SILVER BULLION CERTIFICATES.

SPEECH

OF

HON. F. M. COCKRELL,

OF MISSOURI,

IN THE

SENATE OF THE UNITED STATES,

Monday, June 9, 1890.

WASHINGTON.
1890.

SPEECH

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HON. F. M. COCKRELL.

The Senate, as in Committee of the Whole, having under consideration the bill (S. 2350) authorizing the issue of Treasury notes on deposits of silver bullion—

Mr. COCKRELL said:

Mr. PRESIDENT: Senate bill No. 2350 entitled "A bill authorizing the issue of Treasury notes on deposit of silver bullion," directs the Secretary of the Treasury to purchase from time to time silver bullion to the amount of $4,500,000 worth in each month, at the market price, not exceeding $1 for 371¼ grains of pure silver, and to purchase such gold bullion as may be offered at a price not exceeding $1 for 23.22 grains of pure gold, and to issue in payment Treasury notes in such form and of such denominations not less than $1 nor more than $1,000 as he may prescribe, and makes these Treasury notes redeemable on demand in lawful money of the United States and receivable for customs, taxes, and all public dues, and when redeemed to be canceled, and when so received to be reissued, and when held by any national-banking association to be counted as a part of its lawful reserve.

It further requires the Secretary to coin such portion of the gold or silver bullion so purchased as may be necessary for the redemption of the Treasury notes so issued, and repeals so much of the act of February 28, 1878, as requires the monthly purchase and coinage of not less than $2,000,000 or more than $4,000,000 worth of silver bullion.

If enacted into law, the further coinage of silver bullion into standard dollars of 412½ grains, nine parts fine, will rest wholly in the mere discretion of the Secretary of the Treasury, and he can so coin it or not, at his pleasure.

It proposes no change of existing laws touching gold, except only the purchase of gold bullion with Treasury notes; and the holder of any gold bullion can now deposit the same and receive therefor gold certificates equally as valuable as the Treasury notes.

Under the law of February 28, 1878, the Secretary of the Treasury must purchase not less than $2,000,000 worth of silver bullion monthly and coin it into standard dollars, and can, if he will, in his discretion, purchase not more than $4,000,000 worth monthly and coin it into such dollars, and can issue silver certificates for such dollars. Under the proposed measure the Secretary must purchase $4,500,000 worth of silver bullion and pay therefor in Treasury notes, but he is not required to coin any of such bullion into silver dollars. Where, then, is any benefit in this proposal over the existing law? The most that can be claimed is that this bill, if a law, would compel the Secretary to purchase with Treasury notes $500,000 worth of silver bullion more than he now has the legal right to purchase monthly, and to increase the currency to that extent.

By our present laws gold bullion has free coinage and can be exchanged at our mints grain for grain for gold coin, or can be deposited and gold certificates obtained therefor; and gold bullion is therefore practically equal to gold coin and equivalent to gold money.

Under the pending bill silver bullion is still to be treated as a mere commodity, to be purchased in the market, just as any other metal can be purchased, and will be given none of the equivalents of money or currency. Why continue this legal discrimination and relentless warfare against silver?

It has not always been thus. By the common law of England, transplanted in this country by our ancestors, gold and silver were money and a lawful tender for the payment of debts down to the adoption of our written Constitution.

By "An act for encouraging of coinage," passed in 1666, England established free and gratuitous coinage of silver and gold at the ratio of 15 to 1, and both metals were placed upon an equal footing, and in 1717 the ratio was changed to 15.2 to 1, and so remained up to 1816.

By "An act to prohibit the importation of light silver coin of this realm from foreign countries into Great Britain or Ireland, and restrain the tender thereof beyond a certain sum," passed on January 13, 1774, silver coin was limited as a legal tender to £25 and under, and above that sum was a legal tender only according to value by weight, and so continued up to June 22, 1816.

We will now briefly examine our own legislation touching gold and silver.

The Continental Congress on April 9, 1776, resolved—

That a committee of seven be appointed to examine and ascertain the value of the several pieces of gold and silver coins current in these colonies, and the proportions they ought to bear to Spanish milled dollars.

This committee on May 22, 1776, brought in their report, which was read and ordered to lie on the table, and on July 24, 1776, Congress resolved—

That the report of the committee on gold and silver coins be recommitted.

On September 2, 1776—

The committee to whom was recommitted the report for ascertaining the value of the several species of gold and silver coins current in these States, and the proportion they and each of them ought to bear to Spanish milled dollars, brought in their report; which was read, and ordered to lie on the table.

In this report the committee recommended—

That the several gold and silver coins passing in said colonies shall be received into the public Treasury of the Continent and paid out in exchange for bills emitted by authority of Congress, when the same shall become due, at the rate set down in the following table.

And then gave the rates for silver and gold.

The then existing coinage of both metals was generally of light weight, and it is not possible to say with absolute accuracy what was the relative ratio thus established, but the ratio indicated was about 1 to 15.2.

Under the Articles of Confederation, the ratification of which was completed by the delegates for the State of Maryland March 1, 1781—

The United States in Congress assembled shall also have the sole and exclusive right and power of regulating the alloy and value of coins struck by their

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authority or by that of the respective States, fixing the standard of weights and measures throughout the United States.

On January 7, 1782, the Congress resolved—

That it be an instruction to the Superintendent of Finance to prepare and report to Congress a table of rates at which the different species of foreign coins most likely to circulate within the United States shall be received at the Treasury thereof.

On December 12, 1782, Robert Morris, the Superintendent of Finance, submitted his report, recommending that certain foreign coins named be valued at the sums therein named, estimated according to weight and fineness as bullion, the relative ratio being 1 to 14.56.

On May 13, 1785, the Grand Committee of Congress on the Monetary Unit submitted their report and recommended the establishment of the ratio of 1 to 15, with alloy of one-twelfth part, and said:

The quantity of pure silver being fixed that is to be the unit or dollar, and the relation between silver and gold being fixed, all the other weights must follow.

On July 6, 1785—

Congress took into consideration the report of the Grand Committee * * * on the subject of the money unit, and, on the question that the money unit of the United States of America be $1, the yeas and nays being required by Mr. Howell, and every member answering "ay," it was resolved that the money unit of the United States of America be $1.

On August 8, 1786, the Congress—

On a report of the Board of Treasury resolved that the standard of the United States of America for gold and silver shall be 11 parts fine and 1 part alloy; that the money unit of the United States being, by the resolve of Congress of the 6th of July, 1785, a dollar, shall contain of fine silver 375.64 grains; that the money of account to correspond with the divisions of the coins, agreeably with the above resolve, proceed in a decimal ratio.

And ordered—

That the Board of Treasury report a draught of an ordinance for the establishment of a mint.

On October 16, 1786, the Congress passed an ordinance entitled "An ordinance for the establishment of the Mint of the United States of America and for regulating the value and alloy of coin," and therein provided for the coinage of gold, silver, and copper money, and prescribed the weight, fineness, and relative value. The mint contemplated in this ordinance was never erected. The mint charge proposed was about 2 per cent. upon both gold and silver, and made the ratio of bullion at the mint as 1 to 15.22, a little below the ratio in coin.

Passing from the confederation the Constitution of the United States declares that—

The Congress shall have power * * * to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures; * * * to provide for the punishment of counterfeiting the securities and current coin of the United States.

