

SILVER BULLION CERTIFICATES.

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SPEECH

OF

HON. FRED. T. DUBOIS,

OF IDAHO,

IN THE

HOUSE OF REPRESENTATIVES,

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WASHINGTON.
1890.

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HON. FRED. T. DUBOIS.

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

Mr. DUBOIS said:

Mr. SPEAKER: The silver question, as we understand it in the West, is a very serious one. With us the question of its full restoration is not one of policy or expediency, but one of justice and absolute necessity. We look upon the conspiracy which culminated in the demonetization of silver as the most gigantic robbery of modern times. We think the injury that it has already inflicted upon the nation as more terrible, so far as mere property is concerned, than would have been an exhaustive war with some first-class foreign power.

I do not stand here to-day to speak in the interest of silver mines. They can bear the loss that the unrighteous robbery inflicts upon them; but the people at large, and more especially the producers of the East, can not much longer stand up under the shrinkage, which has already driven all profits from the farm and shop. A board of State officers reported last spring that the mortgages on the farms of the State of Illinois, one of the very richest and most convenient to market of any of the States, had increased since 1880 more than \$100,000,000. Why should this be so in a country increasing in population as our country is increasing?

Why, since 1880, the amount of money paid out for the construction and equipment of railroads in the United States has been equal to the revenues of an empire. This has been distributed among the people, and yet in that time the increase in the mortgages on the farming lands of the country between the Atlantic and the eastern base of the Rocky Mountains has been more than the cost of the mightiest wars recorded in history. In the meantime, too, population has increased 27 per cent.; or in other words, there are fifteen millions more people eating the food that grows on the farm than there were in 1880.

The farmers made a profit by their labor all through the great war, they continued to prosper for eight years after the war closed. But then a blight came upon them. What was it? What caused it? The chief function of silver, that of money, the perfect measure of values, was taken from it. So soon as that dishonor was cast upon it, as compared with gold it began to fall in value. Since then it has seemed to fall in value 2 per cent. per annum. But silver is a royal metal, and as it has gone down it has carried every other product of industry with it in precisely the same ratio. In 1872 silver was rated above par as

compared with gold. An ounce of it at that time bought just a bushel of wheat in New York City. Compared with gold it has fallen since then 33 per cent., but the ounce of silver, not in the stamped dollar but in the bullion, will still purchase the bushel of wheat. The same is true of every other product of farm or plantation measured in any of the world's great markets.

A man the other day was upbraiding the silver men in my presence as swindlers who were seeking to cheat the people by palming off upon them a short-weight dollar. At last I asked him what his business was. He answered that he was a cotton-planter. I asked him what a 400-pound bale of cotton was worth in 1872. He told me. I asked him what it was worth now. He told me. "Why," said I, "that is a difference of 33 per cent. It seems your cotton is as much short-weight as a silver dollar is."

This happened in the smoking-room of a sleeping-car. A third person who was present interposed and said, "Cotton has fallen because there has been great overproduction. The demonetization of silver has nothing to do with it." I asked him his business. He said he was an Ohio farmer. I asked him how much his wheat and corn were worth this year; he told me. I asked him what they were worth, respectively, seventeen years ago; he told me. "Well, then," I said, "there must be the same overproduction in wheat and corn that there is in cotton." He admitted that it was a little strange that all those products should fall in price in the same ratio. I asked him then how long he had been farming in Ohio. He answered, "I bought my farm in 1870." I asked him how much he paid an acre at that time. He answered, "Sixty dollars an acre." I asked him what it was worth now. With a sickly laugh he answered, "I was offered \$38 a few days ago." "That is," I replied, "you bought it with greenbacks which were a little under par. Add that discount to the 33 per cent. which your land has fallen, even as silver has, and deduct that percentage from \$60, and it leaves \$38, does it not?"

