

## Silver-Bullion Certificates.

---

The demonetization of silver was a national crime which will never be condoned by the American people.

---

REMARKS  
OF  
HON. GEO. W. E. DORSEY,  
OF NEBRASKA,  
IN THE HOUSE OF REPRESENTATIVES,  
*Friday, June 6, 1890.*

---

The House having under consideration the bill (H. R. 5391) authorizing the issue of Treasury notes on deposits of silver bullion—

Mr. DORSEY said:

Mr. SPEAKER: I feel sure that this House realizes the importance of the great question now under consideration. From the Atlantic on the east to the Pacific on the west, from the Great Lakes on the north to the Gulf, the people have sent to this Congress their petitions and resolutions, giving us the views entertained by every constituency represented upon this floor in reference to this question. These expressions show that the country is aroused and awakened, and that the attention of all thinking men has been called to this subject, and the action taken by this Congress will affect, beneficially or to their detriment, sixty-five millions of people. It is our duty, then, to give to this matter the most earnest and careful consideration, and to my friends on this side of the Chamber I would say that, as the great party we represent will be held responsible for the legislation enacted here, the results attained will either strengthen that party or in case disaster follows our action or our refusal or failure to act the people will hold us to a strict accounting.

It has been said, and most truly, that the demonetization of silver in 1873 was a national crime, and the feeling that this is true exists to-day, and will continue to exist until that wrongful act has been repaired, until the white metal is given its proper place, and the mints of this country are opened to the coinage of silver the same as gold. We all remember that after the demonetization of silver in 1873 came the greatest financial disaster that this country has ever experienced, and while the panic of 1873 may not be chargeable directly to the demonetization of silver, there is no question in my mind but that the action of Congress had much to do with causing the failure of so many

of the large monetary institutions and the period of depression which followed.

To-day the people of the country are aroused as never before upon this question, in evidence of which witness the thousands of petitions and resolutions which have come to this Congress from all sections, all of which demand the restoration of silver to its proper place, and advising the passage of a law giving to the metal free access to our mints for coinage. The western portion of the country especially feels the necessity for this action. Witness the number of resolutions passed by the Legislatures of all the States west of the Mississippi River, and the action of the State conventions of both political parties declaring for favorable legislation regarding silver. Must we not give heed to such demands? Every one admits that there is an insufficiency of the circulating medium. If we compare the amount of currency in circulation at different periods of our history, as per the following table, we will find that during the years that we had the largest amount of circulating medium per capita the greatest prosperity was experienced by our people:

Circulation per capita January 1—		Circulation per capita January 1—	
1854 .....	\$17.04	1879 .....	\$17.02
1856 .....	15.68	1881 .....	21.60
1858 .....	13.27	1883 .....	22.37
1860 .....	15.33	1886 .....	20.34
1862 .....	22.69	1888 .....	21.18
1864 .....	58.72	1890 .....	21.66
1866 .....	52.01		

This estimate is based upon the best available data as to our population, claiming in 1839 65,000,000 of people. If we can restore to the country the prosperity that we experienced from 1866 to 1873 by an increase of the circulating medium to \$50 per capita, as urged and petitioned for by all laboring classes throughout the country, would it not be wise on the part of this Congress to take prompt and speedy action?

Mr. ALLEN, of Mississippi. I want to understand the gentleman's position. He expressed himself just now as in favor of restoring the white metal to its proper place. Is he really in favor of that, or does he, like most of his Republican colleagues here, say he is in favor of it, while he is going to vote the other way?

Mr. DORSEY. If my friend from Mississippi will sit down and listen, I am sure he will understand my position.

Mr. CONNELL. As one of the "Republican colleagues" of the gentleman from Nebraska, I want to be excepted from the remark of the gentleman from Mississippi.