And further,

No State shall * * * coin money * * * or make anything but gold and silver coin a tender in payment of debts.

Congress therefore has the exclusive power to coin money and to declare what coin shall pass current as money and to regulate and fix the value of such coin and of foreign coin as money, as legal tender for the payment of all debts, public and private, and no State can coin any money or make anything but gold and silver coin a tender in payment of debts. There is no restriction upon the power of Congress to coin money and regulate its value, either as to the metal to be coined into money or the weight or quantity of the metal, the value of which when coined Congress can regulate and fix.

Congress, by "An act establishing a mint and regulating the coins of the United States," approved April 2, 1792, exercised its constitutional power by establishing a mint and authorizing the coinage of gold, silver, and copper coins, and placed gold and silver upon a perfect equality, and gave to each free coinage and to the coins of each full legal tender in all payments, the gold coins to be eagles, half-eagles, and quarter-eagles of the declared value of ten, five, and two and one-half dollars, respectively, 11 parts pure gold to 1 of alloy, and the silver coin to be dollars or units, half-dollars, quarter-dollars, dimes, and half-dimes, and made them all a full legal tender in payment of any and all sums.

The weight of the gold in one dollar if coined would have been 27 grains standard and 24.75 pure, and the weight of the silver in the dollar or unit was 416 grains standard and 371¼ grains pure, and the value of this silver dollar was to be that of the Spanish milled dollar as then current. This law further declared—

> That the money of account of the United States shall be expressed in dollars or units, dimes, or tenths, * * * and that all accounts of the public officers and all proceedings in the Congress of the United States shall be kept in due conformity with this regulation—

And—

> that the proportional value of gold and silver in all coins which shall by law be current as money within the United States shall be as 15 to 1.

This, our first monetary law, continued in force until June 28, 1834.

Congress, by "An act concerning the gold coins of the United States, and for other purposes," approved June 28, 1834, and to take effect July 31, 1834, reduced the standard weight and fineness of the gold coins from 27 grains standard and 24.75 pure in the dollar to 25.8 standard and 23.2 grains pure to the dollar, being a reduction of the standard gold of 1.2 grains and of the pure gold 1.55 grains to the dollar, and declared the new gold coins a full legal tender in all payments, and made all gold coins previously minted receivable in all payments at the rate of 94.8 cents per pennyweight.

Congress, by "An act to establish a mint and regulate the coins of the United States," approved January 18, 1837, fixed the standard for both gold and silver coin of the United States at nine parts pure to one of alloy, and the weight of the silver dollar at 412½ grains, and of the half-dollars, quarter-dollars, dimes, and half-dimes correspondingly, and made them all legal tenders for all sums whatever. Thus the alloy was reduced, while the pure silver of 371¼ grains was retained in the standard silver dollar.

The standard weight of the gold coins was not changed, but the fineness was fractionally advanced, so that a gold dollar if coined would have contained 23.22 grains pure gold instead of 23.20, and these reductions by the laws of 1834 and 1837 of the weight and fineness of the gold coins changed the relative valuation or ratio of gold and silver in coinage from 1 to 15 to 1 to 15.988, and increased the coining rate or legal-tender value of gold in this country 6.589 per cent., and both gold and silver bullion and coin were continued upon a perfect equality at the prescribed ratio.

Congress, by "An act to authorize the coinage of gold dollars and double-eagles," approved March 3, 1849, authorized the coinage of "gold dollars, each to be of the value of $1, or unit" and "double-eagles, each to be of the value of $20, or units," with full legal tender and free coinage.

Congress, by "An act amendatory of existing laws relative to the half-dollar, quarter-dollar, dime, and half-dime," approved February 21, 1853, reduced the standard weight of the half-dollar from 206¼ grains to 192 grains, a reduction of 14¼ grains, and the quarter-dollar, dime, and half-dime correspondingly, to take effect from June 1, 1853, and made them legal tender for all sums not exceeding $5, and they could only be coined upon Government account from silver purchased in the market.

This law continued the free coinage with unlimited legal tender of gold and silver bullion into gold coins and the standard silver dollar, and imposed a mint charge upon the depositor, whether the metal was coined or cast into ingots or bars, of one-half of 1 per cent. This law also authorized the coinage of the three-dollar gold piece, with full legal tender, and by the act of March 3, 1853, this law was made to take effect from April 1, 1853, and the charge for casting gold or silver into bars or ingots was reduced to the actual cost thereof.

By the law of March 3, 1853, the Secretary of the Treasury was authorized to establish in New York City an assay office for assaying and casting gold and silver bullion and foreign coin into bars, ingots, or disks, and the assistant treasurer at New York was made the treasurer of such assay office, and was authorized, upon the deposit of gold or silver bullion or foreign coin and the ascertainment of its net value, to—

> issue his certificate of the net value thereof, payable in coins of the same metal as that deposited, * * * which certificates shall be receivable at any time within sixty days from the date thereof in payment of all debts due to the United States at the port of New York, for the full sum therein certified—

And the same charge was made as at the mint. This is the origin of our gold and silver certificates.

Congress by "An act to provide ways and means for the support of the Government," approved March 3, 1863, authorized the Secretary of the Treasury to issue certificates for gold coin or bullion deposited in sums of not less than $20, such certificates to be receivable in payment of interest on the public debt and duties on imports.

Congress by "An act revising and amending the laws relative to the mint, assay office, and coinage of the United States," approved February 12, 1873, and known as the coinage act of that year, established a single gold standard and declared the gold dollar piece, of the standard weight of 25.8 grains, the unit of value, and omitted from the law the coinage of the silver dollar of 412½ grains, but continued the coinage of the half-dollar, quarter-dollar, and dime, increasing the weight of the half-dollar nine-tenths of a grain, or to 192.9, and the quarter-dollar and dime correspondingly, and limited their legal tender to any amount not exceeding $5 in one payment, the silver bullion to be purchased for such coinage and coined on Government account, and also authorized the coinage of the trade-dollar of 420 grains standard silver, to be a legal tender for $5, which legal tender was repealed by the law of July 22, 1876.

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It also authorized the deposit of gold bullion to be formed into coins or bars, imposing a mint charge for coining gold bullion of one-fifth of 1 per cent., and authorized silver bullion to be formed into trade-dollars or bars subject to a mint charge equal to the actual cost.

By the resumption act of January 14, 1875, the mint charge for coining gold bullion was removed and the coinage made free again.

Congress, by "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," passed by Congress in February, 1878, and vetoed by President Hayes, and passed by Congress over his veto, and which became a law February 28, 1878, required the Secretary of the Treasury to purchase from time to time silver bullion at the market price, not less than $2,000,000 worth per month nor more than $4,000,000 worth per month, and to cause the same to be coined monthly as fast as so purchased into standard silver dollars of 412½ grains of standard silver, and made all such coins equal with all silver coins of like weight and fineness previously coined, and legal tender for all debts, public and private, except where otherwise expressly stipulated in the contract.

This law further authorized any holder of such coins to deposit the same in sums of not less than $10 and to receive certificates therefor, the coin to be held for their redemption, and the certificates to be receivable for customs, taxes, and all public dues, and when so received to be reissued; and gave the Government the benefit of the seigniorage arising from the purchase of the silver bullion and its coinage.

