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FIFTY-FIRST CONGRESS, FIRST SESSION.

Free Coinage of Silver.

SPEECH

OF

HON. JOHN LIND,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 7, 1890,

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

Mr. LIND said:

Mr. SPEAKER: No one who has followed the discussion of this question or noted the expressions of members of the House in private conversation can escape the conviction that our industrial conditions are not as prosperous as they should be. Trade is dull, enterprise is lagging, and it is conceded by all that our agricultural interests are suffering. No expression has been more frequent on the floor at this session than this: We must do something to relieve the farmers. Everything has been suggested for their benefit, from a bounty on sugar to a tariff on hides.

Our friends on the other side suggest free trade. What promise is there in that? While our agricultural interests are suffering, the condition of the farmers in free-trade England and Ireland is absolutely deplorable. Something must be done. But to intelligently propose and provide a remedy we must carefully study the situation and its cause.

The district which I have the honor to represent is a typical agricultural district. We have no other interests. We have had average crops for a series of years. Last season we had a most bounteous harvest, except in a very small portion. We are favorably situated. The great American cereals of wheat and corn are equally at home with us. Our production of flaxseed I have called attention to heretofore. We have an abundance of natural meadow, and our farming is thoroughly diversified.

Our population is as diversified as our productions. The native-born American element predominates and gives bent and spirit to our efforts. We have many Germans and Scandinavians, and some Irish; all are intelligent and industrious. There is ample opportunity for comparison of methods of work; no lack of rivalry. Our people do not observe any eight-hour law, I assure you. We are not suffering. We are not poor. It might even be said that we are rich in goods and lands, but we are not prosperous. Those who are unfortunate enough to have a mortgage on the farm, either for borrowed or purchase money, are barely able to pay the interest and despondent over the prospect of their ability to pay off the principal. Those whose farms are clear are restless because they can not better their condition. Things are at a "stand-still." We have plenty to sell, but no buyers at "living" prices. Wheat is 60 cents; cows and steers, $10 to $15. My father wrote me the other day that he had just sold 6 head for $60. For produce there is hardly any market at all. We are within 250 miles of Lake Superior; have a network of railroads and easy access to the markets of this country and of Europe, but find no buyers at adequate prices.

All agree that the immediate cause of our depressed condition is the prevailing low prices of all commodities, and especially agricultural productions. This lowering of prices commenced in 1873-'74 and has continued with but few interruptions to date. It has affected all classes injuriously (except the money lenders); but the farmers the most severely of all. The reason of this is plain. The farmer's profits (wages) depend on the value of the surplus of his crops after paying for machinery, store bills, and other expenses. While it is true that a bushel of wheat will go as far as it ever did in exchange for commodities, it is also plain that the surplus, the profit, or wage-fund, is more than one-third less than it was in 1873 for the purpose of paying taxes, interest, mortgage indebtedness, or purchase-money on land.

To illustrate, we will assume that the wheat crop of the average Minnesota farm was 1,000 bushels in 1873, and the same in 1889. The amount of wheat required to pay for machinery, to pay store bills and other expenses, and for seed was the same as last year—say 700 bushels. According to the table of prices which I will submit further on, the surplus of 300 bushels was worth in New York in 1873, $393, and in 1889 only $267.

Mr. VANDEVER. Has there not been a reduction in the price of transportation between Minnesota and the seaboard? Was it not lower in 1889 than in 1873?

Mr. LIND. Undoubtedly; but I will say to my friend from California that, making due allowance for that difference, the difference in prices at home is nearly as large for the respective years as the difference in export prices. I chose to take the export figures from the statistical department in preference to the figures of our own publications at home, because the former can not be questioned.

Mr. VANDEVER. But the price of transportation at the present time is less than it was in 1873.

Mr. LIND. It is less, certainly; but I want to say to my friend in that connection that there is need of still further reduction.

Taxes, interest, and mortgage indebtedness, which must be discharged from this surplus, remain about the same now as in 1873. This, to my mind, tells the story. But while we agree as to this, there is a radical difference of opinion as to the cause of this fall in prices. Some contend that it is due to the bringing into cultivation of large areas of new land, and to improvements and inventions by which all processes of industrial and agricultural production have been facilitated and cheapened. In other words, that it is the result of "over-production." To test the validity of this argument, let us glance at the history and statistics of this decline in prices, and also inquire into the facts of this alleged overproduction.

The statistical side of the question is best illustrated by what is known as the system of index numbers, which are obtained as follows: Certain staple articles are selected for comparison. The average wholesale price of those articles in a given year, or period, is taken for a standard and marked 100. The variations for subsequent years are indicated by adding to or subtracting from the standard as many points as the average price of the same articles rises or falls.

The following tables are by the leading statisticians of Europe and from localities in which prices were not affected by tariff regulations:

1. The table annually published by the Economist newspaper, which gives the wholesale prices of twenty-two of the principal articles on the London market, the basis of comparison being the average prices for those articles in the five years 1845-'50

2. A table prepared by Mr. A. Sauerbeck, which deals with the London prices of forty-five wholesale commodities, the period taken as the basis of comparison being the ten years 1867-'77, and his record of prices extending as far back as 1837.

3. Tables prepared by Mr. Inglis Palgrave for the royal commission on the depression of trade, taking the period 1865-'69 as the basis of comparison. These tables deal not only with prices in England, but in France and India; and in framing them regard has been had to the relative importance of the several articles included in the list.

4. Dr. Soetbeer's tables, which take the period 1847-'50 as the basis of comparison and deal with the prices of one hundred articles on the Hamburg market, and with fourteen of the principal articles exported from the United Kingdom.

5. Tables prepared by Mr. Giffen from the Trade Returns of the United Kingdom, going back to 1840 in the case of exports and to 1854 in the case of imports.

The following statement shows in a concise form the results arrived at by these several methods:

[For explanation of columns 1 to 7, see note at foot of table.]