Mr. DORSEY. Mr. Speaker, some of our friends on the other side of the Chamber have charged that by the failure on the part of the Secretary of the Treasury to coin the maximum amount of silver allowed under the Bland-Allison bill, the Republican party is derelict in duty, and that at our doors can be laid the charge for all the evils of which we now complain, but I would remind our friends on the other side that the present Administration is no more open to this charge than was the late administration, to which they are accustomed to point with pride. We all know that before President Cleveland had taken the oath of office he wrote a letter to Mr. Warner, of Ohio, then a member of this House, saying in substance that if Congress passed a bill for the free coinage of silver it would bankrupt the nation, and that during the four years of the occupancy of the White House by Mr. Cleveland, had Congress (this House being controlled by the Democratic party) passed a bill for the free coinage of silver it would have promptly met one of the vetoes for which this illustrious gentleman was noted. We

also know that no man who held the office of Secretary of the Treasury during the administration of Mr. Cleveland could be induced to coin the \$4,000,000 per month of silver, the maximum amount provided for by the Bland-Allison act. On the contrary, the minimum amount required by law was all that was given us during the four years of Democratic rule.

Mr. Speaker, many eminent men have occupied the great office of Secretary of the Treasury since the act was passed demonetizing silver. I might name them now, but as some of them are still in official life it might not be courteous or parliamentary to do so. Not one of those distinguished gentlemen was ever friendly to silver, and not one of them but interpreted every act passed by Congress in a spirit as unfriendly as was possible under the law. In my judgment had Mr. Windom upon taking the office of Secretary of the Treasury authorized at once the purchase and coinage of \$4,000,000 per month, and continued to coin this sum each month up to the present day, there would have been no need for this discussion of the silver question [applause], and such an order by him would have strengthened the administration of President Harrison with the people of the country more than any one thing it was possible for a Cabinet officer to do.

It is useless for me to attempt to enumerate all the benefits that would have resulted from such action on the part of the Secretary of the Treasury, but it would have satisfied all classes, the creditor as well as the debtor, the producer as well as the consumer, and the manufacturer as well as the laborer. This was not done, and now the demand has come before us in such form that it must be recognized, and this Congress must give to the people the legislation on this subject that is imperatively demanded. I will read from resolutions passed by the National Silver Convention held in November 1889.

That the demonetization of silver worked a practical violation of every contract then existing in the United States, entailed uncounted losses, reduced prices more than 30 per cent., and its effect is practically to make debts perpetual, as it takes from the debtor ability to pay; that it causes contraction in the currency, which reduces values until there is no profit left to the farmer, planter, or men of small capital who depend upon the sale of their products for returns for their labor; that we believe the certificates of the Government, backed dollar for dollar by gold and silver coin on deposit in the Treasury of the United States, is a safe and sound currency and has been approved by the people; that, considering the contraction caused by the surrender of national-bank notes during the past three years, and the vast sums that must be collected by the cancellation of Government bonds during the next three years, the necessity of restoring silver is as manifest as is the justice of such a policy; that the gold and silver of the West pouring in a steady stream upon the East for forty years vitalized every form of business and steadied and upheld the credit of the nation through the great war and made resumption possible; and that what we now demand is as much more to the interest of the East than of the West, as the productions of the East exceed in value the productions of the West; that we believe in equal rights of gold and silver and free coinage for both, and that no nation ever had or will have too much gold and silver coin: Now, therefore, *Be it resolved*, That the Fifty-first Congress be requested by this convention to provide at its first session for opening the mints of the United States to the free and unlimited coinage of standard silver dollars of the present weight and fineness, to be a legal tender for all debts, public and private, equally with gold, and that until such provision is made, the Secretary of the Treasury be required to coin the maximum of \$4,000,000 worth of silver per month, as now authorized by law.

This resolution reflects fully the feelings, the desires, and the wishes of the people that I have the honor to represent upon this floor, and, recognizing my duty as their representative, and voicing their sentiments, I offered the following resolution in this House:

*Be it resolved by the House of Representatives (the Senate concurring)*, That the Secretary of the Treasury be, and is hereby, directed to increase the Treasury purchase and coinage of silver bullion to the maximum amount authorized by "An act to authorize the coinage of the standard silver dollar, and to restore

its legal tender character," which act was passed over the veto of the President and became a law February 28, 1878.

This resolution was referred to the Committee on Ways and Means, but no action was taken, though petitions were pouring in upon us; the press of the country was advocating and the people were demanding an increase in our circulating medium. Favorable action by the committee would have been hailed with delight by the country.

