes combined for the recent ebb in the golden stream as well as the stagnation of trade and commerce, the depression of agriculture, and the want and distress that has been entailed upon labor.

It may be said that the McKinley bill became a law three years ago and that it would have earlier affected, if at all, the exportation of gold; but, Mr. Speaker, we must remember that our enormous exportations of breadstuffs served to postpone the day when the balance of trade should be against this country, and that we have suffered from that cause alone to the extent of \$50,000,000 during the past year.

I might go on almost indefinitely and regale this House with the forbidding story of the many failures and suspensions that have inflicted inestimable loss and injury upon the legitimate business interests of this country, but I forbear. The Reading disaster, the whisky, cordage, and other trust failures have added immensely to the financial woes that have afflicted the country and involved in the blackest ruin thousands of innocent victims.

But, Mr. Speaker, it must be apparent to every unprejudiced and dispassionate mind that the present deplorable condition of

our monetary affairs is due to a great extent to the determined and persistent attempt of the money power to dictate the financial policy of our Government. This has been most aptly described as the rich man's panic. If the people have lost confidence and withdrawn their hard-earned savings, or such of them as they have been permitted to withdraw from the banks, it is because the banks have by their wicked attacks upon the people's money created that want of confidence.

But, Mr. Speaker, these attacks have proved a veritable boomerang; they have recoiled upon their inventors. Instead of precipitating a run upon the Treasury, they have awakened in the minds of the people a deep distrust in the banks themselves, which the sequel has unfortunately proven in many cases was only too well founded. Instead of driving gold to a premium, they have placed a premium upon all money—silver as well as gold—and to-day the dishonest silver dollar can not be procured, save at a premium, by the very men whose insatiable greed and unconquerable lust for money have hurled the country into the throes of a financial panic and involved thousands of their fellow-men in disaster and ruin.

The Rand-McNally Bankers' Monthly, for August, exclaims in pitiful tones:

In 1873 it was the toiler's panic; this is the rich man's turn.

Will the unconditional repeal of the Sherman law give the relief that even the bankers must now desire? Will aggravating a famine relieve hunger, as has been said upon this floor? That there is a scarcity of money must be apparent to everybody, although some people even now profess not to believe it. The workingman who discounts his employer's duebills in order to secure the cash with which to supply the daily needs of his family is thus taught by a sad experience what before he had never appreciated, and the bank president, whose doors are besieged by a howling mob demanding the money which belongs to the panic-stricken depositors and which they can not rescue from the iron safes in which it is securely locked, may never have, and doubtless never will, experience the terrible pangs of actual, biting hunger, but he at least has a realizing sense of what a money famine means.

According to the last Treasury statement the total amount of money in circulation in the United States on the 1st of August, 1893, was \$1,611,099,017. This amount would make the circulation per capita \$24.02. As a matter of fact, it is much less; for when the Treasury officials speak of the money in circulation they mean the general stock of money less the amount held in the Treasury, which is, of course, misleading, and must be, accurately speaking, incorrect; for bank reserves and the contents of safety boxes can in no sense be said to be in circulation. France, the freest country upon the globe from panics and other monetary disturbances, has a per capita circulation twice as large as our own, and she has a silver circulation of \$700,000,000, which she easily maintains at a parity with gold, and that, too, at a ratio of 15½ to 1.

The total silver currency of the United States is, in round numbers, \$625,000,000, including standard dollars, subsidiary silver, silver certificates, and coin notes. With twice the population and three times the resources, commerce and trade of France, we are told that we can not maintain an equal amount of silver currency at par with gold, even at the greater ratio of 16 to 1. It seems to me, Mr. Speaker, that the bare statement of such a proposition carries with it its own refutation, and is a reflection upon the American people.

It is impossible to speak accurately, but it is within reasonable bounds to say that prior to the civil war there was at least half as much silver in circulation here as there is to-day. We often hear it stated that free coinage of silver had practically ceased when the demonetization act of 1873 was passed, and that only \$8,045,838 had up to that time been coined. Let us examine this matter, Mr. Speaker.

