

SILVER COINAGE  
WITHOUT  
BULLION REDEMPTION.

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SPEECH  
OF  
HON. THOMAS H. CARTER,  
OF MONTANA,  
IN THE  
HOUSE OF REPRESENTATIVES,

FRIDAY, JUNE 6, 1890.

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WASHINGTON.  
1890.



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OF  
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The House having under consideration the bill (H. R. 5381) authorizing the issue of Treasury notes on deposits of silver bullion—

Mr. CARTER said:

Mr. SPEAKER: From remote antiquity until the year 1873 gold and silver were currently accepted as the money metals of the world. On fixed ratios they were legally recognized as measures of value and mediums of exchange. The common consent of mankind to so consecrate these metals to coinage first found expression in commercial usage, and that commercial usage was finally given supposed permanency in the form of statutory enactments by the legislative assemblies of the leading commercial nations of the world. Usage thus became bound up in law and dependent upon it for stability.

The mints of Europe were, generally speaking, open for the unlimited coinage of all the gold and silver product of the world on a fixed ratio of  $15\frac{1}{2}$  silver to 1 of gold. For the century preceding 1873 the unit of coinage in the principal commercial nations rested on both metals, although silver was generally and properly accepted as the reliable standard, and gold was rated according to the discretion of each government, the general ratio, with slight variation, being  $15\frac{1}{2}$  to 1. The existence of a fixed ratio tended in the most satisfactory manner to prevent undue shifting of the metals from one country to another.

While the mints of all countries were open to the free coinage of both metals, no incentive existed to transfer bullion from one country to another for coinage, as such transfer incurred expense without profit. To the changes and lack of uniformity in the ratio, therefore, was undoubtedly due, to a great extent, the disturbance which led to the unfortunate tendency toward the single standard, which was initiated

by England in 1816, and finally consummated by the demonetization of silver by this country in 1873.

In 1786 our Government adopted the ratio of  $15\frac{1}{2}$  of silver to 1 of gold. In 1792, the ratio was changed to 1 to 15 and in 1834 to 1 to 16. It is worthy of note that when the latter ratio was fixed by this country, all our silver was shipped abroad for coinage and thereafter the United States, although producing large quantities of silver, was practically unable to hold the metal in this country for coinage purposes, for the very good reason that it could be shipped abroad and coined in the mints of the Old World at a profit.

France adopted the double standard in 1803, with a ratio of  $15\frac{1}{2}$  to 1, and in 1865 the Latin Union was formed on that basis, ultimately embracing France, Italy, Belgium, Switzerland, and Greece. While the mint of France was coining at the ratio of  $15\frac{1}{2}$  to 1, the mints of this country could not procure silver to coin at the ratio of 1 to 16.

In the consideration of this question, we can not overlook the insurmountable fact that for the major portion of the passing century this slight variance between the coinage regulation of France and the Latin Union was sufficient in itself to draw the silver of the United States to the countries which had adopted the more friendly ratio. The adoption of the single gold standard by England in 1816, although England was then as she is now one of the strongest of the commercial powers, did not disturb the ratio between the metals.

While the mints on the Continent remained open to the coinage of silver, the ratio was maintained with unvarying steadiness. At the conclusion of the Franco-Prussian war in 1871, the action of Germany in adopting the gold standard for the first time disturbed the equilibrium, but it must be borne in mind that the action of Germany alone did not bring about this result.

Apprehending heavy sales of silver by Germany in the process of its change to the single standard, the Latin Union and the United States suspended free coinage. This action cast upon gold the burden of all exchanges between the chief commercial nations of the earth, and the increased demand for that metal undoubtedly caused its undue appreciation. There can be no reasonable doubt that silver would have appreciated if that metal had been fixed as the single standard of value by the discarding of gold.

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The chief use to which silver had been put for ages was coinage, and the demonetization of the metal, instantly depriving it of employment in that direction, caused the price as quoted in gold to decline. No one now pretends to say that this decline was not due to adverse legislation. Since then it has fluctuated in value, and its fluctuations have affected all international exchanges, particularly between those countries having the silver standard and those having the gold standard.

The employment of gold for the performance of the commercial offices in which both gold and silver had been previously employed gave to this metal a greatly increased importance, and the consequent increased demand for it led to its abnormal appreciation and has caused a depreciation in the price of every commodity measured by gold coin. This result is visible in every article of commerce, as likewise in the value of real estate, but the greatest injury has been inflicted upon manufacturing and agricultural communities. In the United States the effect upon the producing classes has been seriously injurious.

