

American Coinage.

We should have American coinage, utilizing American precious metals, adapted to American interests, in accordance with American tradition, promoting the welfare of America and of mankind.

SPEECH OF HON. PHILIP S. POST, OF ILLINOIS, IN THE HOUSE OF REPRESENTATIVES, *Thursday, August 24, 1893.*

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. POST said:

Mr. SPEAKER: On two occasions I have addressed the House on the coinage question. I have given my views on "Money a Public Institution" and on "Bimetallism" at full length, and have nothing to take back. I had intended to say nothing in this discussion, but to yield all the time to those who are repudiating their former professions and their party platforms and endeavoring to explain and justify that repudiation. They need time, much time. Eternity would not suffice.

The gentleman from Virginia [Mr. SWANSON], who preceded me indicated that the people will not judge members of this House by their professions on this floor, but by their votes. Unfortunately the question is presented in such a manner that a vote will not indicate precisely the position of members on the coinage question.

I am in favor of an American coinage policy. In the Fifty-first and in the Fifty-second Congress I offered bills to secure full recognition as a money metal of the product of our own silver mines.

Neither the bill before us nor any of the amendments represent the legislation I desire, for by legislation I would notify the nations of Europe that they might do what they pleased with their silver, but they should not touch an ounce of silver from the American mines without paying full value for it at that rate at which it has always been coined throughout the world.

This discussion has been entered upon under a rule supposed to have been agreed upon in a Democratic caucus. Under this rule no amendments can be offered, and even the right of presenting a petition for or against the measure is denied. We are forced to vote for or against the several propositions just as they have been presented by two members of this House, notwithstanding that all of them may be objectionable.

I protest against this unusual and unjust abridgment of the rights of members of this House.

CAUSE OF DISTRESS.

Mr. Speaker, the producers of every nation on the globe are suffering from some cause and evidently from the same cause. What is it? The monometallists tell us it is the "Sherman law" and our Chief Executive summons Congress to repeal it. What an easy method of arresting a world-wide disaster.

The bimetallicists dissent from this view. They do not believe that the monthly issue of three millions of legal-tender notes upon silver would produce industrial disaster throughout the world or even in the United States.

They trace industrial distress here and elsewhere to the attempt of monometallists to destroy the honest metallic money of the world. The monometallists have no copyright on the word "honest," though they try to monopolize it. Every American wants "honest money," a "sound and stable currency," and to attempt to beg the coinage issue by reiterating "gold is honest money," "nothing but gold can be an honest standard of value," is unfair, disreputable, dishonest argument.

THE GOLDEN CALF.

The monometallic speakers assume that gold maintains the same value in all places and at all times. If pressed upon that point they admit that it may fluctuate a little, but less than any other commodity. But they immediately reaffirm that gold will maintain its inflexible value even though the whole world by law adopts it as the only standard of value, and that the universal struggle for its possession as money of ultimate redemption will not affect its value. They assert that gold alone of all commodities is the only one not affected by the law regulating supply and demand.

If this be true, then the world should adopt the single gold standard. If this be true, then gold is honest money and the only honest money. If this be true, I will advocate the single gold standard. But if it be erroneous, then every argument founded upon that statement is unsound.

GOLD THE MOST UNSTABLE COMMODITY.

The statement that gold maintains an inflexible value at all times is totally inexact. It is the only great staple commodity on earth that has risen in value more than 50 per cent during the last twenty years. The cause of this rise is clearly traceable to the change of coinage laws.

MONEY A COMMODITY.

In his History of Europe, Alison says :

We have only to reflect that money, whether in the form of gold, silver, or paper, is a commodity and an article of commerce, and that, like all similar

articles, it varies in value and price with its plenty or cheapness in the market. As certainly and inevitably as a plentiful harvest renders grain cheap, and an abundant vintage wine low-priced, does an increased supply of the currency, whether in specie or paper, render money cheap, as compared with the price of other commodities. But as money is itself the standard by which the value of everything else is measured, and in which its price is paid, this change in its price can not be seen in any change in itself, because it is the standard. It appears in the price of everything else against which it is bartered.