This is the existing law, proposed to be repealed by the pending bill.

By the law of August 4, 1886, the Secretary of the Treasury was required to issue silver certificates in denominations of one, two, and five dollars upon deposit of standard silver dollars, or in lieu of silver certificates of larger denominations, to be receivable, redeemable, and payable as provided in the law of February 28, 1878.

I have thus minutely traced the history of our legislation touching gold and silver, that we may see it in all its relations and bearings.

Is there any valid reason now justifying us as a nation to continue the existing discrimination by our laws in favor of the free and unlimited coinage of gold bullion and the issue of gold certificates for gold bullion, and against the free and unlimited coinage of silver bullion into the standard dollars of 412½ grains and the issue of silver certificates for silver bullion?

No more important question has ever been presented to Congress. Our action will affect not only our own people directly, but indirectly the people of all nations for the present and for ages to come. Without political or partisan prejudice, without selfish interests, we should calmly and dispassionately discuss it and decide according to the weight of reasons, of facts, figures, and legitimate conclusions drawn from the history of the past.

Would the free and unlimited coinage of silver bullion into full legal-tender standard silver dollars and the issue of silver certificates for silver bullion be in derogation of any obligation of our nation to creditors? On May 1, 1890, our interest-bearing bonded debt, in addition to the $64,623,512 of bonds issued to the Pacific railroads, which are payable in any kind of legal-tender dollars, amounted to $719,072,300, consisting of $112,521,250 of the funded loan of 1891, redeemable September 1, 1891, bearing 4½ per cent. interest, and of $606,551,050 of the funded loan of 1907, redeemable July 1, 1907, bearing 4 per cent. interest, both issued under the refunding law of July 14, 1870.

This law authorized the issue of these bonds "redeemable in coin of the present standard value" and required that "the said bonds shall have set forth and expressed on their face the above specified conditions." Each of the bonds so issued and now outstanding has these words set forth in its body: "Redeemable * * * in coin of the standard value of the United States on said July 14, 1870, with interest in such coin."

Beyond a reasonable doubt, the coin of the standard value of the United States on said July 14, 1870, consisted of gold coins of 25.8 grains to the dollar, and of silver coins of 412½ grains to the dollar, each equally having free coinage and full legal tender in all payments.

Congress has the sole power to coin money and regulate the value of the coin, the quantity and weight of the gold and silver composing such coin, and their legal tender. Knowing this and fearing its exercise, the bondholders had inserted into the law of July 14, 1870, and in the face of the said bonds, the provisions quoted, so that notwithstanding any changes Congress might make in the standard value of coin thereafter to be minted, the dollars named in said bonds could only be paid in gold coin of 25.8 grains, nine parts fine, to the dollar, and silver coin of 412½ grains, nine parts fine, to the dollar.

On January 25, 1878, the Senate passed a resolution, which was agreed to and passed by the House of Representatives on January 28, declaring "that the said bonds now outstanding are payable, principal and interest, at the option of the Government of the United States, in silver dollars of the coinage of the United States, containing 412½ grains each of standard silver, and that to restore to its coinage such coins as legal tender in payment of said bonds is not in violation of public faith nor in derogation of the rights of the public creditor."

Every dollar of the interest-bearing bonded debt of the United States can to-day be paid just as honestly, legally, and equitably in the standard silver dollar of our present coinage as in the gold dollar. The option of paying the bonds in gold or silver dollars rests with the Government, and it is dishonest in the bondholder to refuse the silver dollar specifically named in his bond in payment thereof. Notwithstanding the plain letter of the law and the words on the face of the bonds and the express declaration of Congress, the bondholders have demanded gold dollars alone, and the Secretaries of the Treasury, subservient to their interests, have paid the gold and refused to pay the silver dollars, thus unjustly discriminating against the silver dollar and depreciating its standard value and favorable consideration by the people of our own and of foreign countries, branding it as unworthy and unfit to rank equally with gold.

By the laws of our nation the standard silver dollar is the equal in all respects of the gold dollar, and should be so treated and paid out to bondholders and others, without discrimination, by the Secretaries of the Treasury; and, if they will discriminate against and depreciate the standard silver dollar, then we should by law take from them any discretion and compel them to pay it out indiscriminately with gold.

The opponents of free coinage of silver equally with gold proclaim in season and out of season that from 1792 to 1873 we had free coinage of silver dollars, and yet only coined in that whole period $8,045,838 silver dollars, and this charge has been repeated and circulated all over the world, and is on the lips of every gold monometallist in Europe, and has been hurled in the teeth of our delegates in the international monetary conferences.

Now, let us have the light of facts and figures and law upon this question, and see what was actually done from 1792 to the coinage act of February 12, 1873.

From 1792 to 1853, inclusive, we coined in our mints $75,961,554.90 of standard silver half-dollars, quarter-dollars, dimes, and half-dimes, consisting of 132,498,306 half-dollar pieces, 15,996,162 quarter-dollar pieces, 38,900,625 dimes, and 36,465,978 half-dimes, and aggregating 223,861,071 separate pieces, and being about nine separate pieces to each man, woman, and child of our population; and all these coins were, by law, a full legal tender in payment of all sums whatever equally with the standard silver dollar and gold coins.

Under the laws existing up to 1857 there was no necessity, no use, no reason for the coinage of such dollars. By the common law, the resolves of the Continental Congress and of the Congress of the Confederation already quoted, gold and silver coins were current and legal tenders at about the ratio of 1 to 15, and no United States coins were minted prior to 1792. Among the first laws passed by Congress under the Constitution was that of July 31, 1789, to regulate the collection of duties, which prescribed the rates at which foreign coins and currency should be estimated as money, and made them receivable for all duties and debts at such rates, and from that date almost continuously up to February 21, 1857, foreign coins of gold and silver, and particularly the Spanish milled dollar and the Mexican dollar, were made current and receivable for all public dues and a legal tender for all demands at the rates declared in such laws, the Spanish milled dollar and the Mexican dollar being estimated at 100 cents, or $1.

These foreign-coined silver dollars answered every purpose of our own silver dollars, and consequently very few silver dollars were coined prior to 1857. During the war, beginning in 1861 and up to 1879, our money was a paper currency. In 1868 the silver bullion in the standard dollar was worth 2.57 cents more than the gold dollar, and we coined 54,800 silver dollars. In 1869 the silver dollar was worth 2.47 cents more than the gold dollar, and we coined 231,350 silver dollars. In 1870 the silver dollar was worth 2.67 cents more than the gold dollar, and we coined 588,308 silver dollars. In 1871 the silver dollar was worth 2.57 cents more than the gold dollar, and we coined 657,929 silver dollars.

In 1872 the silver dollar was worth 2.25 cents more than the gold dollar, and yet we coined 1,112,961 silver dollars, being the largest number of silver dollars ever coined in any year since the establishment of the mint. In the year 1873, up to the passage of the coinage act of February 12, stopping the further coinage of the standard silver dollar, that dollar was worth forty-six-one-hundredths of one cent more than the gold dollar, and we coined in the one month and twelve days of that year 977,150 silver dollars.

During these five years one month and twelve days from 1868 to February 12, 1873, we coined 3,622,498 standard silver dollars, being 45 per cent. of our total coinage of such dollars up to said last date.