Period.	1.	2.	3.	4.	5.	6.	7.
1851	104	100			75		
1852		102			78		
1853	111	114			95		
1854		121			102	100	100
1855		124			101	97	105
1856		123			101		
1857	136	130			105	103	110
1858	118	114			91		
1859	115	116			94	102	99
1860	122	121			99		
1861	123	118			98		
1862	130	123			101		
1863	158	125			103		
1864	172	129			105		
1865	162	123		108	101	137	118
1866	161	126		111	102		
1867	137	124		99	100		
1868	122	122		93	99	119	108
1869	121	123		89	98		

Period.	1.	2.	3.	4.	5.	6.	7.
1870	122	123	91	90	96	......	......
1871	118	127	90	93	100	......	......
1872	129	136	97	100	109	......	......
1873	134	138	102	104	111	132	107
1874	131	136	100	108	102	......	......
1875	126	130	95	97	96	114	101
1876	123	128	93	99	95	105	96
1877	124	128	94	100	94	101	99
1878	115	121	87	95	87	......	92
1879	100	117	76	82	83	92	88
1880	115	122	87	89	88	......	93
1881	108	121	81	93	85	92	92
1882	111	122	83	87	84	......	......
1883	107	122	79	88	82	92	89
1884	100	114	75	80	76	90	84
1885	95	109	70	76	72	87	79
1886	92	104	69	73	69	82	74
1887	94	103	70	73	68	......	......
1888	101	......	75	......	......	......	......

Explanation of numbers in above table:

1. Economist. Twenty-two wholesale commodities in England. 100=average of 1845-'50.
2. Dr. Soetbeer. One hundred Hamburg articles and 14 articles of British export. 100=average of 1847-'50.
3. Economist. (Similar to 1, but rearranged on basis of 100=average of 1865-'69.)
4. Mr. Palgrave. (Similar to 1, but assigning to each article its relative importance.) 100=average of 1865-'69.
5. Mr. Sauerbeck. Forty-five English prices. 100=average of 1867-'77.
6. Mr. Giffen. Prices of British exports. 100=prices of 1854.
7. Mr. Giffen. Prices of British imports. 100=prices of 1854.

As to the authenticity of these tables, it is sufficient to say that those of Dr. Soetbeer are never questioned. The honorable Secretary of the Treasury in his last annual report refers to him as authority on monetary statistics. For England Mr. Sauerbeck's table is probably the most reliable. Making allowance for the difference in standard, the tables show a substantial agreement. They also indicate that the rise in prices culminated in 1873. This would naturally lead us to ask what occurred in that year to change the upward tendency that had operated in the preceding fifteen years to one of decline; but of this further on.

If the present low prices are the result, as is claimed, of the extended use of steam and electricity as well as the invention of labor-saving machinery and better transportation facilities, then I ask, why did not these factors make themselves felt in the fifteen years preceding 1873? We had steam, electricity, labor-saving machinery, and railroads then as well as now. Still prices were rising during that whole period, and have been falling ever since. That we make many things more readily and cheaper by means of these appliances of modern civilization no one disputes. But we use and consume enough more by reason of new and increased wants, so that the greater demand for them fully makes up for the increased production.

This argument of "overproduction" and consequent fall of price has been applied to no commodity with more vigor than to wheat. Our farmers are told and cautioned that they must quit raising wheat; that wheat is "flooding the land," and that that is what makes it so cheap. This I have never believed, and the statistics of wheat production certainly do not support that view. Last month I requested the Chief of the Bureau of Statistics to furnish me a table showing the population, aggregate and per capita production of wheat, and export price in each year since 1873. I submit the statement prepared by him. I have also obtained from the Agricultural Department, and will have printed in connection with it, a table showing the annual wheat crop of the world from 1880 to 1887, inclusive. The statistics for the last two years have not been tabulated.

Table showing the population, wheat product, and export price of wheat during the years named.

Years.	Population.	Wheat product.	Wheat product per capita.	Average export price.
		Bushels.	*Bushels.*	
1873	41, 676, 000	281, 254, 700	6. 75	$1. 312
1874	42, 795, 000	309, 102, 700	7. 22	1. 428
1875	43, 949, 000	292, 136, 000	6. 65	1. 124
1876	45, 135, 000	289, 356, 500	6. 41	1. 242
1877	46, 351, 000	364, 194, 146	7. 71	1. 169
1878	47, 595, 000	420, 122, 400	8. 83	1. 338
1879	48, 863, 000	448, 756, 630	9. 19	1. 068
1880	50, 155, 783	498, 549, 868	9. 94	1. 245
1881	51, 462, 000	382, 280, 090	7. 43	1. 114
1882	52, 799, 000	504, 185, 470	9. 55	1. 185
1883	54, 163, 000	421, 086, 160	7. 77	1. 127
1884	55, 554, 000	512, 765, 000	9. 23	1. 066
1885	57, 093, 000	357, 112, 000	6. 25	. 862
1886	58, 420, 000	457, 218, 000	8. 00	. 870
1887	60, 018, 000	456, 329, 000	7. 60	. 890
1888	61, 521, 000	415, 868, 000	6. 76	. 853
1889	64, 534, 000	490, 560, 000	7. 77	. 897

S. G. BROCK, *Chief of Bureau.*

TREASURY DEPARTMENT, BUREAU OF STATISTICS, *March* 12, 1890.

Wheat crop of the world.

Year.	Bushels.	Year.	Bushels.
1880	2, 111, 000, 000	1884	2, 293, 000, 000
1881	2, 025, 000, 000	1885	2, 095, 000, 000
1882	2, 282, 000, 000	1886	2, 055, 000, 000
1883	2, 054, 000, 000	1887	2, 188, 000, 000

The table of domestic production shows that our wheat crop in 1882 was nearly 2 bushels per capita larger than in 1887, and the crop of the world nearly 100,000,000 of bushels greater, and still the export price in the former year was $1.24, and in the latter only 89 cents per bushel.

Mr. GEAR. Did not the difference in the value of the currency, which was at a discount in 1873, account for that?

Mr. LIND. No, sir; all the values that I have given here are gold values.

Mr. GEAR. Values based on the value of gold at the time?

Mr. LIND. Based on gold. If the gentleman will notice the statistical abstract he will see that the gold values and paper values are given in the same column, one in italics and the other in heavy type, and I have taken the gold values.

This does not tend to establish the proposition that overproduction has lowered the price of wheat. If any credence is to be given to the bulletins of the Agricultural Department based on our consular reports, it would seem that the world's stock of breadstuffs is lower now than it has been for years. The truth of the matter is that while we raise more wheat than formerly, we have more mouths to feed. What is true of wheat is true of other commodities in the main. The meat, the butter, and the eggs, which our merchants will not even receive, would gladden the heart of many a poor housekeeper in every city on this coast.