The reports of the Director of the Mint show that in addition to the eight million of standard dollars coined, there was coined from 1792 to 1853 of full legal-tender fractional silver \$76,735,015. From 1853 to 1873 there was coined \$60,361,032, which, however, was not of full legal-tender quality, except in small sums, since it had become necessary to lessen its weight in order to keep it at home, a process which might perhaps be applied with advantage to our present gold coinage.

But these sums by no means represent the silver in circulation prior to 1873. Everybody knows that previous to the late war Spanish milled dollars and Mexican dollars circulated more freely than any other money, and that the Mexican dollar was by law a legal tender up to 1857. It is also an indisputable fact that the Mexican dollar continued in general circulation up to and through the war, and it was received in Texas and the Southwestern States up to ten years ago.

Mr. Speaker, I venture the assertion that when we take into consideration the vast amount of our annual productions, our prodigious wealth, and the enormous volume of our interstate commerce, the country was better supplied, according to its then needs, with silver currency before 1873 than it has ever been since.

With the war our stock of gold and silver vanished, and the act of 1873 was deliberately planned to prevent the acquisition of silver currency to supply the place of that lost. The unconditional repeal of the Sherman law means that this country is to be hereafter on an exclusively gold basis. It means that henceforth monometallism is to be the fixed policy of the United States, as it has long been of creditor England, unless the people, reduced to want and goaded to desperation by the merciless exactions of a moneyed aristocracy, whose greed is insatiable, throw off the intolerable yoke of oppression and secure through revolution what their representatives have denied to them.

The total amount of money in the civilized world at present is placed at \$3,582,605,000 in gold, \$4,052,700,000 in full and limited tender silver, and \$2,635,873,000 in paper. The world's production of gold in the year 1892 was \$130,817,000, larger by several millions than that of any other previous year since 1857. It is needless to say that the gold of the whole world is totally inadequate to do the business of the United Kingdom, France, Germany, and the United States, which countries now hold the bulk of it.

They tell us that if we will only discontinue the coinage of silver that gold will come in to take its place. From whence, pray, will it come? England, Scotland, and Ireland have only \$550,000,000; less by more than fifty millions our present supply. Germany, also on a gold basis, has less than we have, and Aus-

tria-Hungary, which is desperately striving to adopt the single gold standard, has only \$40,000,000 of gold with which to accomplish that financial feat. Her needs have already served to largely reduce our stock. The average yearly production of gold for the past hundred years has been \$56,339,080. There is no prospect of any future increase, and the larger part of what is mined will be consumed in the arts and in the uses of dentistry.

With these facts before our eyes, Mr. Speaker, I ask again, can we afford to debase and to destroy the money value of the only metal that can supply the monetary needs of the world? There is none too much of both metals produced in the world, the total production of each for the past century being, gold, \$5,633,908,000, and silver, \$5,104,961,000. Mark how nearly together the production of these two precious metals has remained, and that, measured in dollars, the production of gold has been larger than that of silver.

Who can doubt but that silver as well as gold was created to supply that medium of exchange by which every other product of human exertion and industry shall be measured? To demonetize either of these metals, which by the consent and usage of mankind regulate the volume of the world's money, is to destroy one-half of the money now in existence; and when you blot out one-half of the money of the world you double the purchasing power of the other half. To do this is to cheapen by just one-half the price of property and labor. This is a proposition that can not be successfully disputed. The effect of the unholy war that has been waged against silver has not, as one might imagine, depreciated silver; it has merely appreciated gold. Every product of human industry and skill has shared the fate of silver.