Torrens in his Political Economy says:

Gold is a commodity governed, as all other commodities are governed, by the laws of supply and demand.

Mr. Goschen, late chancellor of the British exchequer, speaking in the House of Commons of the fixity of the English standard, said:

Originally there was a partnership between the two metals. The one partner was withdrawn almost all over Europe. In some countries it became a sleeping partner, but generally silver was dethroned and gold was left to do unaided by silver the work which formerly gold performed aided by silver, and if gold suddenly was called upon to do more work than it did before, then the gold standard suffered in its fixity. * * * Gold has varied 30 or 40 per cent.

THE RISE OF GOLD.

What would naturally be the effect if the world strikes out silver as primary money, adopts the single gold standard, and requires all paper money to be redeemed in that standard? Would there not be a world-wide demand for gold? Under the law of supply and demand, would not money become dear? But the change in the price of money, as Alison demonstrates, can not be seen in any change in itself, because it is the standard, but it will appear in the depreciation of every other commodity.

If the American people want a money standard steadily rising in value, as the increasing population and transactions of mankind creates a greater demand for money, then let them reject bimetallism and adhere to the single gold standard. If they want the prices of property and every commodity except money steadily and surely falling, then let them cling to the gold standard.

The mere apprehension of falling prices creates distrust and produces disaster. Falling prices depreciates the value of property estimated in dollars. Depreciation of property attacks the stability of credits. When the banks' customers and debtors are ruined the banks must fail. Neither fright nor folly move small depositors to withdraw their savings from the banks. They are creditors, and with falling values creditors consult prudence.

THIS REPUBLIC FOR SILVER AND GOLD.

In 1884 the Democratic platform declared:

We believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss.

On this platform Mr. Cleveland was elected, and he signaled his accession to power by a causeless and vicious assault on silver. Within one year thereafter 10 per cent of the workingmen of this land were out of employment. Why? It was not "free trade," for his famous tariff message of 1887 had not yet been promulgated. It was the fear that Congress would act upon the recommendations of the antisilver message of 1885. Congress noted the recommendation at its true value, and paid no attention to it.

When the election of 1888 approached, the people remembered Mr. Cleveland's antisilver recommendation, and they also noted, that when the Democrats renominated him as candidate for President they omitted from their platform all reference to the coinage of silver.

On the other hand, the Republican platform of 1888 said:

The Republican party is in favor of the use of both gold and silver as money, and condemns the policy of the Democratic administration in its efforts to demonetize silver.

On this platform the Republican party resumed power.

In 1892 the Republican party in its platform declared:

The American people, from tradition and interest, favor bimetallism, and the Republican party demands the use of both gold and silver as standard money.

The Democratic platform said:

We hold to the use of both gold and silver as standard money of the country, and to the coinage of both gold and silver without discrimination against either metal, or charge for mintage.

The platforms of both parties favored bimetallism, and bimetallism means the recognition of both gold and silver as money metals "at a fixed relative value." It refers to receiving gold and silver bullion "at a fixed relative value" for coinage purposes, and is in opposition to monometallism, which recognizes but one metal as standard.

LOW PRICES FOR FARM PRODUCTS.

That the American people, "from tradition and interest," favor bimetallism can not be doubted; but the President seems willing to use all the power and patronage of his great office to rivet on this nation the coinage policy of England.

The royal commission of England, in its report on silver, referred to England as a creditor nation and said:

Any change which entails a rise in commodities generally, that is to say, the diminution of the purchasing power of gold, would be to our disadvantage.

The single gold standard in this country means to prevent "a rise in the price of commodities generally." It means to depress prices of commodities and increase the purchasing power of gold.