The so-called surplus stocks of boots, shoes, clothing and manufactured articles which burden the industrial centers of New England and the Atlantic States could be used and are actually needed by the people in other sections. But they are too poor to buy. The fact that commodities can not be sold, or if disposed of at all only at ruinous prices, is no evidence either of overproduction or of a lack of demand. The sufferers in North Dakota have during the present year gratefully received car-loads of cast-off clothing. Suppose that the same clothes new had been put into the little stores in that section to be sold for cash, or on the usual terms of time and security, how many could have been disposed of? I dare say not one-tenth, and still they were all needed. The store-keepers would have failed. The verdict of the commercial agencies would have been, "Too heavy stocks—buying beyond the needs of the trade."

What troubles us to-day is not overproduction, but rather "underconsumption." By having their profits (wages) cut down from year to year, as I have already explained, our farmers have been compelled to economize, even to the extent of suffering, to "keep above water." This, again, has affected the industries of the East, stopped the mills, thrown operatives out of employment, reduced earnings, and lessened consumption there. Does any one doubt but what a workman's family will use more meat, butter, eggs, and even flour when wages are brought home than when work is wanting? I therefore submit that it is neither cheaper processes nor overproduction that has brought about this condition of affairs, the result of the fall in prices. We must look for another cause.

The price of an article, I take it, is the amount of money that it will exchange for. The price of a bushel of wheat is the amount of money it will buy in the market. As stated before, a bushel of wheat will buy as many articles of other commodities as it did prior to 1873. But it will not buy as much gold, and gold, strictly speaking, is the only money of Europe and of this country at the present time. Gold is the standard of value. If we consider wheat the standard, its value (as compared to commodities other than gold) has varied but little, while the price of gold has risen enormously. In 1873 a bushel of wheat would buy 33.41 grains of gold; in 1889, only 20.89 grains.

If a difference like this should suddenly spring up and continue to increase between the relative value of wheat and some other commodity, say oranges, we in Minnesota would naturally surmise that the orange crop in California was short, or that the market for California oranges had increased faster than the demand for wheat, or both. Perhaps this is the trouble with gold? It seems very reasonable that if gold has become scarcer, both in point of quantity and relatively for the amount of work that it has to perform, and that the demand for it has increased, it should rise in price in comparison to wheat and other commodities which have not been so affected, the same as the oranges.

I do not contend that prices are in every instance determined by the quantity of money, for credit and methods of doing business are important factors. But I believe that prices are greatly affected by it. This was clearly shown when the late Secretary of the Treasury made deposits of public money in the New York City banks. Every deposit of money raised the price of stocks and securities instantaneously. It had the like effect on other property, though not so apparent at the time. The operation is plain. The increase of money enabled the banks to make more loans. Such of the loans as went into Wall street encouraged speculation and sustained or enhanced prices there. The banks having more cash, more loanable funds, money became cheaper temporarily and enabled those who had manufacturing or other enterprises in view to undertake them. New buildings or improvements were necessary. This created a new demand for commodities and raised prices and helped business "all along the line." If, instead of a loan to be eventually called back into the Treasury, this had been a permanent increase of the money in circulation, the effect on prices would have been equally permanent. Such is the opinion of the great writers on political economy.

Suppose four-fifths of all the money in Britain to be annihilated in one night, must not the price of all labor and commodities sink in proportion?

This question was asked by Hume over a century ago. And, says John Stuart Mill:

That an increase of the quantity of money raises prices, and a diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to any of the others.

Jevons held the same view. So did Disraeli. So does Goschen. History verifies their views. When the mines of Laurium gave forth their precious stream, prices and prosperity rose in Greece. So it was in Rome when her conquering legions brought home the treasures of the world. In the time of Charlemagne, and subsequent to his reign, the stock of precious metals was lower than ever before or since. Prices fell and the masses were steeped in poverty and ignorance for centuries. With the discovery of America and the acquisition of her stores of gold and silver, prices rose as if by magic. Mankind in Europe rose out of the depths of degradation. The germ of liberty and civilization, which had lain dormant for centuries, started again and humanity entered upon its present career of advancement and civilization. Another impetus was added by the gold of California and Australia, in the decades succeeding the discovery of which man made the greatest progress in intelligence and comfort, and in the establishment of human rights, that the world has ever witnessed.

Thus it will be seen that both theoretically and historically the abundance or scarcity of money affects prices and the welfare of the masses. Gold being now the only general standard of value or money in the leading countries of Europe and here, it becomes important to ascertain the facts as to the sufficiency of its supply, and the causes which have led to its appreciation (increase in purchasing power) in recent years.

The following table, prepared by Dr. Soetbeer, and adopted by the Royal Commission, shows the average annual production of gold in the world in five-year periods, from 1841 to 1885, inclusive.

Period.	Weight.	Value.
	Kilograms.	
1841–1850	54,759	$36,392,831.40
1851–1855	199,388	132,513,264.80
1856–1860	201,750	134,083,050.00
1861–1865	185,057	122,988,882.20
1866–1870	195,026	129,614,279.60
1871–1875	173,904	116,677,598.40
1876–1880	172,414	114,586,244.40
1881–1885	149,137	99,116,450.20

For the subsequent years I give the figures prepared by the United States Treasury Department, as follows:

Years.	Weight.	Value.
	Kilograms.	
1886	153,070	$101,729,600
1887	156,156	103,779,600
1888	149,336	99,250,877

This shows that the production of gold is continually decreasing. Its consumption in the arts is increasing. Dr. Soetbeer calculated that it exceeded $60,000,000 in 1885. The Director of the United States Mint, commenting on this subject in his annual report for 1888, page 54, says:

The total consumption of the precious metals in the industrial arts, according to the statements furnished the bureau, has been very much larger during the past year than in preceding years, both in gold and silver. The increase has been large, both in bars furnished by the Government institutions and in bars furnished by private refineries, but especially large in the value of silver bars for industrial use furnished by private refineries in the United States.

The aggregate employment in the precious metals in the arts during the calendar year of 1888 may be placed at $16,500,000 gold and $8,100,000 silver (coinage value), against estimated employment for the calendar year 1887 of $14,600,000 gold, and $5,280,000 silver.

Add to this the phenomenal increase in the population, production, and commerce of the civilized nations of the world, it is not to be wondered at that gold has increased in value and purchasing power. This would have been the tendency of both metals, had silver been permitted to remain money and to help supply this greater demand. The production of both in the last fifteen years has not kept pace with the growth of population and increase in business. But not satisfied with this natural advantage, the creditor classes of Europe and of this country conspired to enhance the value of their bonds and securities by a system of class legislation which has no parallel in the annals of history.