Just as silver has gone down in the scale of prices, in the same proportion the products of labor have been cheapened. This is no baseless theory, no wild figment of the imagination. In 1872, the year before silver was demonetized, its market value was greater by 3 cents an ounce than its mint value, and that year the average price of a bushel of wheat was \$1.47. From that day to the present moment silver has declined in value, and each

year there has been a corresponding decline in the price of wheat, until to-day silver is worth only 70 cents an ounce and wheat 69 cents a bushel. When they started upon the down grade the year following—a year that will long be memorable in the financial history of America—silver was worth \$1.29 an ounce and wheat \$1.31 a bushel. Every honest and intelligent man knows that this was no mere coincidence.

But we are told that whilst the free coinage of silver will make money more plentiful it will also cheapen it. Granted; but cheap money does not mean dishonest money. It does mean higher and better prices; it does mean that the products of the farm shall command higher prices and that the wages of the laborer shall be correspondingly increased. Dear money means cheap products and cheap labor. The scarcity of money is always indicative of falling prices, and the reverse is equally true.

If you repeal unconditionally the Sherman law—and that is the naked proposition of Wall street—you will not only put an abrupt stop to all increase in the volume of your currency, but you will utterly degrade silver; you will drive it down further and further in value, and you may depend upon it that wheat and corn and tobacco, and every other product of the farm and factory, will keep pace with its downward, and deathward march.

This may not be the immediate effect of repeal. It will, however, be the inevitable and certain result. We who stand here and declare that we will resist the perpetration of this crime are denounced as the advocates of fiat money and a "dishonest dollar." But the bankers, with few exceptions, in and out of Congress, the men who pretend to believe only in money that possesses intrinsic value, are demanding the passage of an act authorizing the issue and sale of from \$150,000,000 to \$300,000,000 of gold bonds.

The credit of the Government is strong enough to float its bonds upon the markets of the world, but not strong enough to maintain its silver currency at a parity with its gold currency! The silver in every dollar coined by the Government, we are told, is only worth 60 cents as measured in gold, and that therefore it is "a dishonest 60-cent dollar;" but when it receives the stamp and impress of the Government it has behind it at least

60 per cent of intrinsic value and only 40 per cent rests upon the faith and credit of the Government. The bonds that we are asked to issue and sell for the purpose of increasing our currency and placing us upon a gold basis will have nothing behind them but the bare faith of the Government.

Mr. Speaker, I believe in "an honest dollar," and I pray that the time may speedily come when there will be none other in our currency. The only "dishonest dollar" is the gold dollar. Through legislation its value has been greatly appreciated, until the purchasing power of gold, as I have shown, has actually been doubled.

I favor the repeal of the Sherman law, and I shall vote to repeal it by a substitute that will provide for the free coinage of silver at a ratio of 16 to 1. I believe that the remonetization of silver will make its market value equal to its present mint value, and that the market value of wheat and corn and labor will be correspondingly increased. I believe that this Government is strong enough and rich enough to maintain gold and silver at a parity at the present ratio, even as against the rest of the world.

Great Britain, through her dependencies, produces four times as much gold as she does silver, whilst we produce nearly double as much silver as we do gold. Why, then, should England dominate the policy of the United States as she does that of wretched India? It is to her interest to cheapen silver; it is to ours to protect it. Practically the only currency that India possesses is silver. The cheaper England can purchase silver, the more Indian wheat she can buy, and the more cheap Indian wheat there is brought into competition with that produced by the American farmer, the more wretched will his condition become.

I have shown from official figures that more gold than silver has been produced within the last hundred years, according to the money value of each at the present ratio between the two; in other words, that not more than 16 ounces of silver have been produced for every ounce of gold produced, and if the production continues relatively the same, no sound reason for a change of ratio can be adduced. If in the future twenty times as much of silver as of gold should be produced through any considerable period, then it will be time enough to change the ratio to 20 to

1. An increase of ratio does not necessarily involve the recoinage of the silver now in circulation.

If the \$346,681,016 United States notes, or greenbacks, now in circulation can be maintained at a par with the gold dollar, with only a gold reserve fund of \$100,000,000 behind them, then surely we need apprehend nothing for our present silver currency. Besides, the repeal measure we are now considering does not propose either to retire or to recoin the present silver dollar, but on the contrary, proposes to maintain by law its parity with gold. It takes more than the addition of a few grains of silver to give to a silver dollar the purchasing power of a hundred cents. It requires the stamp and superscription of the Government to do that. We can each of us remember when the trade dollar, with more grains of silver in it than the standard dollar, was worth only 85 cents.

