

SILVER.



SPEECH

OF

HON. J. A. D. RICHARDS,
OF OHIO,

IN THE

HOUSE OF REPRESENTATIVES,

Saturday, August 19, 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. RICHARDS said:

Mr. SPEAKER: While this discussion has dragged along it has seemed to me that, amid the diversities of opinion, there are some things upon which we all agree. In the first place, it seems to be agreed upon all sides that a financial stringency has come upon our land; that the wheels of machinery have been stopped; that men have been thrown out of employment; that there is distress to the merchant and the farmer; and that, all over this broad land, the people are calling aloud for aid at the hands of this Congress.

Is there a single member of this House who does not feel at this moment the awful responsibility that rests upon him? Only two days ago the newspapers chronicled that a procession of laboring men gathered spontaneously, and marched through one of our cities crying aloud, "We ask not for charity; we ask for work." And when in this country the able-bodied, willing man, anxious to toil, can not find employment, it is time for us to look around and ascertain, if we can, the cause.

In the papers this morning we read that away off in the West the laboring men had consulted together about sending an army of unemployed men to Washington to plead with the representatives of the people to relieve the distress that has come upon them.

When I left my quiet home in Ohio only a few weeks ago to

come and take my place in this Congress the people there were generally employed. The machinery in our mills was moving as usual, and everything indicated activity, thrift, prosperity, and happiness. The financial distress, of which we had heard so much, had not reached that happy Ohio community where I have lived so long. But only yesterday I received a letter from an old friend, from which I shall read a few lines to the House:

There is not a plant running from Strasburg to Uhrichsville. The brick and tile works below Strasburg; the furnace and rolling mills at Dover; the rolling mills, pipe works, nail works, and roofing-tile works here, and clay and tile works at Midvale are all shut down. No orders, no sales, no collections. I tell you it looks blue.

That is but a picture of the desolation that is now extending throughout the land. We have the anomalous spectacle presented of the farmer in the West being unable to find a profitable market for his wheat, while the laborers in the East are starving for bread. The President of the United States, considering the condition into which the people of the country have been thrown, has called this body together in extraordinary session, to the end that, if possible, relief may be afforded to our people.

And while arguments have been made on the one side and on the other of the questions here under discussion, I have not yet heard the wisdom of our President in convening this extra session once called in question. Gentlemen have criticised the reason assigned by him for the distress that has fallen upon us, but I have not yet heard from the lips of a single member of this House any criticism upon his action in thus convening this body.

I take it, then, to be conceded by the members of this House that distress is abroad in our land, and of such a character that it has become necessary, for the first time in many years, for the President of the United States to convene this body in extraordinary session. Is it not, then, the duty, the sacred duty, of every one of us to examine carefully the situation, and ascertain, if possible, the cause that has produced it? Why and how has this calamity been brought about? And what, if any, remedy will correct the evil?

If we can ascertain the cause, it seems to me, then, that it is the duty, the sworn duty, of every member of this House to endeavor as best he can to provide a remedy. I know that members of the opposite sides, from force of habit, I suppose, seem to act as flint and steel upon each other. And even in a non-partisan question like this, it seems impossible to overcome this habit unless the question could be made to assume some tangible form and be labeled, "nonpartisan," "nonexplosive," or with some such peaceful device.

It was said long ago that "A rose by any other name would smell as sweet." And I say that no matter whether a man be named Populist or Republican or Democrat, when calamity has come upon his country he can, and he should, forget past party passions and party prejudices in his patriotic efforts.

Mr. Speaker, I believe as firmly as that I stand here that this distress is produced by no other means than by the operation of the purchasing clause of the so-called Sherman law. I have listened attentively to the learned and ingenious arguments that have been made by gentlemen on this floor during their discussion of the pending bill, and yet I believe that the briefest as well as best argument on the subject is the message of the President of the United States to this body. How forcible the concluding clause:

I earnestly recommend the prompt repeal of the provisions of the act passed July 14, 1890, authorizing the purchase of silver bullion, and that other legislative action may put beyond all doubt or mistake the intention and ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries.