Silver and gold had always been money, each dividing with the other the burden of measuring the values and carrying on the business of the civilized world, at the ratio in Europe of 15½ of silver to 1 of gold, and here of 16 to 1. In quantity there was about $39 of silver to $31 of gold (in 1871) If silver could be dethroned the creditor classes, and those having fixed incomes, would reap the benefit of the increased value of gold. England, the great creditor, actuated by her greed, advocated demonetization of silver. Germany, flushed with pride and with the thousands of millions of gold wrung from France, listened to the siren, made gold her sole standard of value, commenced to call in and sell her silver, and finally demonetized it in 1873, 3,552,000 kilograms of German silver worth about $42 per kilogram, having been robbed of its prerogative was thrown upon the market as a commodity. Its gold price commenced to fall. A hue and cry against silver was inaugurated.

In this country it was taken up by the organs of the bondholders. By means of a pretended codification of our coinage laws the authority for coining the silver dollar was repealed. Congress was captured by stealth, and President Grant is said to have stated that his signature to the act was obtained by misrepresentation. This happened in 1873. The following year France, Belgium, Italy, and Switzerland limited their coinage of silver, and in 1878 closed their mints to that metal. Like action was taken by the Scandinavian countries in 1876. A scramble for gold ensued in which every expedient to obtain and to keep it was resorted to. The German Government banks made loans for nominal rates of interest conditioned on their repayment in foreign gold. The reign of Mammon had been inaugurated. Gold rose in price from day to day, and all other commodities, when measured by it, fell. In March, 1879, Mr. Disraeli, then Lord Beaconsfield, said:

All this time the produce of the gold mines of Australia and California has been regularly diminishing, and the consequence is that, while these great alterations on the continent in favor of a gold currency have been made, notwithstanding that increase of population which alone requires a considerable increase of currency to carry on its transactions, the amount of the currency itself is yearly diminishing until a state of affairs has been brought about by gold production exactly the reverse of that which it produced at first. Gold is every day appreciating in value, and as it appreciates the lower become prices.

This was true in 1879, and is a terrible reality to-day. Does any one doubt the effect on prices of these monetary changes by the principal nations of the world? While the burden has fallen the most heavily on the farmer, other classes have suffered as well. All values have shrunk nearly one-third, except debt and taxes. By reference to the table it will be seen that the wheat crop of 1874 was worth $441,398,655.60; that of last year, though a third larger, was only worth $440,031,320. The national debt on July 1, 1874, according to the report of the Secretary of the Treasury (less the cash in the Treasury) was $2,143,088,241.16. Since that time and up to July 1, 1888, we had paid some fifteen hundred million dollars in principal and interest, leaving the balance then due of $1,087,930,703.87. In 1874 it would have taken 1,603,454,403 bushels of wheat to pay the debt, and in 1888, 1,212,854,772.

Stocks of merchandise have shrunk without being sold. A stock carried over a season has suffered more from a fall in prices than from moths or shelf-wear.

Mr. WALKER, of Massachusetts. With us they do not do that.

Mr. LIND. Ah, they have to do it in the West sometimes, because the people are too "hard up" to buy.

The latter could be guarded against; the former came by operation of law. What inducements are there for opening new farms, building new mills or factories, or for undertaking any kind of enterprises with a market continually falling before you? The prospects are that prices and profits will shrink and the burden of borrowed capital become greater from day to day. Why erect a building or make improvements this year when you are morally certain that labor and material will be cheaper next? This fact explains to my mind the apparent anomaly that lower rates of interest are no indication of an abundance of money. Interest is lower now on the whole than it has been for years. The bankers will tell you that money is abundant—so it is in their vaults.

Scarcity of money causes falling prices. This, again, discourages enterprise and lessens the demand for capital. What money there is goes into the vaults, is hoarded, or seeks safe and long-time investments at such rates as can be obtained. From this it would seem that even in this case "sin works its own destruction." For I doubt very much whether the capitalists and money-lenders will, in the long run, profit by the general shrinkage of values and stagnation in enterprise which they have brought about. But while they may suffer losses, the producers are destroyed. The man who has $100,000 and loses half is still wealthy. But the man with $1,000 who sustains a loss of $500 has not a competency left—hardly enough for a start. If the views I have expressed are sound, the remedy suggests itself: Restore silver to its former position. As to the means by which this may be accomplished we may differ. But if we keep this object in view we can agree on details. The great body of the American people demands the restoration of silver to the position of a money metal by virtue of its own precious character. It is our duty to comply with this demand.

It has been said here that this sentiment is prompted by dishonest motives. But even President Cleveland, in waging war on the silver dollar, did not go as far as that. He said:

The so-called debtor class, for whose benefit the compulsory coinage of silver is insisted upon, are not dishonest because they are in debt; and they should not be suspected of a desire to jeopardize the financial safety of the country in order that they may cancel their present debts by paying the same in depreciated silver dollars.

He evidently preferred to charge it to their ignorance. So does the Pioneer Press, the leading daily of our State and of the Northwest, and one of the ablest advocates of the single gold standard. At the recent convention held by the Farmers' Alliance of our State that body adopted a resolution in favor of the free coinage of silver. On the following day that paper said editorially:

The alliance platform makes some other mistakes, mostly where it endorses resolutions that were introduced by somebody with a hobby to ride, touching on questions which the members have not been able to study carefully. Such, for example, is the resolution approving the free coinage of silver. There is nobody who would suffer from this as severely as the farmer. It is the laboring man who is compelled to take the dishonest dollar at full value, and to part with it for loss. The wages of labor are the last to feel the stimulus of a poor currency, and the first to suffer from a reaction. It is not singular that farmers should be led astray on a subject like this, which puzzles many men who have made it the subject of long investigation. They are chargeable only with the impropriety of taking into their platform a resolution of whose effects they can not have a clear and thorough comprehension.

Mr. GEAR. That is a free-trade paper.

Mr. LIND. Yes; it is rather inclined to be English in "off years."