The wheat crop of this country constitutes one of our most valuable export commodities, and in the foreign market our chief competitor in wheat is India. Now England controls India, and practically furnishes her with circulating medium, and in return transports her vast wheat crop to the European market for sale. The circulating medium of India is a silver coin known as the rupee. A rupee in India will buy a certain quantity of wheat, and it is immaterial in that country what the original cost of the metal in the rupee actually was.

When we demonetized silver it cost England 2s. to purchase the silver with which to make a rupee. At present the same amount of silver can be purchased at 1s. 5d., and the rupee which results from this quantity of silver will purchase as much wheat in India to-day as in 1873. It is, therefore, clear that with the same quantity of gold England can purchase an amount of silver which, manufactured into rupees, will purchase a much larger quantity of wheat in India than could have been purchased indirectly by the same amount of gold in 1873.

Since the wheat can be purchased cheaper, it can be transported and sold for less in the European market, while preserving the same profit on the transaction which formerly resulted. The increase in the price of silver as measured in gold would in consequence tend to increase the market price of wheat in Europe, and that increased market price

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would be a direct benefit to the vast body of American citizens engaged in wheat-raising.

This furnishes but one illustration of the many ways in which the appreciation in the value of gold, or, if you will so have it, the depreciation in the value of silver, has injuriously affected the American interests.

Aside from this, we produce in this country about 45 per cent. of the world's annual silver product. Every consideration of patriotism and sound statesmanship commands us to so direct our legislation as to restore this vast annual output of silver to its normal price in the world's market. It can so be restored only by restoring the silver to the legitimate use to which it has been consecrated throughout the centuries that have passed.

The advocates of a single gold standard urge the increased output of silver as an argument in favor of their theory. Thirty years ago the same theorists were advocating, and with much more logic, the demonetization of gold because of the remarkable placer discoveries in California and the Rocky Mountain Territories. Experience in the mining regions of this country from the first discovery of gold in California up to the present time very clearly demonstrates the fact that if either metal is to be discarded because of uncertainty in its production or the possibility of an undue increase in quantity gold should be by all means discarded and silver retained.

Gold has frequently been found in its pure state in enormous quantities and at unexpected times and places, and what has occurred heretofore may occur hereafter. On the contrary, silver has been from its first discovery constant in production and regular in quantity. It has never been found in placer deposit, but always in rock formations, requiring an expensive process for its extraction. While fabulous profits have resulted from the phenomenal discoveries of gold in placer deposits, the production of silver has not been attended on the average in any mine with more than normal returns on capital invested.

A circumstance worthy of the gravest consideration in passing upon the utility of the two metals for a circulating medium is found in the fact that the production of gold is very largely dependent upon the production of silver. But a fraction of the world's annual production of gold is produced from ore containing gold free from silver or from gold

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as found in the placer deposits. A very considerable proportion of the annual output of gold is secured from silver-bearing ores, and experience has demonstrated that the combination of profit in a mining enterprise on both the gold and silver contents in a given ore is often necessary to the successful mining and treatment of the ore. It follows from this state of facts that such continued discrimination against silver as may tend to reduce its price and discourage its production would likewise materially decrease the world's annual supply of gold, thus tending to widen the breach already forced by legislation between the relative values of these two metals.

But the assumption that there has been an unhealthy increase of silver production since 1860 is not sustained by the facts and figures. Institute a comparison between the percentage increase of population, interstate and international commerce, since 1860 with the increase of silver and it will be found that silver production has not actually kept pace with the increase of population, development, and trade, and as to gold, it will be found that while the world has been rapidly progressing in all directions and the demand for a measure of value and a circulating medium has been constantly increasing, the product has been in no sense commensurate with the increased demand, but in this country, has actually decreased from \$36,000,000 in 1873 to \$33,175,000 in 1888, and as to both gold and silver, it will be found that the volume is not any more disproportioned to the world's business and population than in 1873.

While the production of gold has thus been actually decreasing, our foreign commerce has greatly increased and our domestic productions have more than doubled; for instance, between 1873 and 1889 the production of corn increased 126 per cent.; wheat, 75 per cent.; rye, 88 per cent.; oats, 178 per cent.; barley, 99.36 per cent.; horses, 49 per cent.; mules, 73 per cent.; cattle, 87 per cent.; swine, 54 per cent. But it is useless to recapitulate; the fact is notorious that the productions of the country have increased phenomenally, whereas our standard of value and the medium of exchange has actually been decreasing. The production of silver, on the contrary, has in some measure, although not adequately, kept pace with the development of the country and the increase of trade.