The Textile Record, of Philadelphia, thus graphically and plainly states the case:

England stands before the world as the champion of two theories. One is, that gold should be the only measure of value; the other is, that there should be no tariff obstructions to the freedom of trade. The American people, boasting of their independence, have accepted both of these theories, doing exactly what England has long desired them to do. Let us see what have been some of the results of this subservience to the ideas of a nation which necessarily seeks not our good, but its own. The rise in the value of gold has tumbled the price of American wheat from \$1.50 to 56 cents a bushel, and the price of American cotton from 14 cents to 7½ cents a pound. Thus England feeds her people and operates her mills at our expense. The price of American silver has fallen so far that our silver mines, producing many millions of wealth annually for our people, have stopped operations, and at this moment the whole business machinery of the mining States has been dislocated, and thousands of idle men are standing about the streets with hunger in their bodies. But England, which coins sixty millions of silver annually, buys silver cheap.

Having thus impoverished the Western farmers and miners and Southern planters—about one-half of the population of the country, and the buyers of the products of American mills—the menace against our tariff is now clos-

ing up the mills themselves. British gold monometallism has wrought havoc with the American producers of raw materials. British free trade is now bringing destruction upon American manufacturers. Absolutely all of the existing difficulties are due to these causes. We have had boundless prosperity, as we still have boundless wealth. We have deliberately sacrificed both at the bidding of a nation which would reach the highest pitch of triumph if it could close every mill upon this continent and could buy our cotton, wool, wheat, and silver at half-price.

Do not our manufacturers perceive that the cause of the silver-miners, the cotton-planters, the wheat-farmers, and the wool-growers is their cause also? These are our fellow-citizens. When they prosper, the manufacturers prosper. When they suffer, the Eastern manufacturers suffer. The enemy that aims at their hurt, is the common enemy of all. We have ridiculed the demands of the Colorado silver-miners; we have rejoiced that cotton is cheap. Some manufacturers have demanded free wool, to the injury of the domestic wool-growers. But now the blow is falling upon the manufacturers themselves. Is not the experience plainly a demonstration that self-interest, not to say patriotism, requires that all the American industrial forces should rally to the defense of American principles? Only last month we celebrated the Declaration of Independence. But, is a nation independent which suffers another nation to control injuriously its fiscal and economical policies? Are we independent, when England can fix the prices of our wheat and cotton, can shut down our silver mines, and can dictate antitax legislation at Washington?

At this moment every condition of high prosperity seems to be present in this great, rich, self-governed country; but instead of prosperity we have commercial depression; and we have it, not because there are a few beggarly bars of silver in the Federal Treasury, but because the American people have permitted themselves to be induced to depart from the bimetalism and the protection to home industry, both of which were introduced by the founders of the Republic, and both of which are essential to the welfare of the nation.

UNDER THE WRONG BANNER.

Many say that they are bimetalists, that they believe in the use of silver, that they would use so much of it as could be safely redeemed in gold. That is not bimetalism. That means the single gold standard pure and simple and the use of silver as a subsidiary coin. In that policy there is no recognition of silver as money of ultimate redemption.

Bimetalists advocate a fixed relative value between gold and silver to be established by law.

The relative value is between the metals, by weight, which are to be coined.

Those who would only use silver at a gold valuation are not bimetalists; they are monometallists, who "steal the livery of heaven to serve the devil in."

SILVER BASIS.

It is said if we adopt bimetalism we will go to a silver basis, that gold will go to a premium, it will be hoarded, and it will fly abroad. Will men hoard gold when every kind of property except gold is rising in value? Money is hoarded now because money is the only kind of property that is rising in value. Will they hoard gold when rising prices of good times come like a benediction to the country? Will they send their money out of the country where it will not enjoy the benefits of rising prices? Will they not rather buy products or property or aid enterprise by loaning at high interest on good security because rising in value?

Those who speak of the restoration of the bimetallic standards leading to monometallism abuse the language.