It is no argument to say that the people do not understand this question. They do. Many of our constituents have more time to read and study than we have, and they can think and reason just as well. The judgment of the popular mind, like a woman's intuition, is usually right, whether it is the result of the most approved method of analytical inquiry or not. No one will dispute that the passage of the Bland act was not favored by the "creditor class." On the contrary, it was in response to the demand of the people. All sorts of dire consequences were predicted to follow its enactment. The silver dollar, it was charged, would be the ruination of our people, of our honor, and of our credit. The Pioneer Press made a positive prediction that it would depreciate, and that gold would command a premium as soon as we had coined enough silver dollars to equal the amount of our annual receipts from customs dues. In 1884 more silver dollars had been coined than the customs receipts for that year. Now, our stock of silver is double the amount of our annual receipts from customs, and still the silver dollar is just as good money as the dollar in gold.

In his annual message to Congress in December, 1885, President Cleveland said:

That disaster has not already overtaken us furnishes no proof that danger does not wait upon a continuation of the present silver coinage. We have been saved by the most careful management and unusual expedients, by a combination of fortunate conditions, and by a confident expectation that the course of the Government in regard to silver coinage would be speedily changed by the action of Congress.

Since then over two hundred millions of silver dollars have been coined, and "disaster has not overtaken us." Are we not justified in asking which proved the greater, the wisdom of the people or the wisdom of the wise? It was predicted that the silver dollar, of which we have now coined over three hundred and fifty million, would drive out gold. Has it done so? On this point I will submit the following table, furnished by the Treasury Department:

Value of gold coin and bullion imported into and exported from the United States, from 1873 to 1889, inclusive; also annual excess of imports or of exports.

Year.	Exports.		Total exports.	Imports.	Excess of exports over imports.	Excess of imports over exports.
	Domestic.	Foreign.				
1873....	$44,472,038	$384,077	$44,856,715	$8,682,447	$36,174,268	....
1874....	32,645,486	1,396,934	34,042,420	19,503,137	14,539,283	....
1875....	61,543,545	5,437,432	66,960,977	13,696,793	53,264,184	....
1876....	29,431,757	1,745,293	31,177,050	7,992,709	23,184,341	....
1877....	22,359,101	4,231,273	26,590,374	26,246,234	344,140	....
1878....	6,632,570	2,571,885	9,204,455	13,330,215	....	$4,125,760
1879....	4,145,085	442,529	4,587,614	5,624,948	....	1,037,334
1880....	1,775,039	1,863,986	3,639,025	80,758,396	....	77,119,371
1881....	1,826,307	738,825	2,565,132	100,031,259	....	97,466,127
1882....	31,403,625	1,184,255	32,587,880	34,377,054	....	1,789,174
1883....	8,920,909	2,679,979	11,600,888	17,734,149	....	6,133,261
1884....	35,294,204	5,787,753	41,081,957	22,831,317	18,250,640	....
1885....	2,741,559	5,736,333	8,477,892	26,691,696	....	18,213,804
1886....	32,766,066	10,186,125	42,962,191	20,743,349	22,208,842	....
1887....	5,705,304	3,995,883	9,701,187	42,910,601	....	33,209,414
1888....	12,560,084	5,816,150	18,376,234	43,934,317	....	25,558,083
1889....	....	....	59,952,285	10,284,858	49,667,427	....

In explanation of the excess of exports over imports of gold last year, the Secretary of the Treasury says in his annual report:

This excess of exports over imports of gold occurred mainly in May and June last, amounting during those months to $30,000,000. This excess was largely due to the increase of foreign travel on the part of our people and the consequent increased demand for foreign exchange.

It will be remembered that it is said that more than one hundred thousand Americans visited Europe last year. Instead of driving gold out does it not rather seem as if this "inferior," "depreciated" silver dollar had actually attracted gold? The "Bland act," requiring the purchase of $2,000,000 worth of silver monthly and its coinage into silver dollars, became a law on February 28, 1878. As to its effects on the volume of our currency I cite you to the table given by the Secretary of the Treasury in his last annual report, and his comments thereon, as follows:

Comparison between March 1, 1878, and October 1, 1889.

	In circulation March 1, 1878.	In circulation October 1, 1889.	Decrease.	Increase.
Gold coin...............	$82,530,163	$375,947,715	....	$293,417,552
Standard silver dollars..	....	57,554,100	....	57,554,100
Subsidiary silver	53,573,833	52,931,352	$642,481	....
Gold certificates........	44,364,100	116,675,349	....	72,311,249
Silver certificates	....	276,619,715	....	276,619,715
United States notes....	311,436,971	325,510,758	....	14,073,787
National-bank notes....	313,888,740	199,779,011	114,109,729	....
Totals..............	805,793,807	1,405,018,000	114,752,210	713,976,403
Net increase.........	....	....	....	599,224,193

From the above statement it will be seen that the—

Total increase of circulation of all kinds has been	$713,976,403
Total decrease..	114,752,210
Net increase..	599,224,193

The net expansion since March 1, 1878, has, therefore, been $599,224,193. The average net increase per month has been $4,342,204, $52,106,451 per annum. The total net increase has been a little over 74 per cent., while the increase in population has been about 33 per cent. In 1878 the circulation was about $16.50 per capita, and in 1889 it was about $21.75 per capita.

What would be our condition to-day if we had not received this increase in our circulating medium? Does any one doubt but what money would have been scarcer and more difficult to obtain than it is? Would not prices have been still lower and debts more burdensome? The influence that this increase in money has exercised in sustaining prices can not even be estimated. Prices have on the whole been better sustained here than in Europe. The downward pressure has come from there and the resistance from this side, since 1880. This is true even as to wheat. It has frequently been higher in New York than in Liverpool. Mr. C. A. Pillsbury recently offered to pay any one $20,000 who could ship wheat from Minnesota to England at a profit of 1¼ cents per bushel. It is not unreasonable to suppose that if the Bland act had not been passed wheat would have been down to 40 cents per bushel in Minnesota to-day.

My reasons for this supposition are twofold. First, the scarcity of circulating medium would have depressed the price not only of wheat but of all commodities. Second, if the Bland act had not passed, the gold price of silver would have fallen more than it has, and that would have tended to further lower the price of wheat. If the silver which we have coined had been thrown on the market as a commodity the gold price of the metal would probably have fallen to 30 pence per ounce, instead of about 43 as it stands now. The price of wheat has followed the gold price of silver very closely, as I will show further on. But ~~not only has this~~ "dishonest," depreciated silver dollar sustained prices to a great extent, but I believe it has been the main cause in drawing the gold which has come to us as shown by the table already given. While it is true that "times have been rather dull here," they have been infinitely better than in Europe since 1883. Agriculture has been depressed here, but in England and in other parts of Europe it has been, and is, in despair. So in the industries. Hence, as compared to the conditions in Europe, we have prospered. Both capital and labor have had better returns here, and both have come. The greater the prosperity the greater the profits. The gold of Europe has come here to be employed, to share in the greater profits guarantied by our greater prosperity.