Mr. Speaker, there is a cause for this demand, and especially from those engaged in agricultural pursuits. I take the liberty of quoting from the very able speech delivered in the Senate by Mr. MITCHELL, of Oregon. Mr. MITCHELL says:

And in this connection I must be permitted to say that that man's mind must be obtuse, indeed, who, viewing the history of the decline of prices in this country within the past few years, fails to realize that the great central, controlling cause for all this is to be found in the contraction of the volume of our circulating medium; in the lack of a sufficient amount of money to meet the wants of all the people, of a volume of money that will meet the wants of the farmer as well as the banker, of the great tired masses in their varied field of industries, as well as the wants of the special few whose interests are best subserved by a contraction of the currency, in order that the value of money may be appreciated and prices of commodities generally depressed.

The financial statistics upon this subject tell a tale which ought and will, when properly understood, startle the producers of wheat, oats, corn, cotton, butter, and cheese, and many other products in this country, to say nothing of those engaged in raising cattle, sheep, and hogs. Take any of the five or six years between 1858 and 1873, even the half decade immediately preceding the year 1873, and compare the average price per year for any such period of wheat, oats, corn, cotton, and dairy products with the prices of the same productions in this country for each of the years 1835, 1836, 1837, 1838, and 1839, and it will be seen there has been a loss to the producer on the articles named of not less than \$450,000,000 for each of the years last named, while the loss has been four times that amount, or nearly \$2,000,000,000 when compared with the average prices during the years of the war, when our volume of money was at high tide.

In 1881 the corn product in the United States was 1,194,916,000 bushels, and the home value was \$759,482,170, while in 1838 the crop was 1,987,790,000 bushels, or 792,874,000 bushels more than were raised in 1881, and yet the home value of the crop in 1838 was but \$677,561,580, or \$81,920,590 less than that of the crop of 1881. But not only so. We take the average annual crop of corn in the United States for the six years immediately prior to the demonetization of silver in this country in 1873, and we find it amounted to 954,706,500 bushels, and that the average home value of this annual average crop for these six years was \$559,042,956, while taking the average crop for the six years immediately following the demonetization of silver in 1873, that is, the years 1874 to 1879, both inclusive, we find the average yield per annum of these six years was 1,288,963,923 bushels; or an average of 334,247,423 bushels more than the six years preceding 1873, and yet we find the average home value to the producers of corn for these six years was but \$513,877,207, or \$45,166,749 less than the average value for six years prior to 1873, the whole product of corn for the first series of six years being but 5,723,289,000 bushels, and of the total home value of \$3,354,257,740, while the total production of the last series of six years was 7,733,723,540 bushels, while the total value to the producers of this crop was but \$3,083,263,242. And yet the increase in production of corn did not reach a greater ratio or annual percentage than did the increase of population, business, and consumption, both at home and abroad.

In other words, the average price of corn in the United States, home value, for the six years preceding the demonetization of silver, was 60.1 cents per bushel, while the average price for the six years subsequent to 1873 was but 40.4 cents per bushel, or a decline of about 34 per cent.

Putting it still in another form, the statistics show that the average yield of corn in dollars per acre in the United States in the six years preceding 1873 was \$15.80, whereas for the six years subsequent it was but \$9.91 per acre. And still the price of corn recedes until in many sections it has, in the past year, been cheaper than cord-wood, less valuable than coal, and is now being used as fuel, selling, so it has been recently stated, in some of the Western States as low as 12½ and 13 cents a bushel.

And I am glad to say that the price of corn has advanced in Nebraska, and it is now worth 25 cents per bushel.

Mr. ALLEN, of Mississippi. Upon the prospect of free coinage?

Mr. DORSEY. Upon the prospect, as I believe, of the passage of a

silver bill that will give to the people what they demand, the coinage of all the silver produced in our country.

Mr. PICKLER. We ought not to disappoint them.

Mr. DORSEY. We will not do it.

These eloquent words of the distinguished Senator are pregnant with truth, and no one can study the statistics he has presented without feeling that the farmers of the West have just cause for complaint, and today they are organizing and preparing to break loose from both political parties. I repeat, for the benefit of my friend from Mississippi, in all sections of the country the farmers are organizing and preparing to go into politics on their own account—

Mr. ALLEN, of Mississippi. In Mississippi we are sticking to the Democratic party as the only hope of the country.