I have said, Mr. Speaker, that I wished to see the Sherman law repealed, and I repeat it. It was not passed to promote free coinage, but to serve as a stumbling-block in its path until the enemies of silver the world over could rally their forces and strengthen the conspiracy hatched twenty-five years ago to strike down silver. I thank Heaven that no Democrat in either House of Congress voted for it.

It was the last expiring act in that financial legislation of the Republican party which began with the credit-sustaining act of 1869, through which the bondholders robbed the people of \$1,120,000,000, and which had well-nigh bankrupted the Government and had brought want and destitution into the homes of the producing and laboring classes, when the Democratic party came into power on the 4th day of March. Having served the purpose for which it was designed, I trust it may now prove a stumbling-block in the way of a single gold standard.

Those who stand with me would remove it in the interest of the great mass of struggling humanity; those who are on the other side of this question would remove it at the dictation of the money power and to subserve the interests of greed and avarice. It is not difficult to predict on which side our Republican friends will array themselves.

I appeal to my Democratic associates to take the side of toil-

ing, down-trodden, helpless humanity. The bankers can take care of themselves, we are told upon high authority, and I believe it. Gold and silver have constituted the money of the world for six thousand years. Every national Democratic platform that I have read has declared in favor of the use of both metals and upon equal terms. Some gentlemen who will vote for unconditional repeal, and who do not wish their Democracy questioned, pretend to find in the Chicago platform warrant for such course. I do not read that instrument in that way. It is idle to talk of "holding to the use of both gold and silver as the standard of money," and voting to make one the only standard.

It is worse than idle to talk of resorting again to international conference. Five times have we done so, and to-day we are vastly further from an agreement than ever before. But there are other gentlemen here who, though elected as Democrats, yet hold their own judgments in higher esteem than that of their party, and who have more faith in their own wisdom than in the aggregate wisdom of a Democratic convention. One of them boldly declares that he will not be bound by the glittering catchwords of platforms, and another has affirmed that he wrote and ran upon his own platform. I give them both credit for honesty and candor.

If absolute bimetallism is ever to be the policy of this Government Congress must make it so. It has the ability and power to do it—has it the courage and patriotism? Neglect not the opportunity now presented, I beseech you, for if you do silver is doomed. It is the knowledge born of this fact that has encouraged the despoilers of mankind to concentrate all of their powerful forces in the one mighty effort which we are to-day witnessing within these Halls. Tighter and tighter is becoming the grasp which the money power has laid upon the nation's throat, and year by year the power of resistance on the part of the people is becoming weaker and weaker. Upon every succeeding Congress a stronger hold is being exerted.

In 1878 the unequal contest waged in behalf of the wealth producers and the wage-earners of our land was almost won, but twelve years later, instead of the promised enfranchisement of silver, the Sherman law was thrust bodily down the unwill-

ling throats of a long-suffering and patient people. If now the slight barrier which bars, to some extent at least, the way of greed and avarice is broken down, I tremble at the thought of the dire results that must inevitably follow.

Starvation is already stalking abroad in the land, and the heartrending cries of countless thousands of unemployed men and women are hourly borne in upon us from the fields and shops of the West. But greed, insatiable greed, hath neither ear nor conscience. Desolation and ruin are impending. Despondency and actual want have entered many a happy home, and the darkest gloom pervades many once prosperous sections of our beautiful land.

Mr. Speaker, as I reflect upon the perils that environ us upon every side, and behold the helplessness of my people, I realize as never before the truth of the words of that great apostle of Democracy, Thomas Jefferson, that "banks are more dangerous than standing armies." [Loud applause.]