A nation may have a bimetallic standard of value and offer freely to coin both gold and silver at a fixed relative value,

even if the ratio is so adjusted that but one metal is brought to the Mint.

Bimetallic standards are estimates of the relative value of bullion fixed by law, and not subject to change. Commercial estimates of the value of bullion are ever changing; but the most potent factor in commercial estimates is bimetallic legislation.

PARITY.

With a single legal standard, gold and silver coins may be kept at a parity by redemption in whichever metal is the standard; but since the standard is always the dearer metal because more in demand, parity in the bullion is manifestly impossible.

The bimetallic or optional standard aims not merely at parity between legal-tender coins, but between the two metals from which the coins are fashioned. It does not pretend to rest at a parity; from some cause one of the metals may become scarce and be more highly prized. If it were held back from circulation there would be an increased demand for the other metal, because it would be needed to do business. Under the law of supply and demand the metal with which business would be done would certainly rise in value.

The metal which went to a premium or was held in reserve would neither do business nor draw interest. The only way to make it of any value as money would be to return it to the world's circulation.

Parity would always be the center toward which the swaying pendulums of commercial values would be attracted. Under bimetallicism they could never swing far from parity, and the more violent the force that sent them asunder, the more rapid the return toward parity.

Let one or more great nations restore the ancient bimetallic standard of value and fix the legal relation between the two precious metals and the commercial ratio will take care of itself.

The president of the Mercantile National Bank of New York, Mr. William P. St. John, voices the sentiments of bimetallicists when he says:

The Government's duty is to provide the means by which trade operations in their employment of money will effectually maintain the market value at the valuation appointed for the mint.

If the mints of the United States would receive gold bullion and silver bullion without limit in amount, and for an appointed number of grains of silver issue a silver dollar, and for an appointed number of grains of gold issue a gold dollar, each to be equally unlimited legal-tender money of the United States, and for convenience allow as now the circulation of returns by certificate, the trade demand for money would determine whether or not both gold and silver would seek our mints, and if both did seek our mints it would be because the money use of either was the best use that owners could make of it.

With a volume of domestic business to furnish such a demand for money, the appointed number of grains of gold and of silver for a dollar would be the dollar's worth of gold and silver in the markets of the world. This means that the mint price would be the market price just so long as the trade demand for money enticed both metals into the mint for coinage into money at the mint valuation.

If the domestic trade demand for money is not sufficient to employ both, as the best use of each that owners can make of their gold and silver, then the mint valuation of the one which does not seek the mint is too low. Or, what is equivalent, the mint valuation of the other is too high; which is to say, more grains must be appointed for the dollar coin of the overvalued metal.

Such an alteration of the coinage ratio for so vastly influential a mint as the Mint of the United States ought to be adopted only after the actual ex-

perience to dictate it. With intelligence controlling the Treasury, and public confidence in that intelligence, the test of experience could be applied, under our prodigious trade demand for money, with all the safety of a nursing on its mother's bosom.

Therefore we open our mints to silver without other restrictions than are prescribed for gold. Allow the actual circulation by coin certificates in lieu of coin. Let the present coinage ratio begin the conquest for the maintenance of the parity, but adopt a higher ratio if experience points the need.

RATIO.

Bimetallism may be established at any ratio. All the coins of the world are now between 15 to 16 of silver to 1 of gold. In the United States the ratio is 16 to 1. The silver dollar of 371½ grains of pure silver is precisely the same to-day that it was when the Republic was founded. It was made of the value of the Spanish milled dollar, the coin of the colonies, which had been in circulation for a hundred years before the Revolution. The silver dollar is large enough. We have changed the ratio twice. The change was both times made in the gold dollar. The ratio of 16 to 1 means to retain the present silver dollar.

SILVER DEPRECIATED.

It is alleged that silver has depreciated. That is true, measured by gold. But measured by the standard adopted by the royal commission of England, and by every government commission which ever examined the question, silver bullion has slightly advanced.