This is true notwithstanding the vast output of placer gold between

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1850 and 1870, a period during which the increase of gold over silver far exceeded in quantity the corresponding and relative silver increase since the last-named year.

As the record of the world's production of gold and silver between 1850 and 1890 very clearly elucidates the manner in which a safe equilibrium is preserved in commercial affairs through the bimetallic system, I incorporate a statement showing the production for each year from 1851:

*Statement of the annual production of gold and silver in the world, from 1851 to 1888, inclusive.*

| Year. | Gold.         | Silver.       |
|-------|---------------|---------------|
| 1851  | \$67,600,000  | \$40,000,000  |
| 1852  | 132,750,000   | 40,600,000    |
| 1853  | 155,450,000   | 40,600,000    |
| 1854  | 127,450,000   | 40,600,000    |
| 1855  | 135,075,000   | 40,600,000    |
| 1856  | 147,600,000   | 40,650,000    |
| 1857  | 133,275,000   | 40,650,000    |
| 1858  | 124,650,000   | 40,650,000    |
| 1859  | 124,850,000   | 40,750,000    |
| 1860  | 119,250,000   | 40,800,000    |
| 1861  | 113,800,000   | 44,700,000    |
| 1862  | 107,750,000   | 45,200,000    |
| 1863  | 106,950,000   | 49,200,000    |
| 1864  | 113,000,000   | 51,700,000    |
| 1865  | 120,200,000   | 51,850,000    |
| 1866  | 121,100,000   | 50,750,000    |
| 1867  | 104,025,000   | 54,225,000    |
| 1868  | 109,725,000   | 50,225,000    |
| 1869  | 106,225,000   | 47,500,000    |
| 1870  | 106,850,000   | 51,575,000    |
| 1871  | 107,000,000   | 61,050,000    |
| 1872  | 99,600,000    | 62,250,000    |
| 1873  | 96,200,000    | 81,800,000    |
| 1874  | 90,750,000    | 71,500,000    |
| 1875  | 87,500,000    | 80,500,000    |
| 1876  | 103,700,000   | 87,600,000    |
| 1877  | 114,000,000   | 81,000,000    |
| 1878  | 119,000,000   | 95,000,000    |
| 1879  | 109,000,000   | 96,000,000    |
| 1880  | 106,500,000   | 96,700,000    |
| 1881  | 103,000,000   | 102,000,000   |
| 1882  | 102,000,000   | 111,800,000   |
| 1883  | 95,400,000    | 115,300,000   |
| 1884  | 101,700,000   | 105,500,000   |
| 1885  | 108,400,000   | 118,500,000   |
| 1886  | 106,000,000   | 120,600,000   |
| 1887  | 107,000,000   | 125,500,000   |
| 1888  | 106,000,000   | 142,400,000   |
|       | 4,250,325,000 | 2,657,925,000 |

These figures when compared with commercial and census data show that the supply of the precious metals has not been increasing of late years disproportionate to the increase in population and business.

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The supply of gold has actually decreased, while its use as the sole money metal of the great commercial nations has been violently increased. As a nation we can no longer expend our strength and impoverish ourselves in the effort to increase the trade of India while running our Government counter to natural laws and the common interest of the people. We must return to the double standard. We must restore by legislation the equilibrium we destroyed by legislation. We must open our mints to the free and unlimited coinage of silver.

This and this alone will bring about a restoration of healthy financial conditions. This conclusion has been reached by statesmen and political economists, not only in this country but in England, France, and elsewhere. For ten years past the necessity has been apparent to many, and has been to a greater or less degree recognized by all, as indicated by the repeated conferences and congresses that have assembled under authority of the various commercial nations to consider the causes leading to the fall of prices and kindred subjects incidental to or directly connected with the question of the free coinage of silver. I think it may be truthfully said that the necessity for a universal return to the double standard has been practically conceded, the means of accomplishing that end being the principal subject considered in the current literature touching the question.