Mr. DORSEY. Feeling that to neither can they look with any hope for relief, and claiming that all promises and pledges made in the national platforms of both the Republican and Democratic parties have been ignored, violated, and nullified. [Applause.]

I present a table showing the amount of circulation per capita on certain dates, also giving the amount in coin, and the amount of paper money:

Date.	Coin per capita.				Paper per capita.					Total per capita.	
	Gold.	Silver dollars.	Fractional silver.	Total.	Legal tenders.	Legal-tender certificates.	Bank-notes.	Certificates.			Total.
								Gold.	Silver.		
January 1, 1879.....	\$2.04	\$0.12	\$1.42	\$3.58	\$5.75	\$0.73	\$6.52	\$0.44	\$0.01	\$13.44	\$17.02
January 1, 1880.....	3.60	.34	1.19	5.13	6.55	.20	6.86	.23	.08	13.93	19.06
July 1, 1880.....	4.56	.39	1.09	6.04	6.25	.29	6.73	.16	.11	13.54	19.58
July 1, 1881.....	6.08	.56	1.02	7.66	6.11	.22	6.74	.11	.76	13.94	21.60
July 1, 1882.....	6.68	.59	.99	8.26	5.82	.25	6.57	.09	1.01	13.74	22.00
July 1, 1883.....	6.24	.64	.95	7.83	5.61	.24	6.30	1.08	1.31	14.54	22.37
July 1, 1884.....	5.99	.70	.80	7.49	5.38	.21	5.81	1.25	1.69	14.34	21.83
July 1, 1885.....	5.85	.66	.74	7.25	5.16	.51	5.29	2.16	1.73	14.85	22.10
July 1, 1886.....	5.98	.87	.77	7.62	5.09	.30	5.08	1.27	1.47	13.21	20.84
July 1, 1887.....	6.11	.89	.79	7.79	5.16	.14	4.49	1.48	2.30	13.57	21.36
July 1, 1888.....	6.17	.88	.79	7.84	4.64	.23	3.87	1.89	3.16	13.79	21.63
July 1, 1889.....	5.77	.83	.79	7.39	4.61	.27	3.18	1.79	3.94	13.79	21.18
November 1, 1889.....	5.72	.92	.82	7.46	4.82	.19	2.99	1.84	4.22	14.06	21.52
January 1, 1890.....	5.69	.93	.83	7.45	5.02	.13	2.92	1.86	4.28	14.21	21.66

The total volume of money of all kinds in circulation in this country March 1, 1890, was:

Gold coin.....	\$373,507,203
Standard silver dollars.....	58,850,380
Subsidiary silver.....	53,950,362
Gold certificates.....	130,604,804
Silver certificates.....	284,176,262
United States notes.....	337,087,151
National-bank notes.....	187,928,229
Total.....	1,426,164,391

The following table gives us the wonderful increase in wealth that the United States has experienced since 1850.

The assessed value of taxed property and our actual wealth at different decades has been:

Years.	Assessed value	Actual wealth.
1850.....	\$5,287,613,148	\$13,652,499,739
1860.....	12,084,500,005	31,201,310,676
1870.....	11,342,789,366	30,068,518,507
1880.....	16,902,993,543	43,642,000,000
1889.....	23,719,000,000	61,469,000,000

And in the following table we can see how each State and Territory has prospered :