If you take the averages of leading commodities for a number of years as a standard, you will find that silver bullion has risen slightly in value and gold bullion has risen prodigiously.

Look at Sauerback's tables, published in the census report of 1890. He shows that with a gold valuation silver bullion has fallen since 1873, but that the average price of food materials and staple commodities have fallen in price more than silver bullion.

In the House of Commons, on the 1st of last March, Sir Henry Thompson said:

The figures collected by the Economist and those collected by Mr. Sauerback show that whereas in the average of the years from 1865 to 1869 a certain amount of a number of leading commodities would on an average exchange for 100 sovereigns, exactly the same amount of these commodities would exchange for 66 sovereigns in October, 1892. What has been the result to debtors who are the bees in the social hive, the manufacturing, the agricultural classes—the producers generally? Every one knows in a general way that agriculture had been suffering terribly. Thousands of shopkeepers and men of small, aye, even with large businesses of various kinds, have been slowly ruined during the last twenty years, through no fault of their own, but solely on account of the cruel, relentless grinding of the appreciation of gold, and because they have to pay more of their produce every year to meet their fixed charges and the interest on their borrowed money.

Although Sir Henry Thomson is an eminent financier, it is evident that he did not believe that the cause of all this trouble in England was the Sherman law.

To this arraignment of monometallism Gladstone replied that England was the greatest credit nation and was making from \$250,000,000 to \$500,000,000 by it every year.

AMERICAN INDEPENDENCE.

The United States should adopt a new declaration of independence. It should restore its bimetallic system and England would lose her enormous profit. Every movement in the direction of

bimetallism has been a blessing to our people. The Bland-Allison act of 1878 was an effort in the right direction. The act of 1890, imperfect as it is, was a blessing to the American farmer. The principle of purchasing silver at a gold valuation is more abhorrent to bimetallicists than to monometallicists. The President called it "a truce." It was a compromise proffered by the single gold-standard men and accepted in good faith.

Have the people lost faith in the currency of our country? No. Careful inquiry shows that those who hire boxes in safe deposits to stow away money drawn from the banks do not take gold. They take silver-certificate notes under the act of 1890, and there is where the small bills and silver have gone.

The prosperity of the country increased after the passage of the Sherman law, and the year 1892 was one of the most prosperous in our history. The people began to believe that we had an American financial as well as economical policy.

Disaster came upon us with the change of Administration, because the people now believe that both our financial and economical policy is to be dictated from England. Far better repeal the law than to have it administered as it is now, to depress the price of silver.

Must we wait until India overthrows British rule? Until oppressed industrial England revolts against aristocratic England before we declare ourselves free?

We are told that we can not have bimetallism without England, that we can not have bimetallism without the world consents.

The real question now is, what shall we do to show that we want bimetallism established throughout the world? What example in coinage shall be set to the world?

Prior to 1873 we had the true bimetallic standard of value. In 1873 we discarded silver absolutely and for all purposes, and in 1874 we even took from the silver dollars already coined their legal-tender character. We were the first bimetallic nation to stop the coinage of silver and the only nation which has repudiated its own coinage. We, the greatest silver-producing nation on earth, struck down our own product.

Why? Can any one defend the act? Did we ask for an international coinage agreement then? Now we are told that there is not independence enough left in this Republic even to frame our own coinage laws. We do not coin money for other nations. When coins go abroad in international trade they do not go as coin, but as bullion. England wants our gold; but for her Asiatic trade she wants our silver more. Silver she must have. Every ounce she obtained has been freely coined in her dominions at 15 to 1, while we refused to coin it at 16 to 1. We have made the impossibility we feared. "The wise and prudent conquer difficulties by daring to attempt them."

We should have American coinage, utilizing American precious metals, adapted to American interests, in accordance with American tradition, and promoting the welfare of America and of mankind.