I have thus far spoken of the change in the relative value of the two metals as an appreciation or rise in the value of gold. I believe this to be correct. Ordinarily we speak of silver as having depreciated or fallen. We have been led into this habit by the gold advocates, who neglect no opportunity to speak of silver as depreciated and the silver dollar as "dishonest." Neither is true. Comparing the two metals only, each with the other, simply shows a greater difference between them than formerly. Of this difference it is just as fair to say that gold has appreciated as it is to say that silver has fallen. To ascertain the truth let us compare silver to the index numbers given above. The Secretary of the Treasury gives the following table of the value of silver since 1873, in his annual report: I have added the Economist's index number.

Average price of silver in London each fiscal year, 1873–1889 *and value of an ounce of fine silver at par of exchange, with decline expressed in percentages in each year since* 1873.

Year.	Price in London.	Value of a fine ounce.	Decline from 1873.	Economist's index number.
	Pence.	*Dollars.*	*Per cent.*	
1873	59.2500	1.29883	....	134
1874	58.8125	1.27827	1.6	131
1875	56.8750	1.24676	4.	126
1876	52.7500	1.15634	11.	123
1877	54.8125	1.20156	7.5	124
1878	54.8107	1.19050	8.3	115
1879	50.8125	1.11387	14.2	100
1880	52.4375	1.14954	11.5	115
1881	51.9375	1.13852	12.3	108
1882	51.8125	1.13623	12.5	111
1883	51.0230	1.11826	13.9	107
1884	50.7910	1.11339	14.3	100
1885	49.8430	1.09262	15.9	95
1886	47.0380	1.03112	20.6	92
1887	44.8430	.98301	24.3	94
1888	43.6750	.95741	26.3	101
1889	42.4990	.93163	28.3	....

From this it will be seen that silver has not only maintained its relative value as compared to commodities, but it has actually appreciated. In other words, an ounce of silver will buy more of the necessaries of life, more of any kind of property to-day, than it would in 1873. And the silver dollar, instead of being dishonest, will pay a debt, buy as many things, and carries as many cents as the dollar in gold. The only trouble that most of us ever have with it "is the getting of it."

But the contraction of the world's money and the consequent fall of prices is not the only evil resulting from the attempted outlawry of silver. The farmers of Minnesota and of the Northwest have suffered an additional injury by reason of the advantage which it has afforded the wheat-growers of India to export their product to Europe.

India, as is well known, is a silver nation. Her silver rupee is the unit of value and the legal-tender coin for all purposes. Prior to 1873 it had always been worth 2 shillings (English) or $0.48. With the demonetization of silver its gold price commenced to fall and has continued downward, as is shown in column 1 of the table which follows. Column 2 shows the price of wheat per bushel in rupees at Calcutta for the same period. Column 3 shows the same rupee price per bushel turned into our money on the gold basis. The data for these tables are found on pages 93 and 296 of the twenty-second number of Her Majesty's Statistical Abstract relating to British India, in the Library of Congress.

Year.	Price of rupee in shillings and pence.	Price of wheat per bushel in rupees.	Price of wheat per bushel in dollars.
1873	1 10.754	2.55	$1.16
1874	1 10.851	2.36	1.05
1875	1 10.156	1.82	.81
1876	1 9.625	1.72	.74
1877	1 8.508	2.22	.91
1878	1 8.791	2.62	1.09
1879	1 7.794	2.69	1.06
1880	1 7.961	2.15	.86
1881	1 7.956	1.92	.76
1882	1 7.895	2.12	.84
1883	1 7.525	2.06	.80
1884	1 7.536	1.84	.72
1885	1 7.308	1.89	.72
1886	1 6.254	1.92	.70
1887	1 5.441	2.09	.72

By examining these tables it will be seen that the average price per bushel of wheat at Calcutta, in rupees, for the five years 1873–'77, is 2.13⅜ rupees, or turned into our money on the gold basis 93⅜ cents. In the five years, 1883–'87, the average rupee price is 1.96; turned into our money 73⅓, as follows:

Years.	Cost in Calcutta, 100 bushels of wheat—	
	In rupees.	In dollars.
1873–'77	213.40	$93.40
1883–'87	196.00	73.29

Fall in silver price, 8 per cent.; in gold price 21¼ per cent.

The Indian Government statistics above referred to indicate a general fall in rupee values of from 8 to 12 per cent. during the period 1873–'87. The result is that while labor, lands, cost of living, and everything except, perhaps, taxes have been reduced in price to the Indian farmer since 1873–'87, his wheat in the money which he receives (the only money which he can use) has only fallen 8 per cent. But the minute it is aboard an English steamer, where we have to meet it in competition, it has fallen 21¼ per cent. Such is England's jugglery in money matters. The above illustration is more than fair. On the basis of the first and the last year only, a like computation will show a difference of 20 per cent.

I have referred to this matter to demonstrate that in considering legislation on this subject, we must not only provide for an increase of the circulating medium at home, but it should pave the way for the universal acceptance of silver as money abroad. Silver restored will not only raise and maintain prices all over the world, but it will cut off the advantage which the Indian farmer now enjoys over our own in the export of wheat and cotton.

There are three bills before the House:

The Committee, or "Windom bill," Appendix A.

The Republican House caucus bill, Appendix B.

The Bland or Free Coinage bill, Appendix C.

Of these three propositions the first appears to me the most objectionable. It proposes to repeal the existing law, which, to a limited extent at least, recognizes silver as a money metal and reduce it to the level of other commodities.

It might, when administered by a Secretary of the Treasury in sympathy with the silver movement, be made useful in increasing the volume of our circulating medium by the adoption of such rules and regulations as would make it desirable for our bullion owners to deposit their product in the Treasury instead of selling it abroad. But in the absence of special inducements it does not seem likely to me that such deposits would be made as it is usually more cumbersome to deal with the Government than with private individuals. Under a Secretary not in sympathy with the law it is very certain that few if any deposits would be made; nor does it seem probable that this plan for warehousing silver would raise the gold price of the metal in the least, and this is in fact the most serious objection to it.