Many thoughtful and patriotic men believe that this country can not on its own account and independent of all other commercial nations sustain itself on the bimetallic basis and open its mints to the free coinage of silver. In support of this theory it is suggested that large quantities of silver coin have been boxed up and are now ready for shipment from the various banks of Europe to this country, to be coined at our mints. It is conceded by those who advance this argument that no considerable quantities of silver bullion exist anywhere; hence we would be inundated with foreign coin if this theory be correct. As I have heretofore shown, all foreign coins contain less silver than the American silver coin; hence in the melting down of the foreign coin and transforming it into an American coin there would be a considerable loss.

In addition to the loss which would thus be sustained, abrasion and short-weight coins would increase the disadvantage incident to the re-

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coining at our mints. Further still would be added the cost of freight and insurance. These sundry charges would in my opinion be sufficient to deter holders of foreign coin from embarking in the losing transaction which is apprehended. Further still it must be borne in mind that the daily business of all the people of Europe would not instantly cease on the occasion of the opening of the mints of the United States. On the contrary, the people would continue in their daily avocations in France, Germany, and England, all over the world for that matter, and in the transaction of their daily business they would require for daily use the identical coin which theorists apprehend would be shipped to the United States instanter to be transformed into American dollars.

The opponents of free coinage, however, advance another argument, based upon what they are pleased to consider practical experience. It is suggested that notwithstanding the coinage of \$2,000,000 per month under the law of 1878, silver has continuously declined in price and that no assurance exists that it would not continue to decline, even though we should open our mints to its free coinage. This calls for the consideration of certain facts relative to the world's annual surplus of silver. On page 21 of the published report of the Secretary of the Treasury for 1889 is found the following statement, showing the world's annual production of silver at coining value and the various uses to which it is applied:

|  |                    |
|--|--------------------|
| Annual product (coining value).....  | \$142,000,000      |
| <b>Disposition :</b>   |                    |
| Required by India .....  | 35,000,000         |
| Coinage of full legal-tender silver by Austria and Japan (average).....                      | 10,000,000         |
| Required for subsidiary coinages of Europe and South America and colonial coinages.....      | 16,000,000         |
| Amount annually exported to China, Asia, and Africa (other than used in Indian coinage)..... | 10,000,000         |
| Annual coinage of Mexican dollars, not melted .....  | 5,000,000          |
| Amount used in the arts and manufactures (estimate).....                                     | 15,000,000         |
| Surplus product.....   | 51,000,000         |
| <b>Total.....</b>  | <b>142,000,000</b> |

From the above it will be seen that the annual surplus product of silver, which would probably be deposited at the mints of the United States, approximates \$51,000,000 (coining) value, corresponding to 39,445,312 fine ounces, worth, at the present market price of silver (96 cents), \$37,867,500.

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On the same page the Secretary states that the world's consumption of silver in the arts amounts to twenty-one millions per annum, whereas in the statement above set forth it will be observed that the amount used in the arts and manufactures is estimated at fifteen millions, the additional amount used in the arts being accounted for by the Secretary as taken from old coins melted down and old material reused. Thus it is apparent that in order to create a surplus of fifty-one millions annually of silver it is necessary to melt down old silver coins and candlesticks to the extent of \$6,000,000 coinage value each and every year.

But assuming the fifty-one millions of surplus to be correct, the question arises, what would be the effect on the market if a demand should suddenly arise for fifty-two millions? There would then be a shortage in the market of \$1,000,000 annually instead of a surplus of fifty-one millions, and I ask if it is not true that the law of supply and demand controls the market price when applied to silver as when applied to wheat? I ask this question even allowing for the sake of argument that silver be treated as a commodity. We have been absorbing in the United States \$24,000,000 of this \$51,000,000 annually, thus leaving a net surplus of the world's production each year of \$27,000,000 in silver at coinage valuation.

It is this unused surplus which the people of the United States actually need for the convenient transaction of their business, and which the Government has refused to coin, that has continued to depreciate the price of silver in the market. The exact amount of surplus of a given article is immaterial in the matter of controlling the price; it is enough that a surplus exists. As long as the surplus remains the price will be depressed; the moment the surplus is absorbed and a deficiency created, that moment the value of the article appreciates.

It is further urged in opposition to an increase of silver coinage that the dollars coined under the law of 1878 are not accepted by the people. In support of this statement we are referred to the vast accumulation of silver in the Treasury. This argument originates in either stupidity or dishonesty, and in support of this assertion I present the following statement:

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[United States Treasurer's report for 1889, page 95.]