We have all studied, more or less, the subject of finance, of which the silver question is a branch, and are willing to do what we believe is best for the country. I do not believe—I can not believe—that any man possessing the confidence of his people requisite to obtain a seat in Congress would commit the crime of plunging the country into a financial panic, with all its concomitant evils.

But we do not all see alike, and some believe that the free coinage of silver would go a great way in relieving the present financial depression. I am for the unconditional repeal of the

purchasing clause of this law, because I believe it to be the immediate cause of our present distress; and I believe if left unrepealed it will be productive, in the near future, of still further distress and suffering to all classes of our people.

Let us go back to the time of the passage of this bill and see if we can not adduce evidence sufficient to prove this point. You are all familiar with the history of this bill, or if anyone is not he can refresh his memory by turning to volume 110 of the RECORD. It was not considered then to be a good thing for the country, but was passed after a struggle and much discussion on both sides. It really was not what either side wanted. The silver advocates wanted free coinage, and the other side were willing to vote for the so-called Sherman act only to save the passage of a free-silver bill.

The clause referred to, as you all know, and have heard so often, provides for the purchase, by the Secretary of the Treasury, of 4,500,000 ounces of silver bullion every month, to be paid for in Treasury notes redeemable in gold or silver coin, at the discretion of the Secretary of the Treasury. But this discretion thus vested in the Secretary of the Treasury is annulled by another clause which declares, that it is the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be established by law.

Therefore he is forced, in order to keep those Treasury notes from depreciating, and thereby injuring the credit of our Government, to pay for them in gold when gold is demanded. We find from the reports that, up to the 15th of last month, there had been issued in round numbers \$147,000,000 of these notes in payment of silver bullion, and that many of these notes had been paid for in gold. The amount of gold paid on these notes from May 1, 1892, to the 15th of last month, a little more than a year, was \$49,000,000, and to-day nearly all this vast amount of silver is lying idle as bullion in the Treasury. Upon this point it has been aptly said:

Thousands of people are employed in taking silver out of the mines where it was doing no harm and piling it up in the vaults of the United States

Treasury where its enormous bulk menaces the industries and general prosperity of the country.

This paying out gold for Treasury notes not only exhausted the surplus gold in the Treasury, but actually encroached upon the \$100,000,000 reserve fund set aside for the redemption of other notes, and which had ever been kept sacred for the purpose for which it had been created.

Our own business men as well as the financiers of other nations had been watching the outcome of this policy, and we are told that from the first passage of this bill our public credit was by other governments considered—well, if not a little “shaky,” at least in a condition to bear watching. So they kept their eyes upon us, were not so liberal in investing in our securities, and when our gold surplus had been encroached upon to about the tune of \$75,000,000, they began to return our securities and “would none of us.”

While gold was thus being withdrawn from our Treasury and finding its way to those of other countries and we were still increasing our silver, it became plain to our people also that we were nearing that point at which we could not maintain a gold standard. Our capitalists, as well as intelligent people of small means who perhaps had never heard of Gresham's law, fearing that we would be forced to the use of a depreciated currency, lost confidence. The former refused to invest their capital, and the latter withdrew their money from the banks.

Although the withdrawing of these multitudinous small sums has caused the suspension of many banks and the refusal of capitalists to invest in public enterprises has thrown a great many men out of work, yet the loss of confidence in the stability of the financial situation does more harm to all kinds of business than is possible to be done by the withdrawal of money from banks and hoarding it. Some one has truthfully said, “Confidence is better than gold,” and I think I have plainly demonstrated that this loss of confidence is directly traceable to this purchasing clause of the Sherman law.

Only by the prompt repeal of this law can we gain the confidence of other nations, put into circulation the money that

has been withdrawn from the banks, restore public credit, start the wheels of the manufactories, and, which is most important of all, give employment to the thousands that have been thrown out of work, before the rigors of winter set in. There is other and very important work for us to do; but this is preëminently the first thing, and "what our hand findeth to do let us do it with all our might."