You will find that the rule will work on land, on products, on nearly everything except the fancy prices which real estate in cities is bringing. This decline has now reached a point where the farmer is not making \$1 per day for his labor. He has turned off the hired men and brought the boys home from school and set them to work, and still he barely lives. If there is any mortgage on his home he can not reduce it; in many cases he can not meet the interest. I tell you this comes from the demonetization of silver, and the loss will never stop until the wrong shall be righted.

You all know that were a new gold field to be found in Alaska, and in the next half dozen years there should be shipped to New York and New Orleans \$600,000,000 from it, as there was from California between 1849 and 1858, there would happen again just what happened then. All the property between the coast and the Rocky Mountains would feel the thrill and would advance 15, 25, 50 per cent. in value. If this is true when the measure of values increases why should not the rule work exactly in the obverse ratio when by senseless legislation half of the real money of the world is destroyed? The West produces about 60,000,000 ounces of silver annually. On this the miners lose about \$18,000,000. Now, take the value of all your wheat and cotton and corn and all that the workers of the East produce and add 30 per cent. to it and you will understand what the East is losing through this same legislation that demonetized silver. The men of the West can bear

it longer than the men of the East can. I charge that by that legislation of 1873 a loss was inflicted that up to this date exceeds the cost of a mighty war, and that because of it the majority of the producers in the Eastern States are working for less than a Chinaman's wages.

Think of it. At the time this legislation was passed, England was sending here and paying a premium in gold for all the silver we would spare her. But our Congress suddenly, and without fair warning, passed a law which left no legal status to silver as money, and left the silver miner no market for his product except such as London brokers would furnish. The metal, so far as legislation could make it so, was changed from being money, to mere merchandise. Our nation produces half the annual supply of silver, and yet a banker in my own Territory of Idaho dare not buy a bar of silver until the wires flash to him the amount that the London brokers have concluded they will, on that day, pay for it.

Suppose we were to use it as the world prior to 1873 had used it for 3,000 years; suppose as fast as produced our Treasury and mints would receive it and issue certificates upon it and permit those certificates to circulate as money, how long before England would again be sending to us to buy it? She has to have a large amount annually to send to her India colony. Where would she get it? She has none except in coin which is coined 15½ to 1 of gold. Neither has any country of Europe. Suppose we were to absorb our own product and that of Mexico, it would be only sufficient to give each voter in the United States \$6 per annum. Is there any gentleman here that would be ruined to have that amount added to his exchequer?

When the law of 1873 was passed this country had an interest-bearing debt of two thousand millions of dollars. The States and cities owed as much more. The railroads owed nearly as much more, and the private debts of individuals were probably as much more. In three years silver fell 20 per cent. The Bland law partially restored it, but it has again declined until, instead of commanding a premium over gold, it now is rated at a discount of more than 30 per cent. What does that mean? Why, simply that all who owe debts have had those debts increased 30 per cent., and their capacity to pay debts has almost been taken away. I mean, of course, the producers of the country. That was the object of the legislation. It was to make the debts of the world perpetual, and to draw, in interest to the creditor class, the money first and later the fixed property of mankind.

So we see mortgages increasing; the sheriff is selling out the best farms of the country, the millions are fast becoming paupers, and the men, the few men, who are drawing to them the earnings of the people rub their hands in glee and assure us with a wise look that were we to dare to remonetize silver all the gold would disappear and ruin would succeed. I fear that unless this wrong shall be righted you will see panic, ruin, and riots inside of three years sweeping from the sea to the base of the Rocky Mountains, for when things reach the pass that the producers of a country can not, with all their labor and capital, keep even, ruin is not far off.