These figures show conclusively the increasing coinage of the standard dollar up to the day its coinage was stopped by law, beginning soon after the close of the war and after the law prohibiting the further currency and legal tender of foreign silver coins in this country.

Again, the gold monometallists and the opponents of free and unlimited coinage of the silver dollar proclaim to the world that since the 28th of February, 1878, to May 1, 1890, we have coined 363,626,266 standard silver dollars, and our people will not use them as a circulating medium, and they are stored away in our Government vaults until we have no room for more, and are threatened with a deluge of silver dollars, a depreciated and discarded money, and dire consequences have been predicted from year to year by our gold sages and prophets unless we stop their further coinage. It is true we have coined the number of dollars named, but all the other charges and predictions are false and without any foundation in truth, as the facts and figures will prove.

I present a table compiled by the Director of the Mint showing the number of standard silver dollars coined and then the number in outstanding certificates circulating and used as money, and then the number of such dollars actually circulating as coin money, and the amount or balance of the total coinage of silver dollars remaining in the Treasury:

Coinage, outstanding certificates, amount in circulation, and balance in Treasury of standard silver dollars from January 1, 1879, *to May* 1, 1890.

Date.	Coinage.	Outstanding certificates.	In circulation.	Balance in Treasury.
January 1, 1879	$22,495,550	$413,360	$5,790,721	$16,291,469
January 1, 1880	50,055,650	3,824,252	16,887,586	29,343,812
January 1, 1881	77,453,005	36,127,711	29,262,487	12,062,807
January 1, 1882	105,380,980	62,315,320	35,791,043	7,274,617
January 1, 1883	132,955,080	68,443,660	38,938,238	25,573,182
January 1, 1884	161,425,119	96,717,721	41,975,734	22,731,664
January 1, 1885	189,561,994	114,865,911	43,059,129	31,636,954
January 1, 1886	218,259,761	93,179,465	52,541,571	72,538,725
January 1, 1887	249,623,647	117,246,670	61,117,409	71,259,568
January 1, 1888	283,140,357	176,855,423	64,222,818	42,062,116
January 1, 1889	315,186,190	246,219,999	60,779,321	8,186,870
January 1, 1890	349,802,001	282,949,073	61,266,501	5,586,427
May 1, 1890	363,424,266	292,923,348	56,994,977	13,505,941

E. O. LEECH, *Director of the Mint.*

MAY 26, 1890.

This table shows that on May 1, 1890, of our total coinage, 292,923,348 silver dollars were represented by silver certificates circulating and used as money, and 56,994,977 were circulating and used as coin money, and that only a balance of $13,505,941 was in the Treasury, constituting a part of the very large surplus held in the Treasury. These silver certificates are in denominations of one dollar, two dollars, five dollars, and ten dollars, largely, and are in daily use as money, are preferred to coin just as gold certificates are preferred to gold coin, and are upon a perfect par and equality with gold certificates and gold coin.

Not only are our silver certificates upon a perfect par and equality with gold certificates, but they have been actually preferred to the gold coin itself. By an official report of the Secretary of the Treasury dated January 24, 1884, it is shown that during the calendar years 1880, 1881, 1882, and 1883 $78,754,000 in gold coin were deposited in the Treasury and subtreasuries in exchange for silver certificates; and this statement does not include the amounts of gold coin deposited in New York in exchange for silver certificates prior to July 22, 1882, of which no account has been kept. Not only so, but silver certificates, standard dollars, and minor silver coins have been preferred to national-bank notes, United States notes, gold certificates, and gold coin, as shown by this table from Treasury Department, which I will now read:

Statement showing the amount of national-bank notes, United States notes, gold certificates, and gold coin received at Treasury offices for silver certificates, standard dollars, and fractional silver coin for the fiscal years 1887, 1888, *and* 1889.

Description.	Fiscal year ending June 30, 1887.	Fiscal year ending June 30, 1888.	Fiscal year ending June 30, 1889.	Total.
National-bank notes received for—				
Silver certificates	$338, 109	$178, 694	$23, 850	$540, 653
Standard dollars	2, 095, 633	2, 084, 020	1, 638, 626	5, 818, 279
Fractional silver coin	480, 618	533, 382	671, 227	1, 685, 227
Total	2, 914, 360	2, 796, 096	2, 333, 703	8, 044, 159
United States notes received for—				
Silver certificates	1, 657, 952	321, 575	352, 090	2, 331, 617
Standard dollars	5, 387, 648	5, 220, 708	4, 822, 831	15, 431, 187
Fractional silver coin	1, 229, 593	1, 404, 583	1, 534, 564	4, 168, 740
Total	8, 275, 193	6, 946, 866	6, 709, 485	21, 931, 544
Gold certificates received for—				
Silver certificates	4, 600, 570	1, 223, 420	619, 590	6, 443, 580
Standard dollars	3, 095, 190	3, 188, 760	3, 519, 851	9, 803, 801
Fractional silver coin	430, 150	660, 110	886, 994	1, 977, 254
Total	8, 125, 910	5, 072, 290	5, 026, 435	18, 224, 635
Gold coin received for—				
Silver certificates	7, 500	19, 145	15, 000	41, 645
Standard dollars	966, 765	2, 039, 365	780, 172	3, 786, 302
Fractional silver coin	52, 955	48, 170	136, 323	237, 448
Total	1, 027, 220	2, 106, 680	931, 495	4, 065, 395

UNITED STATES TREASURER'S OFFICE, *Division of Accounts, May* 20, 1890.

And not only have we this very large circulation as money of silver certificates and of standard silver dollars, but we had on May 1, 1890, outstanding and in actual circulation, $53,804,039 in subsidiary silver coins, composed of half-dollars, quarter-dollars, and dimes, limited in legal-tender power to $5 and containing 26.7 grains less of standard silver to the dollar than the silver dollar.

On May 1, 1890, we had in the Treasury $320,878,411.61 in gold coin and bullion, of which $134,642,839 were represented by outstanding certificates, leaving a net balance of gold in the Treasury of $186,235,572.60. During all the time since the restoration of the coinage of the standard silver dollar to limited coinage with full legal tender the Treasury Department has constantly discriminated in favor of gold and against the silver dollar, refusing to pay the silver dollar in discharge of our bonds or of the interest thereon, and, to the extent of the ability of our Treasury Department to depreciate the silver dollar in the estimation of our own people and of the whole world, it has been depreciated.

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The people of other nations of the world should know the truth and the fact that our people prefer a sound, redeemable legal-tender paper circulation, based upon the untarnished honor and unquestionable solvency of our Government, as the legal-tender United States notes or greenbacks are, and upon coin held in the Treasury for their redemption, as the gold and silver certificates are, to the coins themselves, and when they have the coins will deposit them in the Treasury and take for them the paper certificates and circulate and use them as money.

By the resumption act of January 14, 1875, the Secretary of the Treasury was required to redeem and cancel the legal-tender United States notes in excess of $300,000,000 until they were reduced to that sum.

Congress, by the act of May 31, 1878, prohibited the further retirement of such notes, and required them when redeemed or received into the Treasury to be reissued and paid out and kept in circulation, and ever since that date we have had $346,681,016 of such notes in existence, used and circulating as money, with full legal tender in payment; and not a dollar of them will be or should be canceled until every dollar of our bonded interest-bearing obligations has been paid, and not even then unless we shall have gold and silver certificates and coin in such abundance as may be required by the people in business transactions to meet all their wants as money.