Why should we experiment further? This act is acknowledged to have been unwise from the beginning. And the Senator from Ohio, whose name is wrongfully, he says, attached to this bill, stated a few days ago in the Senate that this act was adopted to defeat a bill for the free coinage of silver. The history of this bill being well known, as I said before, we need not revert to it further, unless to emphasize the fact that at its passage it was considered the lesser of two evils. And now, after finding what an immense amount of evil it contained, and that the people are crying out against it, we are asked to try in its stead what was at that time considered the greater evil. And yet we, as intelligent men, are asked to do this thing!

What great patience—and alas! what short memories we possess. We need precept upon precept. We need to cultivate and refresh our memories by going back into the the history of finance and the evolution of money. Among uncivilized nations we find many articles used as money that were very inconvenient of transportation, such as oxen, hides, salt, tobacco, etc. Some of the Indians, at the time of the discovery of this country, were far in advance of other rude nations, in that they had a real money made from shells, called "wampum."

From these rude forms have been evolved our present gold, silver, and nickle coins. Owing to the fluctuating and declining values of silver in the last twenty years and the greater stability of gold, and the belief that gold will never be produced in quantities sufficient to materially affect its value, have made the latter the standard of value for great commercial nations, while silver became the standard of value of weaker nations. Commerce, independent of any nation, has selected gold as its standard of value and discredited silver.

This irresistible law of evolution alone is responsible for this, and we are powerless to change it. It only remains for us to decide whether we shall stand with the strong, powerful nations of the earth, and adopt gold as our standard, or by adopting silver be classed with such nations as China, Mexico, Argentine Republic, and so forth. For my part I prefer to join hands with the great nations of the earth. Until 1870 the annual production of silver was less than half that of gold (coinage value), and the price, consequently, \$1.30 per ounce, the ratio being about 15½ to 1.

Now, although the production of gold has not materially increased, the production of silver is so great that the parity of the two metals is about 27 to 1. The United States coinage ratio being 16 to 1, is about 40 per cent above the world's market price. What does this teach us? Plainly that supply and demand have to do with the regulation of the price of silver, as well as with the price of wheat, cotton, and so forth. As the production of silver far exceeds the demand for it, notwithstanding the four and one-half million ounces per month that the United States Treasury is forced, by this obnoxious law, to buy, the price has necessarily fallen.

Time has shown that this law has entirely failed to restore the position of silver; and yet, after this costly experiment has so utterly failed to accomplish what the silverites desired, and in the face of the great loss the Government has sustained, they ask it, the Government, to do more. They ask it to try the experiment of free coinage. What right has our Government to tax the whole country for the benefit of one industry, or to imperil the business interests of the people? Is not this class legislation? And if the silver advocates can not see it in this light, if they still maintain that free coinage will accrue to the benefit of the whole people, is it not our duty to call a halt to this experimenting?

We have heretofore acted too much on the defensive, but the time has come when we must change our tactics; and, acting up to the courage of our convictions, vigorously attack this law and drive it from our statutes. If we do this, unconditionally, we shall

have won a lasting victory over free coinage, and no unlimited purchase act will again trouble us, at least while the history of the Sherman law remains fresh in the memory of the people. But if we compromise with the silver advocates—if we adopt a ratio of 16, or 18, or 20 to one, we only allow this experimenting to be begun over again. For if we give the ratios of the intrinsic values of silver to gold to-day, we are not sure that it will be the correct ratio for next month, next week, or even for to-morrow. We can not do what no other nation has been able to do, make gold and silver circulate together unless we limit the amount of the latter.