States and Territories.	Assessed valuation in 1880.	Assessed valuation in 1889.	Per cent. of wealth.	True valuation in 1880.	True valuation in 1889.
Alabama.....	\$123,000,000	\$232,000,000	32.50	\$378,000,000	\$745,000,000
Arkansas.....	86,000,000	171,000,000	35.13	246,000,000	486,000,000
California.....	585,000,000	1,115,000,000	40.88	1,430,000,000	.....
Colorado.....	74,000,000	195,000,000	48.98	149,000,000	390,000,000
Illinois.....	787,000,000	792,000,000	25.44	3,092,000,000	3,112,000,000
Indiana.....	728,000,000	770,000,000	48.55	1,499,000,000	1,586,000,000
Iowa.....	399,000,000	523,000,000	28.17	1,413,000,000	1,856,000,000
Kansas.....	161,000,000	361,000,000	27.98	275,000,000	1,290,000,000
Kentucky.....	351,000,000	577,000,000	39.83	880,000,000	1,448,000,000
Louisiana.....	160,000,000	266,000,000	37.99	322,000,000	596,000,000
Massachusetts.....	1,585,000,000	2,400,000,000	56.70	2,759,000,000	4,233,000,000
Michigan.....	518,000,000	945,000,000	37.79	1,370,000,000	2,501,000,000
Minnesota.....	258,000,000	567,000,000	40.44	638,000,000	1,402,000,000
Mississippi.....	111,000,000	160,000,000	34.14	324,000,000	467,000,000
Missouri.....	533,000,000	808,000,000	34.82	1,530,000,000	2,321,000,000
Nebraska.....	91,000,000	176,000,000	31.34	290,000,000	563,000,000
Nevada.....	29,000,000	29,000,000	42.45	69,000,000	69,000,000
New York.....	2,652,000,000	3,567,000,000	34.81	7,619,000,000	10,247,000,000
Ohio.....	1,534,000,000	1,732,000,000	46.48	3,301,000,000	3,726,000,000
Oregon.....	53,000,000	86,000,000	41.68	126,000,000	216,000,000
Pennsylvania.....	1,638,000,000	2,550,000,000	31.22	5,393,000,000	8,232,000,000
Tennessee.....	212,000,000	325,000,000	31.80	666,000,000	1,022,000,000
Texas.....	320,000,000	710,000,000	44.19	725,000,000	1,607,000,000
West Virginia.....	140,000,000	164,000,000	45.48	307,000,000	361,000,000
Wisconsin.....	439,000,000	577,000,000	45.30	969,000,000	1,273,000,000
Idaho.....	6,000,000	24,000,000	53.67	12,000,000	45,000,000
New Mexico.....	11,000,000	49,000,000	37.83	30,000,000	132,000,000
Utah.....	25,000,000	41,000,000	36.98	67,000,000	111,000,000
Washington.....	24,000,000	125,000,000	49.61	48,000,000	252,000,000
Wyoming.....	13,000,000	31,000,000	68.11	20,000,000	46,000,000

Mr. Speaker, the increase in our circulating medium has not kept pace with our increase in population, and when we consider this fact that the national banks of the country retired over \$37,000,000 of their circulation during the year 1889 and that retirement will continue until the banks hold in circulation the minimum amount allowed by law we feel the necessity for such legislation as will tend to make good this great decrease in the money of the country. This bill will give us an increase of \$2,500,000 per month of legal-tender notes based upon silver bullion.

There is one section of this bill to which I give my most hearty support. Section 7 provides that all balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem circulating notes, and all such deposits hereafter made, shall be covered into the Treasury, and provides for the payment of said notes by the Government if ever presented.

During the present session I offered the following bill:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the money required to be deposited with the Treasurer of the United States for the redemption of national-bank circulation by section 5222 of the Revised Statutes and under section 4 of an act approved June 20, 1874, entitled "An act fixing the amount of United States notes, providing for a redistribution of the national-bank currency, and for other purposes," shall be covered into the Treasury and treated as funds available for the reduction of the public debt and for current expenditures of the Government. And all funds held in the Treasury for the payment of matured debt and interest due and unpaid on the public debt shall be similarly treated, and hereafter no funds available for the reduction of the public debt, for the payment of the current expenses, or for the redemption of the United States notes above the sum of \$110,000,000, shall be retained in the Treasury.*

This bill is now pending, and in case the House shall pass the bill now before us there will be no need to consider the bill I introduced. According to the May statement of the Secretary of the Treasury there is now in the Treasury, held as the national-bank note redemption fund, \$63,597,907.21. This vast sum of money has been deposited by national banks that have failed, retired from business, or extended their charter, and is held to pay the notes of such banks that have been issued. There is no need to hold this money as a separate fund, thus locking up and taking out of circulation so much of the currency that is needed for the business of the country. Millions of dollars represented by this sum have been lost or destroyed by fire, and will never be presented for redemption, and there is no reason why the Government should not have the active use and benefit of this fund. Mr. Speaker, there is yet another fund now held in the Treasury, a portion of which we could safely put into active use. I refer to the \$100,000,000 of gold coin held for the redemption of the United States notes; but I will discuss that later.