The future currency of this great country should be, and I hope will be, the legal-tender United States or Treasury notes, coin certificates based upon deposits of coin or bullion of gold and silver, held in the Treasury for their redemption, and of actual coin.

Such a currency is demanded by our people and is necessary for their use as money.

Again, we are told by the gold monometallists and opponents of silver that, notwithstanding we have coined 363,626,266 standard silver dollars since the limited restoration of their coinage, yet the value of the silver metal or bullion in the markets of the world has constantly depreciated from 89 cents in 1878 to 72 cents now for the 412½ grains standard silver in the dollar, and that silver is no longer fit to be given free and unlimited coinage with legal tender, but must be made a mere subsidiary or minor coin, minted only by the Government on its own account, limited in legal tender to small sums for the great masses of the people, and to be redeemable in gold or paper currency.

Value is a relative term, and not an unchanging quantity or weight, as a bushel or pound, nor an unvarying measure, as a foot or a yard. The relative value between the metals gold and silver in the markets of the world has fluctuated and changed, measured one by the other. This is indisputable, but it does not determine whether gold has relatively increased in value or purchasing power or silver fallen in value or purchasing power. It is just as truthful and correct to assert in such cases of fluctuation that gold has risen in value as to say that silver has fallen in value.

To determine truthfully and correctly whether the change or fluctuation in their relative values or purchasing power has arisen from an increase in the value of gold or a fall in the value of silver, they must each be compared in value with the other, and also with the value of the great staple products of the world used and consumed by mankind generally, and whose weights and measures are certain, fixed, and unchanging, as the pound, bushel, and yard.

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Without going into a detailed statement of the prices of the greatest and most important staple products of the world, and especially of our own country, such as wheat, corn, cotton, meat products, wool, and most manufactured products, as well as lands used for agricultural purposes, it is sufficient to state the facts shown by the most reliable data, collected by the friends of a single gold standard and by the opponents as well as by the friends of the free coinage of silver and of the double standard. These facts so collated show conclusively that there has been a very marked fall in the prices of such products from 1870 and 1880 to the present day.

The authorities, while agreeing to the marked fall of prices during these periods, do not agree upon the causes which have produced such fall. Some attribute the fall to one cause and some to another, and still others to other causes. Whatever the cause or causes may have been, an actual fall in price has taken place, with very serious losses to the great masses of our people.

To ascertain the general level of prices of the leading products of the world, taking one hundred different principal articles of production as a basis, at given periods, we quote from Dr. A. Soetbeer as follows:

Taking the whole one hundred articles together, we find that the general level of prices was higher in 1886 than in 1847–1850 by 4.96 per cent. The case is very different if we compare the average prices of 1886 with those of the period of 1871–1875. This becomes plain if we compare the prices of different groups in 1871–1875 and in 1886. Taking one hundred as the prices in 1871–1875, we find that a fall in prices had taken place, as follows:

		Per cent.
Group I.	Agricultural products	31
Group II.	Animal products	23
Group III.	Southern products	7
Group IV.	Tropical products	12
Group V.	Minerals and metals	40
Group VI.	Textile material	24
Group VII.	Miscellaneous	32

For all the one hundred articles the comparative prices show a fall in 1886 compared to 1871–1875 of 22 per cent.

This shows conclusively the fall in prices of commodities.

These facts to which I have referred show conclusively that prices of commodities, the great staple products, have fallen when measured by or compared with the purchasing power of the metal gold in all countries using the gold standard, but have not fallen when measured by or compared with the purchasing power of the metal silver in any country using the silver standard to any considerable extent, and even to the extent of the amount of such fall the purchasing power of silver has not fallen.

They further show that even in the gold-standard countries in which silver coins are used and are by law an unlimited, or even a limited, legal tender, as in the United States, England, Germany, France, and other countries, the prices of commodities have fallen to the same extent when measured by such silver coins as when measured by gold or gold coins; and the purchasing power of such unlimited or limited legal-tender silver coins has not fallen, and such silver coins will pay for the staple products equally with gold and maintain the same relative purchasing power with gold, dollar for dollar, while the prices of commodities have fallen, whether measured by gold or such silver coins.

Therefore, the fall in prices can not be attributed to any depreciation or fall in the purchasing power of silver coins in any country having such coins with legal-tender power or to any depreciation or fall in the purchasing power of the metal silver in any country having the single silver standard.

I admit that the same quantity of the metal gold, endowed as it is by law with free coinage and consequently with the same functions and power possessed by gold coin as money, will now purchase in the markets of Europe and America a greater quantity, relatively, of the metal silver, limited in coinage or deprived of free coinage, than in 1873, and that there has been a change or divergence in their ratio of value. It is exceedingly important, therefore, that we should ascertain what acts, if any, have caused this divergence in ratio, and the supposed facts which caused such action to be taken.

First, then, what has been and is now the relative value or ratio of these two metals?

According to the tables published in the report of the Director of our Mint, showing the ratio of silver to gold each year since 1687, we find the ratio in 1687 was 14.94 silver to 1 of gold, or 14.94 to 1; and in 1871 was 15.57 to 1, and that the two greatest divergencies from this ratio were in 1760, when the ratio was 14.14 to 1, and in 1813, when the ratio was 16.25 to 1; but in the next year, 1814, it was 15.04 to 1.

The average ratios during these one hundred and eighty-five years was about 15.5 to 1, showing a remakable steadiness in the relative values. The ratio in 1872 was 15.63 to 1; in 1873, 15.92 to 1; in 1874, 16.17 to 1; in 1875, 16.59 to 1; in 1876, 17.88 to 1, and in 1888, 21.99 to 1, and in 1889, 22.10 to 1.

These ratios are taken from 1687 to 1832 from tables by Dr. Soetbeer from quotations of such prices at Hamburg; and from 1833 to 1878 from Pixley & Abell's tables of quotations in the London market; and since 1878 from the daily telegrams from London to our Mint Bureau.

London for many years has been the great market for the world in fixing the price of silver as a metal by the gold standard.

It can not be truthfully asserted that the unequal relative production of these two precious metals throughout the world has caused the divergence or change in the ratios. The combined stock of these metals existing in the world is so great compared with their annual production that the excessive production of the one over the other has but a slight effect in their ratios of value. Even the unprecedented production of gold in California and Australia caused but slight change in their ratio.

I lay down these two propositions:

First. That the fluctuation or change in the relative value or ratio of gold to silver from 1872 to this date has not been caused by any excessive production of silver over gold throughout the world.

Second. That the change in the ratio of gold to silver has been caused by the exaggerated statements of the probable production of gold and silver, and particularly of silver, in the United States, made and published broadcast throughout Europe by officials and representatives of our Government, and also by the representations and efforts of our Government officials and representatives and other gold monometallists, made to secure the adoption of the single gold standard here, resulting in the passage of the coinage act of 1873, and finally by the discriminating legislation and action of European Governments against silver and in favor of gold, caused by such exaggerated statements so made and published, and by our proposed and finally accomplished establishment of the single gold standard in 1873.