As to the free coinage proposition, I am free to say that personally I believe it not only the best, but the quickest way of settling the whole question. We produce half of the world's silver. We are the richest and greatest nation on earth. France, by keeping her mints open to both metals at a fixed ratio, maintained their parity undisturbed for over a century. We could do the same. The talk about our mint being flooded by the silver of Europe is absurd. In his last report, Secretary Windom says:

> There is in fact no known accumulation of silver bullion anywhere in the world. Germany long since disposed of her stock of melted silver coins, partly by sale, partly by recoinage into her own new subsidiary coins, and partly by use in coining for Egypt. Only recently it became necessary to purchase silver for the Egyptian coinage executed at the mint at Berlin.

To suppose that the European Governments would melt down their silver subsidiary coin which is now circulating at par with gold to sell it here as bullion is equally absurd. But there are some objections to unlimited free coinage at this time. Silver is now worth less than gold. If we should pass Mr. BLAND's bill we would give every bullion owner a bonus of nearly 30 per cent. I prefer to give this to the Government. Besides, it would be unfair to deny that many conservative citizens of good judgment, and who are not prejudiced by their interests, sincerely fear that a free coinage law would be disastrous. I feel confident to the contrary. At the same time I believe it better prudence to yield something even to prejudice, when you can serve the people as well and effect your object almost as speedily by adopting a measure equally efficacious but less objectionable to all classes. Public confidence and approval is the mainstay of all legislation, especially of a financial character. Such a measure is the Republican House caucus bill. It provides for the monthly purchase by the Secretary of the Treasury of 4,500,000 dollars' worth of fine silver at the market price and for the issuance of Treasury notes in payment. This will utilize our entire silver product when we add to it the demand for mechanical uses and the arts. The silver product of our mines and smelters for last year is stated in the following communication from the Director of the Mint:

TREASURY DEPARTMENT, *April* 26, 1890.

JOHN LIND:

From our own mines 50,000,000 fine ounces; from lead ores imported 7,000,000 ounces; from silver bars imported 5,833,000 fine ounces. Total from our mines, smelters, and refineries 62,833,000 fine ounces.

E. O. LEECH,
Director Mint.

This bill, if it becomes a law, will certainly increase our circulating medium.

These notes can never be called "dishonest" or "depreciated." For every one the Government has received and holds $1 worth of bullion and stands ready and is pledged to redeem it in coin. The expense of coining the bullion will be saved. The only feature of the bill which does not meet my full approval is the proviso to the second section which permits the withdrawal of bullion. This power might, with the connivance of the Secretary, be used for improper purposes. I shall ask to have the bill amended in this respect, but if I fail I know it will be done in the Senate. There is another feature to which I wish to call attention at this point. I believe there is an actual advantage in issuing coin certificates and keeping the bullion in the Treasury, rather than in coining the silver dollar. If the object is to increase the circulating medium, we attain that by issuing the notes and leaving the bullion in the Treasury. If we coin the silver into dollars, we have no reason to doubt that, if there should be a special demand for silver in India or elsewhere in the East, those dollars will be exported, probably in exchange for commodities; and while I do not regret the loss of the dollars as bullion, I do regret the loss of them as money. On the other hand, if the bullion is kept in the Treasury, it will not be carried away, the volume of our currency will not be decreased, but will remain more stable and permanent.

That this bill will raise the price of silver to par, at the old ratio, is to my mind a matter of certainty. I predict that it will take place within two years after its passage.

The world's production of silver for 1888 was 110,000,000 ounces, according to the Treasury's estimate. The output for the current year will probably exceed it by from 5,000,000 to 10,000,000. Of this 60,000,000 ounces were and will be required for the coinage of Asia and Mexico and the subsidiary coinage of Europe, according to the report of the Secretary of the Treasury, and 20,000,000 more for consumption in the industrial arts. With a demand in the United States for some 60,000,000 ounces for coinage and the arts, it is apparent that there will be no surplus product to weigh down the price. Regarded purely in the light of a commodity it is evident that its scarcity alone for the purposes of commerce will enhance its value.

But the greatest advantage to be derived from the passage of this bill, so far as advancing the price of the metal is concerned, is that we publish to the world that we propose to make our silver money. France, whose people and statesmen have always appreciated the value and necessity of a large volume of money to insure national prosperity and thrift, has been restive under her adverse silver legislation. She has stood ready and willing at all times to open her mints to free coinage, on the basis of an international agreement. This will inspire her and the other Latin states to renewed endeavors in that behalf, which will be crowned by success. There is another feature bearing on the question of the value of the precious metals that we should not ignore. That is, that their universal use for money purposes constitutes the larger share of their value.

It has been said here, and it is a prevailing notion, that gold derives its value from its intrinsic worth and precious character. This is true, but only partially true. Suppose that the commercial nations of the world should by concert of action demonetize gold tomorrow and make silver the universal unit of value and legal tender, does any one doubt but what the tables would be turned and silver go up and gold go down? Our greenbacks were legal-tender for private debts. If they had been made receivable for customs duties does any one suppose that gold would have commanded the premium it did?

Both silver and gold have an intrinsic value, but their relative value depends largely, and I might say wholly, on custom and statute law. The Japanese are an intelligent people, possessed of a keen appreciation of the art and ornamental value of the precious metals. I have read that when that island was first visited by Europeans the native gold and silver coin passed current at the ratio of 1 of gold to 5 of silver. The first traders made considerable money by exchanging their silver for gold at that rate. The Japs soon found themselves compelled to change their ratio, and did so. When it is thoroughly understood what an important factor the "money use" is in making up the sum total of the value of the precious metals, it will be appreciated to what an extent the price of silver will be augmented by adding this "use" or function to one-quarter of the world's production of silver, as we do by this bill.

I now beg the pardon of the committee for occupying so much time. But I feel more interest in this subject than in any other that is pending before us. Its solution as promised in this bill will enable the debt-ridden to work out, will render work on our farms more remunerative, employment in the shop and factory more steady, and inspire industry and enterprise with renewed hope.

"Windom Bill"—Appendix "A."