According to Gresham's economic law, an inferior money tends to drive out a superior money from the country; and a country persisting in a free or unlimited coinage of silver would soon drive out gold and would be forced to adopt a silver basis. It is claimed by some, who are able to judge impartially, that we have been terribly near this calamity ourselves. "Forewarned is forearmed." Let us see to it that our legislation is such that we will steer clear of this danger in the future. And as it was said in this House last Friday, by an eminent advocate of free silver, that France had been able for a period of seventy years (from 1803 to 1873) to maintain the parity of the two metals at the ratio of 15½ to 1, let us quote what Chevalier, the distinguished French economist, the great champion of silver in his day, says on this subject:

In the year XI (1803), when the law of seventh Germinal was enacted, which established for a temporary standard the ratio of 1 to 15½ between the two metals, this ratio actually existed in the commercial world; but little by little it changed, and soon gold came to be worth ordinarily a little more than fifteen and one half times as much as silver—it has sometimes been worth a little above sixteen times as much. This discrepancy, which has usually been about 1½ per cent (that is, one-half of that which manifested itself from 1726 to 1785), would have had no effect if the provision of Gaudin had been correct. On the contrary, it had a very considerable effect; it sufficed to retire gold from circulation.

A few years after the passage of the law of the year XI gold became so scarce that people had to buy it of the money-changers when they wanted to carry that kind of cash on their journeys. In fact, the circulation of the two metals side by side, which Gaudin flattered himself that he should establish by means of the coinage of pieces denominated twenty francs and forty francs, had ceased to exist shortly after the year XI, and twenty-five years after that date the circulation consisted of silver only.—*La Monnaie*.

And free coinage at any of the proposed ratios would drive out

gold and bring us to silver monometallism, creating distrust, danger, and bankruptcy.

Mr. Speaker, I say that this so-called Sherman act is wrong. The silver-producing miners of the West were seeking a market for their bullion; and by this compromise a market was given to them. This Government has no more right to buy up the bullion of those silver producers in the West than to open a market for the fire clay and iron ores of the miners in my region of Ohio, or for the wool and the wheat of the farmers of that State.

If this Government is going to buy up silver bullion, in order to give the miners of the West a market for it, I want it to come into my section of Ohio and give us a market for the iron ore and the fire clay and the wool and the wheat of our people.

Now, it seems strange to me in view of these facts that gentlemen can have any hesitancy in regard to their duty in the premises. In this condition of things—this piling up of silver in our vaults, this draining of our Treasury of its gold, this lack of confidence which has been created by this unwise legislation—how can this country hesitate for a moment to undo that fearful wrong? Our duty to ourselves, our duty to our people, our duty to this nation, it seems to me, demands that this unwise act be speedily repealed.

But, Mr. Speaker, there is another thing that I have noticed in the course of this debate, and it is this: While so many able gentlemen have attacked the wisdom of this act which is now sought to be repealed, while so much has been said against it, while so many logical reasons have been given why it should be removed from the statute book as speedily as possible and without condition, the furthest that gentlemen on the other side have gone has been to attempt to attribute our distresses to other causes.

Who, on this floor has raised his voice in defense of this unwise act which we now seek to repeal? Who is there on this floor that has said it is a wise piece of legislation? Who upon this floor has said that he believed that this act should still remain on our statute books?

Is it possible that we have come to this? That an act of legis-

lation, condemned by so many and defended by none, is still to be retained upon the statute books of this great nation as a law of these United States? It seems to me, sir, that when this act is so universally condemned, and where no voice can be found that will raise itself to tell us of the good that it has done, that that of itself should settle the case in this emergency.

. But here is a piece of legislation which no one seeks to defend, which has been productive of at least no good (for if it has been productive of any good gentlemen have failed to point out to us wherein it consists); an act of legislation indefensible, acknowledged to be a makeshift, acknowledged to be wrong, without the spirit if not without the letter of your Constitution, and yet with no apology for it whatever, gentlemen say "unless we can get what we want" this shall remain still the law of the land.

There is a time coming, and that before long, when gentlemen who seek to retain upon the statute books of this country a law productive of so much mischief as that will hear from the people in thunder tones. It will not be the thunder tones so well depicted by a gentleman on yesterday, that came from Mount Sinai amid the thunders and lightnings of the Almighty Himself, but it will be the thunder tones of an outraged people whose rights have been invaded, on whose shoulders wrongful burdens have been imposed, who are groaning beneath the load of calamity and of distress hurled upon them, and these people will speak in thunder tones to the representatives of the people who shall refuse to give them relief in this hour of their sorest trial.