Now, in proof of my first proposition I have prepared a statement from the tables of Dr. A. Soetbeer, a gold monometallist, showing the percentage of the production of gold and silver throughout the world, as follows:

Of the total production of gold and silver throughout the world, estimated for periods of ten and five years, the average percentage of the value of gold to silver was as follows:

1801–1810	23.7 gold to 76.3 silver.
1811–1820	24.7 gold to 75.3 silver.
1821–1830	32.7 gold to 67.3 silver.
1831–1840	34.9 gold to 65.1 silver.
1841–1850	52.7 gold to 47.3 silver.
1851–1855	77.6 gold to 22.4 silver.
1856–1860	77.4 gold to 22.6 silver.
1861–1865	72.1 gold to 27.9 silver.
1866–1870	69.4 gold to 30.6 silver.
1871–1875	58.5 gold to 41.5 silver.
1876–1880	55.7 gold to 44.3 silver.
1881–1885	49.3 gold to 50.7 silver.

Thus while the average percentage of the value of gold to silver produced in the world for the ten years 1801–1810 was 23.7 of gold to 76.3 of silver and for the ten years 1861–1870 was 70.75 of gold to 29.25 of silver, the average ratio of gold to silver during the ten years 1801–1810 was 15.60 to 1, and during the ten years 1861–1870 was 15.47 to 1, showing a very small change or variation in ratio or value, and that in favor of silver.

Now, comparing the five-year periods, 187118 75 and 1881–1885, we see that while the average percentage of the value of gold to silver produced in the world was, for the former period, 58.5 of gold to 41.5 of silver and, for the latter period, 49.3 of gold to 50.7 of silver, yet the average ratio of gold to silver for the former period was 15.95 to 1, or a little less than the ratio now fixed by law for gold coins and the standard silver dollar; and for the latter period was 18.59 to 1, quite a wide change and greater than the change in the relative production.

These figures show conclusively the correctness of my first proposition.

I will now give the proofs to establish my second proposition.

Preliminary to this, let us ascertain the exact conditions of the coinage systems of the principal nations of the world in 1860. Great Britain, Portugal, and Turkey were the only three European nations having a single gold standard. Great Britain had maintained the double standard at the ratio of 15.2 to 1 from 1717 to 1797, when specie payments were suspended and continued up to 1821, and on June 22, 1816, during this specie suspension, adopted the single gold standard, which was the first discrimination by law of any important commercial nation against silver, and in her markets the price for silver, a mere commodity, has ever since been regulated by the value of her single-standard legal-tender gold coins.

The cause prompting England in establishing her single gold standard is manifest. Specie payments were suspended, and she had a great mass of worn, clipped, and mutilated coin, current and legal tender, and yet varying greatly in metal value and weight, and was looking forward to the early resumption of specie payments, and was a great creditor nation, having vast commercial transactions with the civilized countries, and was practically the money center of the world, with the nations paying tribute to her and interest in money on loans, and desired to unify her coinage in the interest of her creditor-ruling classes and increase the purchasing power of the dollar, its value, and hence adopted the single gold standard, and yet retained a subsidiary silver coinage with legal tender for 40 shillings for the transaction of the vast amount of business among her masses, and established the grand central market in London for the sale and disposition of the entire silver products of the world, as a mere metal or commodity, to be there measured by her own gold legal-tender coins.

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In 1860 all Asia used silver as the standard money. Austria-Hungary, The Netherlands, Sweden, Norway, Denmark, Spain, and Russia had the single silver standard. France, Belgium, Switzerland, and Italy had the double standard with free coinage and full legal tender at the ratio of 15.5 to 1. Germany had the single silver standard at the ratio of 15.5 to 1, adopted on January 24, 1857.

Such was the condition of coinage in 1860. On November 22, 1862, the Commissioner of the General Land Office of the United States, Hon. J. M. Edmunds, in his annual report to the Secretary of the Interior, described—

> The great auriferous region of the United States * * * embracing portions of Dakota, Nebraska, Colorado, all of New Mexico, with Arizona, Utah, Nevada, California, Oregon, and Washington Territory, and other mountain ranges.

And then said:

> These mountains are literally stocked with minerals, gold and silver being interspersed in profusion over this immense surface and daily brought to light by new discoveries. The precious metals are found embedded in mountains of quartz, rich washings marking the pathway of rivers and floods. Besides their wealth in gold, no part of the world is so rich in silver mines as Nevada and New Mexico, and yet these may be estimated as only in proportion to the gold fields, which are in process of development with amazing results.
>
> The recent discoveries in the Colorado or southern portion of California, and in the regions stretching thence away up to and north of the Salmon River in Washington Territory, are every day stimulating the mining enterprise of our people. Prior to the gold discoveries in 1848, at Sutter's race, in California, the gold product of the world was only an average of eighteen millions. In 1853 the yield of California was seventy millions, about four times the aggregate gold product of the world prior to 1848, and that sum may be set down as the present average from that State alone. If we compare the known gold fields elsewhere in our domain with the yield of California, we would have, if an equal ratio of labor was applied, an annual value of between three and four hundred millions. That an adequate amount of labor to this end will be at hand when peace returns is not to be doubted.

He then suggests that—

> An immense revenue may be readily obtained by subjecting the public mines there to lease under quarterly payments, or quarterly tax, as seigniorage upon the actual product.

And then states the amount of the public debt, and that—

> A tax of some 8 per cent. on the whole yield of the mines * * * would pay off the interest.

And then says:

> The yield of the precious metals alone of this region will not fall below $100,-000,000 the present year, and it will augment with the increase of population for centuries to come. The value of these mines is absolutely incalculable. * * * Within ten years the annual product of these mines will reach $200,000,000 in the precious metals alone.

He asserts that while his estimate may be somewhat extravagant he believes "experience will demonstrate that the estimate is too low."

The Secretary of the Interior, Hon. Caleb B. Smith, in transmitting this report to the President, quoted from it and said:

> The present annual production in California is estimated to average $70,000,-000, and the commissioner after extensive inquiry from all available sources estimates the production of gold the present year at $100,000,000.

And then said:

> If an amount of labor relatively equal to that expended in California had been applied to the gold fields already known to exist outside of that State, it is believed that the production of this year, including that of California, would have exceeded $400,000,000.

But how did these exaggerations become known and have any effect in Europe? I will show. In September 1863, at Berlin, an international statistical congress was convened for the express purpose of considering the question of weights, measures, and coins, and was composed of delegates from Australia, Belgium, Denmark, France, Great Britain, Holland, Italy, Norway, Portugal, Prussia, Russia, Spain, Sweden, Switzerland, Turkey, and many other nationalities and provinces, and our Government was there represented by Hon. Samuel B. Ruggles, duly appointed and accredited by the President of the United States.

On September 11, 1863, Mr. Ruggles, as our representative, presented to that congress a written statement in which he quoted from the official report of the Commissioner of the General Land Office of December 29, 1862, the parts which I have just read, and then added:

From the documents and other evidences now before the international statistical Congress it must be apparent that the auriferous regions of the United States are destined sooner or later to add materially to the supply of precious metals, and thereby to affect the currency of the world, especially if taken in connection with the capacity of the auriferous regions of Russia, Australia, and British America, and the possibility of increased activity in the mines of Mexico.