Be it enacted, etc., That any owner of silver bullion, the product of the mines of the United States, or of ores smelted or refined in the United States, may deposit the same at any coinage mint, or at any assay office in the United States that the Secretary of the Treasury may designate, and receive therefor Treasury notes hereinafter provided for, equal at the date of deposit to the net value of such silver, at the market price, such price to be determined by the Secretary of the Treasury, under rules and regulations prescribed, based upon the price current in the leading silver markets of the world; but no deposit consisting in whole or in part of silver bullion or foreign silver coins imported into this country, or bars resulting from melted or refined foreign silver coins, shall be received under the provisions of this act.

SEC. 2. That the Secretary of the Treasury shall cause to be prepared Treasury notes in such amounts as may be required for the purpose of the above section, and in such form and denominations as he may prescribe: *Provided*, That no note shall be of a denomination less than $1 nor more than $1,000.

SEC. 3. That the notes issued under this act shall be receivable for customs, taxes, and all public dues, and when received into the Treasury may be reissued, and such notes, when held by any national banking association, shall be counted as part of its lawful reserve.

SEC. 4. That the notes issued under the provisions of this act shall be redeemed upon demand at the Treasury of the United States or at the office of an assistant treasury of the United States by the issue of a certificate of deposit for the sum of the notes so presented, payable at one of the mints of the United States, in an amount of silver bullion equal in value, on the date of said certificate, to the number of dollars stated therein, at the market price of silver, to be determined as provided in section 1; or such notes may be redeemed in gold coin at the option of the Government: *Provided*, That upon demand of the holder such notes shall be redeemed in silver dollars.

SEC. 5. That when the market price of silver, as determined by the Secretary of the Treasury, shall exceed $1 for 371.25 grains of pure silver, it shall be the duty of the Secretary of the Treasury to refuse to receive deposits of silver bullion for the purposes of this act.

SEC. 6. That it shall be lawful for the Secretary of the Treasury, with the approval of the President of the United States, to suspend, temporarily, the receipt of silver bullion for Treasury notes at any time when he is satisfied that through combinations or speculative manipulation of the market the price of silver is arbitrary, nominal, or fictitious.

SEC. 7. That the silver bullion deposited under this act, represented by Treasury notes which have been redeemed in gold coin or in silver dollars, may be coined into standard silver dollars or any other denomination of silver coin now authorized by law, for the purpose of replacing the coin used in the redemption of the notes.

SEC. 8. That so much of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," as requires the monthly purchase and coinage into silver dollars of not less than $2,000,000 nor more than $4,000,000 worth of silver bullion, is hereby repealed.

SEC. 9. That any gain or seigniorage arising from the coinage which may be executed under the provisions of this act shall be accounted for and paid into the Treasury as provided by existing law.

SEC. 10. That silver bullion received under the provisions of this act shall be subject to the requirements of existing law, and the regulations of the mint service governing the methods of receipt, determining the amount of pure silver contained, and the amount of charges or deductions, if any, to be made.

SEC. 11. That nothing in this act shall be construed to prevent the purchase, from time to time, as may be required, of silver bullion for the subsidiary silver coinage.

SEC. 12. That a sum sufficient to carry out the provisions of this act is hereby appropriated, out of any money in the Treasury not otherwise appropriated.

SEC. 13. That all acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

SEC. 14. That this act shall take effect thirty days from and after its passage.

"The Republican House Bill"—Appendix "B."

Strike out all after the enacting clause and insert the following:

"That the Secretary of the Treasury is hereby directed to purchase from time to time silver bullion to the aggregate amount of $4,500,000 worth in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than $1 nor more $1,000, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated: "*Provided*, That if the net amount of silver bullion received in accordance herewith and not paid out as hereinafter provided, shall be less than $2,000,000 worth in any one month, it shall then be the duty of the Secretary of the Treasury to purchase, during the succeeding month, at the market price, not exceeding however $1 for 371.25 grains of pure silver, an amount of silver bullion equal to such deficiency, and to issue in payment therefor Treasury notes hereinaftes provided for."

"SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and when so redeemed may be reissued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion then held in the Treasury purchased by such notes; and such Treasury notes shall be a legal tender in payment of all debts, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued; and such notes when held by any national banking association may be counted as a part of its lawful reserve: *Provided*, That upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury may, at his discretion and under such regulations as he shall prescribe, exchange for such notes an amount of silver bullion which shall be equal in value at the market price thereof on the day of exchange to the amount of such notes presented.

"SEC. 3. That the Secretary of the Treasury shall coin such portion of the silver bullion purchased under the provisions of this act as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

"SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of charges or deductions, if any, to be made.

"SEC. 5. That so much of the act of February 28, 1878, entitled 'An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character,' as requires the monthly purchase and coinage of the same into silver dollars of not less than $2,000,000 nor more than $4,000,000 worth of silver bullion, is hereby repealed.

"SEC. 6. That whenever the market price of silver, as determined in pursuance of section 1 of this act, is $1 for 371.25 grains of pure silver, it shall be lawful for the owner of any silver bullion to deposit the same at any coinage mint of the

United States, to be formed into standard silver dollars for his benefit, as provided in the act of January 18, 1837.

"SEC. 7. That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of the national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption; and upon the certificate of the Comptroller of the Currency that such notes have been received by him and that they have been destroyed and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created, to be known as 'National-bank notes; redemption account;' but the provisions of this act shall not apply to the deposits received under section 3 of the act of June 20, 1874, requiring every national bank to keep in lawful money with the Treasurer of the United States a sum equal to 5 per cent. of its circulation, to be held and used for the redemption of its circulating notes; and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public-debt statement as debt of the United States bearing no interest.

"SEC. 8. That this act shall take effect thirty days from and after its passage."

"The Bland bill"—Appendix "C."

A bill for the free coinage of silver, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this act all holders of silver bullion of the value of $50 or more, standard fineness, shall be entitled to have the same coined into standard silver dollars of 412½ grains troy of standard silver to the dollar, upon like terms and conditions as gold is now coined for private holders; that the standard silver dollar heretofore coined and herein provided for shall be the unit of account and standard of value in like manner as now provided for the gold dollar, and shall be a legal tender for all debts, public and private, except where otherwise stipulated.

SEC. 2. That so much of the provisions of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and restore its legal-tender character," as provides for issuing certificates on the deposit of silver dollars shall be applicable to the coin herein named; and so much of the said act of February 28, 1878, as provides for the purchase of silver bullion to be coined monthly into standard silver dollars be, and the same is hereby, repealed.

SEC. 3. That the Secretary of the Treasury is hereby authorized to adopt such rules and regulations as may be necessary to enforce the provisions of this act.