Can it be possible that the Representatives of this great nation shall determine that although they honestly believe this legislation to be unwise, although they honestly believe it is productive of injury to the country, although they honestly believe that this legislation ought to be repealed by this House, yet that they will take advantage of the distress of the people of this land and refuse to lift this burden from their shoulders unless they can have something else in its place?

I came into this Hall last night to listen to the arguments that should be made upon the other side of this question, and was surprised to hear the argument made by an eloquent gentleman

from the State of Kansas [Mr. SIMPSON]. He said that there was a conspiracy to bring about the repeal of this law.

I say, sir, that in my humble opinion if there were a conspiracy abroad in this land against the rights of the people, a conspiracy to put upon the shoulders of the people burdens too heavy to be borne, a conspiracy to make the coming winter one of the worst that the American people have ever seen, and to make its days and nights resound with the wailings of the poor laborer, the skilled mechanic, and the toiling farmer, that conspiracy could be no more effectual to bring about these things than the retention on our statute books of this so-called Sherman act.

I heard it said the other day that the battle cry of silver would be "Home, Sweet Home." But I say that that will not be the cry that will go forth from the lips of the laborers next winter if this act shall remain in force. It will not be the old, sweet hymn that our mothers used to sing and that we loved so well, "Home, Sweet Home," that has for every man an undying attraction, no matter how humble that home may have been; but the cry that will go forth from the lips of the laborer next winter, as he tramps in search of work, if this act shall continue to be the law, will be, "I have no home."

To-day all over this land there are people who but a few weeks ago were in happy homes—everywhere husbands and fathers, willing to work, surrounded by wives and children whom they loved, men with brawny arms that were willing to work to maintain themselves and their loved ones—and to-day, with the mills and the machinery of the country idle, the farmer without proper market for his crops, amid the idleness and desolation that has been brought on throughout all sections of the country, they are at this time standing surrounded by their families wondering to Heaven what they shall do next.

This is the condition, while we are here to-day with so many of these chairs unfilled, so many of us giving but little attention to arguments, and weighing but little the burdens and miseries that are brought down upon our honest, peaceful people. The farmers, the mechanics, the laborers, are wondering this after-

noon what this House of Representatives is doing for their relief.

Many are crying for bread, and if we do not give them back a stone, shall we say to them, "We have heard your cry; we know your wants; we know wherein lies the root of all this trouble; we have still our convictions; we have determined that in this grandest nation on God's earth, whose granaries are teeming with grain, whose hills are filled with mineral wealth, whose people are free, and intelligent, and strong, idleness shall continue, misery and want increase, and the credit of our country shall be sunk down to perdition itself.

Mr. TRACEY. Mr. Speaker, it is now nearly 5 o'clock, and I ask unanimous consent that the session be extended until the gentleman shall have finished his remarks.

The SPEAKER. Without any objection that order will be made.

There was no objection.

Mr. RICHARDS. I thank the House for the courtesy extended. When I rose to talk, considering the many arguments that have been made, and knowing from my own experience the patience required to listen to all of these arguments, I had not intended to detain the House at length. From the beginning of this debate I have been promptly in my seat at the opening of the daily session. I have not left the House until each day's session has closed. I have endeavored to hear all that was said, and I know from my own experience the patience it takes to sit here throughout the day and listen to the arguments that are made.

But, Mr. Speaker, this House should have patience. This is an hour when the American people are entitled to patience on the part of their Representatives in this House. The time is now here when members of this House should not seek their own personal comfort. This is a time when members of this House should forsake self for the good of the people of this land.

Therefore, Mr. Speaker, believing that the industries of the people of this country, the welfare of all our people, rich and poor—believing that the welfare of the farmer upon his farm, of the merchant behind his counter, of the mechanic and laborer,

that the interests of all our people, both high and low, demand the unconditional repeal of the Sherman act—believing this, and that it is for the interest of the people of my district and my State, and the people of this nation, I shall vote against free coinage at any ratio, and for the unconditional repeal of the Sherman act. [Applause.]

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