He then suggested the appointment of a commission—

To collect such facts as may be gathered from authentic sources in respect to the probable future production of gold and silver, and to present them for consideration to the international statistical congress at the next or some future session.

It is easy to imagine with what alarm, apprehension, and consternation these glowing descriptions, exaggerated statements, of the rapidly approaching avalanche of gold and silver must have been received, considered, and digested by these assembled doctrinaires from the nations of the earth in their efforts to solve the question and to determine and agree upon the weight and standard for the coinage of such masses of the precious metals.

The Secretary of the Treasury, in the finance report of December 4, 1862, in speaking of the metalliferous regions of the United States, said:

This product of gold and silver during the current year will not, probably, fall very much, if at all, short of $100,000,000, and it must long continue gradually yet rapidly to increase. If this product be subjected to a reasonable seigniorage as suggested by some, or if, as suggested by others, the mineral lands be subdivided and sold in convenient parcels with proper reservations in favor of the miners now in occupation of particular localities, a very considerable revenue may doubtless be obtained from these regions without hardship to the actual settlers or occupiers.

And the Director of the Mint, in his report of October 27, 1862, to the Secretary of the Treasury, described in glowing colors the gold and silver yield of our country, and said:

Adding together all these sources of supply of both gold and silver, we may safely estimate an annual yield in these times of $175,000,000, or seven times the amount produced annually for some years prior to the year 1815.

The Director of the Mint, in his report of November 23, 1864, quotes from the Report of the Commissioner of the General Land Office of 1862, and then goes on to describe the probable yield of the precious metals in this country, and says:

I anticipate a production of gold and silver for the year 1866 of $200,000,000.

He also estimated the yield of 1865 at $120,000,000, and then said:

In submitting the above estimates of the annual production of gold and silver I concur with the Commissioner of the General Land Office, who computed the yield of the precious metals in 1862 at $100,000,000, although I am not unaware that the computation of the San Francisco press greatly reduces the aggregate.

The Director of the Mint, in his report of September 29, 1865, said:

The reports from the gold and silver mining portions of the United States are of the most encouraging character. The developments of the past year prove the supply of these minerals to be inexhaustible. * * * It is not easy to obtain any other reliable statistics than those officially appended to the report of the Director of the Mint, but these do not assume to give the amount of the entire production of the precious metals. The shipments to other countries must be large.

For example, we are vaguely assured that the silver mines of Nevada average a shipment of 1 ton daily, which would equal $12,000,000 annually. * * * We have had frequent opportunities for conversation with persons who travel or reside in the various mining regions of the United States and of contiguous provinces, and it is interesting to hear their accounts of the vast development of wealth and prospects of profitable industry. We also have an interesting statement, and one particularly so at this juncture of our national affairs, from a proprietor in the gold region of North Carolina, that "the system of paid labor is likely to show its just and natural effects in the increased return of gold."

In order to ascertain with accuracy our productions of gold and silver, Congress, in the sundry civil appropriation law of July 28, 1866, appropriated $10,000 to enable the Secretary of the Treasury to collect reliable statistical information concerning the gold and silver mines of the Western States and Territories. Mr. J. Ross Browne was appointed the special commissioner for the collection of the mining statistics, and on November 24, 1866, submitted his preliminary report, accompanied by many statistical and special reports, and said:

Assuming the estimate of the product of bullion as above given to be approximately correct, it will be seen that the States and Territories on the Pacific Slope produce annually upwards of $100,000,000 of the precious metals, a quantity more than four times as great as the total product of the world less than thirty years ago. The improved processes for the extraction of these metals from their ores made within the past two years and the constantly increasing area over which gold and silver mines are being developed furnish strong guaranties that there will be no abatement of the product for years to come. * * * The approximate estimate already given of the gold and silver product of the Western States and Territories for 1866 shows a total of $106,000,000, or nearly double the combined bullion of the Government and all the banks of the country.

Much consideration is given to the celebrated Comstock Lode, and Mr. Brown quotes from a report made by Baron Richtofen in 1866 on the Comstock Lode, its character, and the probable mode of its continuance and depth, in which he said:

In winding up these considerations we come to the positive conclusion that the amount of nearly $50,000,000 which have been extracted from the Comstock Lode is but a small proportion of the silver awaiting future extraction in the virgin portions of the vein from the lowest level explored down to indefinite depth; but that, from analogy with other argentiferous veins as well as from facts observed on the Comstock Lode, the diffusion of silver through extensive deposits of middle and low-grade ores is far more probable than its accumulation in bodies of rich ore.

On March 5, 1868, Mr. Brown submitted a full and final report under said appropriation, in which he said:

No uneasiness need be felt as to a decrease in the source of supply. After many years of travel through the mining regions I feel justified in asserting that our mineral resources are practically without limit. Explorations made by competent parties during the past year in many parts of the mineral region hitherto unknown demonstrate that the area of mineral deposit is much larger than was ever before supposed.

And then, referring to the probable production in Mexico, said:

The production should rise to $50,000,000 or $100,000,000 a year, and those companies which could get possession of the best mines should make princely fortunes for all their shareholders.

And then, speaking of the yield throughout the world, said:

A great increase in the production of gold and silver is probable. In California, Australia, and Siberia gold-mining is now conducted under many disadvantages.

And in speaking of the results of the mining, discussed how individuals are enriched by mining and how nations are enriched by mining and how the precious metals fall in value, saying:

A third effect of the production of the precious metals in large quantities is that the prices of other articles generally are affected. We want gold and silver

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for coin and for use in the arts, and the smaller the supply relative to the demand, the higher the value.

And then says:

But whatever may be the relative position of the two metals, it is certain that the time is not far distant when the price of the two as compared with other products of human labor must fall. They are now increasing far more rapidly than is the demand for them, and at the present rate of increase they would soon have to begin to fall perceptibly. But the production will become much greater than it is. The vast improvements that have been made both in gold and silver mining in the last twenty years are applied to only a few mines, and the reward for those who introduce them into other parts of the world is so large and so certain that the introduction can not be delayed to any remote period. If all the argentiferous lodes of Mexico, Peru, and Bolivia known to be rich were worked with the machinery used at Washoe their yield would really flood the world. * * * The inevitable fall in the value of precious metals will be of benefit to mankind generally. It will reduce the wealth of the rich and the debts of nations. Those national debts now existing will be reduced 20 or 30 per cent., the interest as well as the principal.

All these statements have been published abroad throughout Europe and are as familiar to the citizens and financiers there as here.

Now, as touching the representations and efforts to establish a single gold standard in this country, the Director of the Mint in his report of October 10, 1861, said:

The gold dollar of the United States, conforming in standard value and decimal character to all the gold and silver coinage of the country except the silver dollar, has been properly selected and should be retained for the standard of value for all coins used or employed in commercial or governmental transactions with other nations.

The silver dollar of the United States, differing as it does in commercial or decimal value from the other silver coins in our country, can not, without disturbing our decimal system and producing confusion in the relative value of our gold and silver coinage, be used as a standard. * * * As the dollar, which is the unit of our money, is represented in gold coin, it would seem desirable not to have any other dollar in any other metal; but, if this is inadmissible and the silver dollar should be retained, then it should be reduced to eight-tenths of an ounce to be in true relation to our other silver coins. * * * The reason for its retention having ceased, either we should cease to coin the silver dollar or it should be made to conform in weight and value to our lesser silver coins.