CAS Statement showing the amount of standard silver dollars coined, in the Treasury, and in circulation, and of silver certificates outstanding, from latest returns received at the end of each month from July, 1886.

| Date.              | Standard silver dollars coined. | Standard silver dollars in the Treasury. | Silver certificates in the Treasury cash. | Silver certificates in circulation. | Net standard silver dollars in Treasury after deducting silver certificates in circulation. | Standard silver dollars in circulation. |
|--------------------|---------------------------------|--|---|-------------------------------------|---|---|
| 1886.              |                                 |  |   |                                     |   |   |
| July 31 .....      | \$235,643,286                   | \$181,523,924                            | \$27,728,858                              | \$87,564,044                        | \$93,959,880  | \$54,119,362                            |
| August 31 .....    | 238,573,286                     | 181,769,457                              | 25,571,492                                | 89,021,760                          | 92,747,097  | 56,803,829                              |
| September 30 ..... | 241,281,286                     | 181,262,593                              | 22,553,990                                | 95,357,112                          | 85,875,481  | 60,018,693                              |
| October 30 .....   | 244,079,386                     | 182,931,231                              | 17,562,302                                | 100,306,800                         | 82,624,431  | 61,148,155                              |
| November 30 .....  | 246,903,386                     | 184,911,938                              | 14,137,285                                | 105,519,817                         | 79,392,121  | 61,991,448                              |
| December 31 .....  | 249,623,647                     | 188,506,238                              | 7,338,432                                 | 117,246,670                         | 71,259,568  | 61,117,409                              |
| 1887.              |                                 |  |   |                                     |   |   |
| January 31 .....   | 252,503,647                     | 193,963,783                              | 6,737,388                                 | 118,183,714                         | 75,780,069  | 58,539,864                              |
| February 28 .....  | 255,453,647                     | 198,112,760                              | 5,466,347                                 | 121,130,755                         | 76,982,005  | 57,340,887                              |
| March 31 .....     | 258,474,027                     | 201,672,372                              | 6,212,849                                 | 131,939,489                         | 69,741,883  | 56,801,655                              |
| April 30 .....     | 261,524,027                     | 205,788,822                              | 5,007,700                                 | 137,740,430                         | 68,048,392  | 55,735,205                              |
| May 31 .....       | 264,474,027                     | 209,062,567                              | 5,289,164                                 | 139,143,328                         | 69,909,239  | 55,421,460                              |
| June 30 .....      | 266,990,117                     | 211,483,970                              | 3,425,133                                 | 142,118,017                         | 69,365,933  | 55,506,147                              |
| July 31 .....      | 267,440,117                     | 211,528,891                              | 4,209,659                                 | 144,166,141                         | 67,362,750  | 55,911,228                              |
| August 31 .....    | 270,250,117                     | 213,212,448                              | 5,996,743                                 | 147,876,385                         | 65,336,033  | 57,037,660                              |
| September 30 ..... | 273,390,157                     | 213,043,796                              | 3,919,841                                 | 154,354,826                         | 58,688,970  | 60,346,361                              |
| October 31 .....   | 276,816,157                     | 214,175,532                              | 3,451,494                                 | 160,713,957                         | 53,461,575  | 62,640,625                              |
| November 30 .....  | 280,144,157                     | 215,882,443                              | 4,413,446                                 | 168,149,274                         | 47,733,169  | 64,261,714                              |
| December 31 .....  | 283,140,357                     | 218,917,539                              | 6,339,670                                 | 176,855,423                         | 42,062,116  | 64,222,818                              |