In 1872 the farmer in Missouri could buy a dollar with which to pay a debt with 60 pounds of wheat. He has to enlarge his bushel to 80 pounds to buy a dollar now, and all the profit of his work in 1872 was between the 60 and the 80 pounds. He has no profit now. I venture to say that were this Congress to send out and call in a dozen of the so-called prosperous farmers of any State and let one after the other take

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the stand, and ascertaining, first, the cost of their farms, then the labor performed this year, reckoned at \$1 a day, and then the value of their crops, it would be seen that not three out of twelve had cleared 2 per cent. on the capital invested. And this is in a land where there are two million fresh mouths to be fed annually. Well, what is the remedy? The first thing is to pass a law that the Treasury shall coin at least \$4,500,000 monthly. The second is to so frame the law that the infamous legislation which demonetized silver in 1873 shall be wiped out and that the Treasury and mints of the United States shall be compelled to receive all silver offered and to receipt for it, which receipts shall be a legal tender for all debts.

There will be no surplus of their certificates, never fear. All the silver that we have heard so much lamentation over as cumbering the vaults of the Treasury is at this moment either in coin or certificates in actual circulation among the people, except less than \$5,000,000. There will be no surplus, because the experiences of three thousand years demonstrated that to dig 412½ grains of silver from its rocks cost in labor a full dollar. That rule is not changed, and it is not going to be changed. On even terms silver is a steadier metal than gold, and all that can be produced of both metals is but a drop compared with the volume of business which the world handles with these metals as a basis of values.

The West is pouring in upon the East \$95,000,000 annually in gold and silver. That has been a steadily swelling stream for forty years. What would your country have been without it? You might have had one railroad to St. Louis or Chicago now, and your business would have been swapping loop-holes for tobacco and burning corn for fuel as of old. I do not speak of this boastingly at all, but recite it as a fact. Well, how do you receive the favor? The silver dollar that sparkled like a diamond upon your fathers' eyes, when they occasionally obtained one, is sneered at as a short-weight dollar, and the men who in the far West wrench these dollars from the rocks are compelled to send them to some pawnbrokers in London for a market.

You were glad enough to get them in the great war. They upheld your credit; they made resumption possible after the war.

I wish the supply could be shut off from the East for a bare two years. The East would then fully appreciate that this is a matter of far more serious import to their prosperity than it is to the prosperity of the West, or even the silver-mine owners.

The bill under consideration is faulty in some particulars, and will scarcely be an improvement of the present law.

I regret, on account of my constituents first, that I have not a vote on this very important legislation. I regret, on account of the country at large, that I have not a vote, in the second place, because I am firmly convinced that a vote in aid of silver is a vote in the interests of the people of this country.

If this bill could be so amended as to strike out the bullion clause, it would be satisfactory and would soon lead to free coinage. By permitting the notes issued on the bullion to be redeemed in bullion you place a dangerous power in the hands of unscrupulous men and reduce silver to a commodity. Why not treat silver fairly and make the notes redeemable in coin? Do you think the silver advocates unjustly suspicious when they claim that a syndicate of money-holders and money-lenders might present \$4,500,000 of certificates at the end of the month and let for them \$4,500,000 worth of bullion from the Treasury, which

bullion they would deposit at the beginning of the next month and receive certificates for it, and that they would repeat this process monthly, thus keeping the purchase of bullion down to whatever amount they desired? If you do, review in your mind the past and recent history of silver in this country, and you will admit, at least, that we have a right to ask for such legislation as will put it out of the power of any set of men to juggle with this important subject.

The gentleman from Missouri [Mr. BLAND] has a right, as I understand from the Speaker's ruling, to offer an amendment or a substitute for the pending bill. I trust he will not offer a free-coinage substitute, for it can not pass. As many Democrats will be found voting against free coinage as Republicans voting for it, and it will be lost. We want legislation of a practical kind, which will be effective, and this we can get by striking out the bullion clause of the bill under consideration. My colleagues all around me will vote for that, and we can carry it, and it will quickly pass the Senate, and relief and prosperity will follow immediately. If the gentleman from Missouri makes a motion to recommit the bill, with instructions to the committee to report a free-coinage bill, I should, if I had a vote, cast it in favor of his motion; but in my judgment the vote would be much more effective if cast in favor of striking out the bullion clause.

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