Mr. Speaker, we have been for many weeks considering a silver bill, and there is now before us for discussion a substitute for the bill reported from the Committee on Coinage, Weights, and Measures. This substitute does not provide for the free and unlimited coinage of silver. Under its provisions the Secretary of the Treasury is authorized and directed to purchase each month silver bullion to the value of \$4,500,000, and issue in payment therefor United States Treasury notes. These notes are made a legal tender for all debts, public and private. The purchase of this silver by the Secretary will practically consume all that is produced at present from the mines of our country. These notes are made a legal tender, and this is right and proper. Why should not a Treasury note, issued by the wealthiest Government upon the face of the earth, and which is secured by a deposit of silver in the Treasury worth in gold at the day of the issue the face of the note—why, I ask, should it not be a legal tender for all debts, public and private? On this question of making the notes a legal tender our side of the House was for many weeks divided. These notes, Mr. Speaker, should be redeemable in gold or silver coin, and it is to that section of the bill that provides for the redemption of these notes in silver bullion I do most emphatically object. Why should a man holding \$1,000 in Treasury notes be compelled to take \$1,000 in silver bullion, when at the time this bullion was deposited, upon which these notes were issued, that bullion could have been sold in New York or San Francisco for the amount in gold that these notes represent?

Some of my friends on this side of the Chamber fear that we will drive gold out of the country if we eliminate this section from the bill, saying that this is a safety-valve. There is no need of such a section, for if the silver bullion is in the Treasury and can be sold for the gold coin necessary to redeem the notes, no man would ever desire to have

his notes redeemed. For instance, take the \$346,000,000 in Treasury notes that have been issued by the Government. In 1880 we sold bonds, and placed in the vaults of the Treasury \$100,000,000 of gold coin to secure the redemption of these notes. We have been paying 4 per cent. interest upon these bonds since that time. The gold has been held for the redemption of these United States notes, and during these eleven years, Mr. Speaker, how many of these United States notes have been presented to the Secretary of the Treasury for redemption? Barely \$28,000,000, and the gold coin is still in the Treasury. The people have the notes and they are doing service as a part of our circulating medium. We are paying interest at the rate of four millions per year; in all we have paid more than \$40,000,000 for the privilege of holding this gold coin in the Treasury. Perhaps you will say that if the gold coin was not in the Treasury the holders of these notes would desire their redemption and present them for payment. Would it not be better to cover this \$100,000,000 into the Treasury and put it into use as a part of our circulating medium, thus adding so much to increase the volume of the currency and provide that in case the United States notes were presented for redemption and there was no money in the Treasury to meet the demand the Secretary might then sell bonds (and he could to-day float a bond at 2 per cent.) and apply the proceeds for the redemption of these notes?

The fact is, Mr. Speaker, that this Government can float \$346,000,000 of its promises to pay without one dollar in the Treasury set apart as a special fund for their redemption. The people have confidence that this nation will pay its debts. They want this money to use as a part of the circulating medium, and each year, as shown on the books of the Treasury Department, a smaller per cent. of these notes is presented for redemption. Considering the experience that we have had with the United States notes that are now in actual use, is it not fair to presume that the notes issued in payment for silver bullion and based upon this bullion will be held by the people, and not be presented to the Treasury for redemption?

I think, Mr. Speaker, that we should strike out the bullion-redemption clause of this bill and insert in place thereof that the notes issued under the provisions of this act may be redeemed upon demand at the Treasury in gold or silver coin, especially as the bill provides for the coinage of the silver for the purpose of meeting the notes so issued. So amended the bill would receive my support, feeling that it is impossible to get from Congress a bill that is entirely satisfactory to all sections. This would be a fair compromise. I appeal to this side of the House. Allow us to have a vote on that proposition, and let us strike from the bill the bullion-redemption section and insert in lieu thereof that the notes shall be redeemed in coin. Then we who on this floor represent constituencies who are demanding the free coinage of silver can say to our people that while we did not obtain all that they desire, great concessions have been made by this Congress, and we have provided for using as money practically all the silver that is the product of American mines. This would be a step in the right direction, and would gladden the hearts of millions of the toilers in this country. They would feel that a Republican Congress was friendly to the laboring man, and that the pledges made to the people had been redeemed, and when we again appeal for their support it would be given with gladness and enthusiasm. [Long-continued applause.]