|                    |                    |             |             |             |             |            |            |
|--------------------|--------------------|-------------|-------------|-------------|-------------|------------|------------|
| CAR                | 1888.              |             |             |             |             |            |            |
|                    | January 31 .....   | 285,846,357 | 223,918,380 | 14,930,517  | 179,321,053 | 44,597,327 | 61,926,977 |
|                    | February 29 .....  | 288,545,357 | 227,947,493 | 21,166,469  | 184,462,659 | 43,494,834 | 60,597,864 |
|                    | March 31 .....     | 291,353,789 | 232,037,274 | 19,370,425  | 191,526,445 | 40,510,829 | 59,812,515 |
|                    | April 30 .....     | 294,039,790 | 236,156,394 | 18,316,109  | 194,426,932 | 41,729,462 | 57,883,396 |
|                    | May 31 .....       | 297,037,790 | 240,587,970 | 20,458,423  | 196,645,405 | 43,942,565 | 56,449,820 |
|                    | June 30 .....      | 299,424,790 | 243,879,487 | 23,104,396  | 200,3-7,376 | 43,492,111 | 55,545,303 |
|                    | July 31 .....      | 300,708,790 | 245,798,765 | 23,361,286  | 203,680,679 | 42,118,086 | 54,910,025 |
|                    | August 31 .....    | 303,320,790 | 247,859,402 | 15,528,762  | 209,658,966 | 38,200,436 | 55,461,388 |
|                    | September 29 ..... | 306,542,890 | 248,791,534 | 9,819,875   | 218,561,601 | 30,229,933 | 57,751,356 |
|                    | October 31 .....   | 309,670,890 | 249,979,440 | 7,404,624   | 229,783,152 | 20,196,288 | 59,691,450 |
|                    | November 30 .....  | 312,450,890 | 251,975,505 | 8,834,4-5   | 237,415,789 | 14,559,716 | 60,475,385 |
| December 31 .....  | 315,186,190        | 254,406,869 | 3,958,567   | 246,219,999 | 8,186,870   | 60,779,321 |            |
| 1889.              |                    |             |             |             |             |            |            |
| January 31 .....   | 318,186,190        | 259,811,329 | 4,717,113   | 245,337,438 | 14,473,891  | 58,374,861 |            |
| February 28 .....  | 320,946,490        | 263,514,586 | 5,717,898   | 246,628,953 | 16,385,633  | 57,431,904 |            |
| March 30 .....     | 323,776,515        | 267,286,176 | 4,760,236   | 251,263,679 | 16,022,497  | 56,490,335 |            |
| April 29 .....     | 326,974,515        | 271,326,743 | 3,451,830   | 254,939,203 | 16,387,540  | 55,647,772 |            |
| May 31 .....       | 330,188,510        | 275,481,223 | 6,205,089   | 255,587,810 | 19,946,413  | 54,704,317 |            |
| June 29 .....      | 333,422,650        | 279,084,683 | 5,527,301   | 257,102,445 | 21,982,238  | 54,337,967 |            |
| July 31 .....      | 334,602,650        | 280,382,395 | 5,651,271   | 259,557,125 | 20,825,270  | 54,220,255 |            |
| August 31 .....    | 337,502,650        | 282,583,864 | 6,141,570   | 268,580,626 | 14,003,238  | 54,918,786 |            |
| September 30 ..... | 340,357,650        | 282,983,550 | 8,378,052   | 276,619,715 | 6,363,835   | 57,374,100 |            |
| October 31 .....   | 343,428,001        | 282,539,521 | 2,328,373   | 277,319,944 | 6,219,577   | 59,888,480 |            |
| November 30 .....  | 346,798,001        | 286,101,364 | 2,419,174   | 276,794,386 | 9,306,978   | 60,696,637 |            |
| December 31 .....  | 349,802,001        | 583,535,500 | 2,252,966   | 282,949,073 | 5,586,427   | 61,266,501 |            |
| 1890.              |                    |             |             |             |             |            |            |
| January 31 .....   | 352,536,001        | 293,229,364 | 3,254,118   | 281,331,771 | 11,897,593  | 59,306,637 |            |
| February 28 .....  | 355,948,001        | 297,575,621 | 4,063,377   | 284,176,262 | 13,399,859  | 58,372,380 |            |
| March 31 .....     | 359,884,266        | 302,036,610 | 3,407,891   | 290,605,562 | 11,431,048  | 57,847,656 |            |

It will be observed that of the 359,884,226 standard silver dollars shown by the statement of March 31, 1890, every dollar is either in circulation or represented by a circulating silver certificate, except about eleven and one-half million dollars.

It is instructive to compare this statement with the tables showing inclination of gold coin and bullion to accumulate in the Treasury vaults, and to show the contrast I present the tabulated statement issued by the Treasurer, which is as follows:

[United States Treasurer's report for 1889, page 93.]

*Statement showing amount of gold coin and bullion in the Treasury, and of gold certificates outstanding, from latest returns received at the end of each month.*

| Date.             | Total gold in Treasury, coin and bullion. | Gold certificates in Treasury, cash. | Gold certificates in circulation. | Net gold in Treasury, coin and bullion. |
|-------------------|---|--------------------------------------|-----------------------------------|---|
| 1887.             |   |                                      |                                   |   |
| January 31.....   | \$274,140,468.85                          | \$18,843,632                         | \$105,665,107                     | \$168,475,361.85                        |
| February 28.....  | 275,088,626.45                            | 24,256,230                           | 99,958,365                        | 175,130,261.45                          |
| March 31.....     | 275,985,862.15                            | 29,757,610                           | 94,046,015                        | 181,939,847.15                          |
| April 30.....     | 275,336,915.90                            | 28,905,040                           | 94,434,483                        | 180,902,430.90                          |
| May 31.....       | 277,628,750.47                            | 32,101,358                           | 90,960,977                        | 186,667,773.47                          |
| June 30.....      | 278,101,106.26                            | 30,281,380                           | 91,225,457                        | 186,875,669.26                          |
| July 30.....      | 281,296,417.45                            | 18,098,560                           | 94,990,987                        | 186,306,930.45                          |
| August 31.....    | 282,039,533.67                            | 23,008,207                           | 83,763,240                        | 193,274,193.67                          |
| September 30..... | 290,702,629.70                            | 29,158,288                           | 97,984,683                        | 192,717,946.70                          |
| October 31.....   | 302,544,605.45                            | 32,858,158                           | 99,684,773                        | 202,859,832.45                          |
| November 30.....  | 302,661,278.68                            | 39,974,838                           | 90,780,753                        | 211,880,525.68                          |
| December 31.....  | 305,342,187.07                            | 31,010,394                           | 96,734,057                        | 208,608,130.07                          |
| 1888.             |   |                                      |                                   |   |
| January 31.....   | 307,809,155.27                            | 20,668,210                           | 104,853,971                       | 202,955,184.27                          |
| February 29.....  | 309,567,826.88                            | 26,962,168                           | 96,697,913                        | 212,869,913.88                          |
| March 31.....     | 310,772,202.63                            | 29,651,464                           | 91,953,949                        | 218,818,253.63                          |
| April 30.....     | 312,801,287.15                            | 20,853,500                           | 99,561,293                        | 213,239,994.15                          |
| May 31.....       | 309,882,858.81                            | 33,574,110                           | 109,581,730                       | 200,301,128.81                          |
| June 30.....      | 313,753,616.89                            | 22,135,780                           | 119,887,370                       | 193,866,246.89                          |
| July 31.....      | 326,551,392.34                            | 30,234,688                           | 131,959,112                       | 194,592,280.34                          |
| August 31.....    | 331,133,430.44                            | 36,591,356                           | 124,750,394                       | 206,383,036.44                          |
| September 29..... | 332,551,305.52                            | 25,516,410                           | 134,838,190                       | 197,713,115.52                          |
| October 31.....   | 331,688,233.11                            | 26,163,492                           | 140,613,653                       | 191,074,575.11                          |
| November 30.....  | 328,603,361.29                            | 37,441,932                           | 129,264,228                       | 199,339,133.29                          |
| December 31.....  | 324,773,666.56                            | 36,127,702                           | 120,888,448                       | 203,885,218.56                          |
| 1889.             |   |                                      |                                   |   |
| January 31.....   | 325,641,856.12                            | 25,043,518                           | 130,986,592                       | 194,655,264.12                          |
| February 28.....  | 326,456,697.81                            | 24,802,813                           | 130,210,717                       | 196,245,980.81                          |
| March 30.....     | 326,700,938.96                            | 26,586,125                           | 128,826,517                       | 197,874,421.96                          |
| April 29.....     | 328,203,900.80                            | 20,783,433                           | 136,614,789                       | 191,589,111.80                          |
| May 31.....       | 321,297,376.96                            | 27,350,140                           | 129,044,662                       | 192,252,714.96                          |
| June 29.....      | 303,504,319.58                            | 37,235,793                           | 116,792,750                       | 186,711,560.58                          |
| July 31.....      | 370,759,572.98                            | 34,669,943                           | 118,541,409                       | 182,218,163.98                          |
| August 31.....    | 304,048,189.30                            | 39,557,233                           | 123,393,519                       | 180,654,670.30                          |
| September 30..... | 305,871,772.02                            | 42,073,803                           | 116,675,349                       | 189,196,423.02                          |
| October 31.....   | 308,509,615.21                            | 34,925,823                           | 120,937,229                       | 187,329,386.21                          |
| November 30.....  | 310,979,791.06                            | 30,668,090                           | 123,483,119                       | 187,496,672.06                          |
| December 31.....  | 313,818,941.47                            | 31,316,100                           | 122,985,889                       | 190,833,052.47                          |
| 1890.             |   |                                      |                                   |   |
| January 31.....   | 316,043,454.19                            | 20,452,870                           | 138,657,169                       | 177,386,285.19                          |
| February 28.....  | 318,593,752.14                            | 28,222,835                           | 130,604,804                       | 187,988,948.14                          |
| March 31.....     | 320,225,794.87                            | 24,614,210                           | 134,938,079                       | 185,287,715.87                          |

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It is true that one hundred millions of this idle gold is held specially for redemption purposes, but the fact remains still that of the total gold in the Treasury March 31, 1890, \$85,287,715.87 is neither reserved nor represented by certificates, as against only \$11,431,048 of silver in a like dormant state. If these figures show anything they demonstrate the confidence of our people in silver and their willingness to support the Government in sustaining that metal in the face of all adverse foreign legislation. They also refute the theory that the coinage of silver necessarily drives gold from the country, the contrary being the practical effect, as shown by the official figures given.

The pending bill, if relieved from the bullion feature, would be in my opinion equivalent to free coinage, inasmuch as it would call for an amount of silver annually for coinage purposes in excess of the world's surplus production. With this bullion feature eliminated I am satisfied that within a brief period of time, after this bill, if properly amended, becomes a law, the ancient ratio between gold and silver will be restored; and so believing, I am in favor of the bill with that objectionable feature eliminated.

If an amendment is allowed striking out the bullion-redemption clause, I am prepared to accept this bill as an indirect means of reaching free coinage; but if such amendment is not allowed, I can not lend my support to the measure. The bullion-redemption clause is an innovation in monetary science without a precedent anywhere, and without the shadow of justification. Under that clause all other provisions of the bill may be nullified. Who can safely predict that Treasury officials, who may be unfriendly to silver, will not use the discretion given by it to defeat the honest purposes of the remaining paragraphs of the bill? It is conceded that the same identical bullion may be deposited over and over again without limit.

What, then, is to prevent a syndicate, interested in preventing expansion of our circulation or in depressing the price of silver, from accumulating \$4,500,000 worth of silver bullion between this and the time the law becomes operative, and, on the first day it goes into effect presenting that amount in one lump at the Treasury, and for it receive the entire note issue of the first month? Nothing could prevent such action. Then on the last day of the first month the notes received could be surrendered and the same identical bullion could be with-

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drawn and redeposited on the first day of the next month, and thus the operation could, and I apprehend would, be repeated while the bullion clause remained.

The motion to recommit is the only remaining parliamentary method by which this objectionable feature can be stricken out, and it is known that recognition has been promised one of our Democratic friends to make that motion. If the motion is made to recommit to the Committee on Coinage, Weights, and Measures, with instructions to report a free-coinage substitute, it may not prevail; but if the instruction is given to report back the bill with the bullion redemption feature stricken out it will in all probability carry. Why not, then, embody that practical instruction in the motion? What we desire is practical legislation, rather than no legislation. We desire to take a step forward and to cease standing still. The friends of the free and unlimited coinage of silver can not support the bullion features of the substitute; but with the bullion provision stricken out, the measure gives us an open highway to free coinage, without doing violence to the fears of those who apprehend an avalanche of old silver coin from Europe.

Under the bill this Government will purchase \$4,500,000 worth of silver monthly, or \$54,000,000 worth per year, at a price not exceeding \$1 for 371½ grains fine or 412½ grains standard .9 fine, and when the market price reaches a point where 371½ grains fine equals or exceeds in value \$1, then, and while such conditions remain, our mints are to be open to the coinage of silver in conformity with the terms of the free-coinage act of 1837. For the silver purchased legal-tender notes of the Government will be issued, thus practically relieving the silver producer from the inconvenience incident to delay in waiting for his silver coin at the mint.

These legal-tender notes are made redeemable in coin. The bullion feature alone throws a shadow over these excellent provisions and stands as a menace to the realization of the happy results which would follow from their honest enforcement. When that bullion proviso is expunged, I can support the bill. As long as it remains, my vote and voice will be recorded and heard in opposition. I trust the motion to recommit may be so framed as to enable the House to finally pass the bill minus the bullion clause.

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