The Secretary of the Treasury, in his finance report for 1862, says:

In his last report, the Secretary took occasion to invite the attention of Congress to the importance of uniform weights, measures, and coins, and the worth of the decimal system in the commerce of the world. He now ventures to suggest that the present demonetization of gold may well be availed of for the purpose of taking one considerable step towards these great ends. If the half eagle of the Union be made of equal weight and fineness of the gold sovereign of Great Britain, no sensible injury could possibly arise from the change; while, on the resumption of specie payments, its great advantages would be felt in the equalization of exchange and the convenience of commerce. This act of the United State, moreover, might be followed by the adoption by Great Britain of the Federal decimal divisions of the coin, and thus a most important advance might be secured towards an international coinage, with values decimally expressed.

The Director of the Mint, in his report of October 21, 1863, says:

Permit me again to refer to the anomalous character of the silver dollar of the United States and to the remark on this subject in my report for the fiscal year ending June 30, 1861. The dollar is our unit of value, but the value of the gold and silver dollars under existing laws is not the same, and therefore we have no certain or determined standard of value. Gold, being more fixed and certain in its valuation, is not only better than silver as a standard of value in our monetary system, but better expresses the equivalent value of foreign coin in our currency, and therefore the gold dollar should be by law adopted as the the unit of value of our money.

The Director of the Mint, in his report of October 3, 1864, says:

Permit me again to refer to the anomalous character of the silver dollar of the United States and to the observations on this subject in former reports. The whole dollar should be made in weight and value the exact multiple of our fractional silver currency, and the gold dollar should be by law declared to be the unit of the value of our money.

The Director of the Mint, in his report of October 25, 1867, speaking of international coinage, says:

The first claim that meets us is the fact that in some commercial countries gold is the principal medium of trade, in others, silver. To maintain these at a steady relation may be given up as an impossibility. We must, therefore, calculate or assume that as the world grows richer one nation after another will fall into the wake of those which have taken the lead in adopting gold as the standard, using silver only for subsidiary purposes. * * * Nearly five years ago (December 31, 1862) a letter on this subject was addressed to the Treasury Department from the Mint, in which the precise ground was taken which has lately been agreed upon by the Paris conference. * * * If the proposed international coinage of gold should become a law of the United States the reduced weight would call for a recoinage; and this would be a proper moment to introduce an improvement which the progress of counterfeiting loudly calls for.

In connection with these exaggerations let us also trace their effect.

On the 23d day of December, 1865, France, Belgium, Italy, and Switzerland united in the monetary treaty "to regulate the weight, title, form, and circulation of their gold and silver coins," whereby they agreed to coin of gold only the pieces of 100, 50, 20, 10, and 5 francs in weight, standard, tolerance, and diameter, and of silver only the five-franc pieces of standard weight and fineness, with unlimited coinage and legal tender for such coins; and further agreed to coin in amounts as therein prescribed for each State silver coins of 2 and 1 franc, 50 and 20 centimes, of reduced fineness and limited in legal tender to 50 francs; and that any nation could join the convention by adopting its monetary system in regard to gold and silver coins, and that the convention should remain in force till January 1, 1880.

In this convention, known generally as the Latin Union, Belgium, Italy, and Switzerland strongly favored a single gold standard, with subsidiary silver coins under 5 francs.

What induced this convention and the formation of the Latin Union?

The minister of finance in his report in 1866 to the Emperor of France, concerning a bill relating to this monetary treaty, says:

For ages the yield of silver has been greater in value than that of gold. * * * Since 1846 the proportion between the values of the quantities of the two metals annually extracted from the mines has been reversed. * * * These great quantities of gold, coming for the most part from California and Australia, have thus rendered this metal far more abundant in the issues of coin in all the countries which admitted it, either as principal money, as, for example, England, Portugal, Brazil, the city of Bremen, or as money concurrently with silver, as did France and Italy. The abundance of gold has even caused the introduction of this metal into the monetary system of countries which lately rejected it, as, for example, Switzerland, Belgium, and English India.

And states that the silver five-franc pieces were either exported or melted down and replaced by gold, the cheaper metal, and the object was to reduce the fineness of the silver coins and retain them in circulation. Here we see a scare, a dread, and an excited apprehension of an avalanche of gold to the banishment of silver.

The States of the Church on June 18, 1866, and Greece and Roumania in April, 1867, joined this Latin Union.

In March, 1865, the Government of France called the attention of our Government to the project of the Paris Universal Exposition of 1867, and our Government agreed to participate, and appointed Hon. N. M. Beckwith commissioner-general for the United States, who, on July 17, 1866, transmitted to Secretary of State Seward document No. 216, containing the project of a law submitted to the Corps Législatif for a coinage as proposed by the Latin Union, and giving reasons in favor of that monetary treaty, and detailing the proceedings, wherein it was stated that "the opinion in regard to a single standard is still divided, both in the financial and scientific world."

A number of sensible men believed "that while Australian and Californian gold inundates European markets the double standard is useful in making the value of silver sustain the value of gold." This is additional conclusive proof of the scare and apprehension of a continued deluge of gold.

On October 9, 1865, Hon. Samuel B. Ruggles was designated by Secretary Seward to take charge of that branch of the representation at the exposition of 1867 relating to uniform system of weights, measures, and coins. On May 27, 1867, Berthémy in behalf of France advised Secretary Seward of a proposition to hold an international monetary conference in Paris on June 17, 1867, and Mr. Seward on May 29, 1867, authorized Mr. Ruggles, then in Paris as a scientific commissioner of the United States to the exposition and who was familiar with the views of our Government, to represent it in that conference.

On May 30, 1867, Mr. Ruggles, as a member of the preliminary international committee, advised Mr. Seward of an interview with the French Emperor, in which he referred to the letter of May 18, 1867, of Senator SHERMAN, expressing the opinion that—

> The gold dollar of the United States ought to be, and readily might be, reduced by Congress in weight and value to correspond with the gold five-franc piece of France.

And that, at a meeting of the subcommission that day, he had submitted a proposition that—

> The commission recommend that a proposition shall be submitted to the respective Governments of France and the United States of America that the Government of France shall issue, in addition to its present coinage, a gold piece of 25 francs, and that the Government of the United States, in its future issues, shall reduce the weight of the gold dollar to the value of 5 francs, and shall bring its other gold coinage to the same standard.

On July 18, 1867, Mr. Ruggles reports to Mr. Seward that he presented to the international committee Senator SHERMAN's letter, which was received with lively interest and ordered printed in French and English.

On June 17, 1867, the delegates from nineteen nations assembled in the International Monetary Conference, and the international committee of the Paris Exposition submitted to this conference a report, proposing—

> The adoption of an identical unity in the issue of their gold coins by the different governments at the standard of nine-tenths fine, each government to have among its gold coins at least one piece of the same value as a piece in use among other interested governments, the series of gold coins used in France as a basis of the uniformity desired, and the 5-franc gold piece as the most suitable as a basis, the coins struck by each nation to be full legal tender and the system of a double standard to be abolished.

The International Monetary Conference continued in session to July 6, 1867, when it adjourned. During its discussions, Mr. Ruggles, as the representative of our Government, denied that the double standard practically existed in this country, and said:

> The original act of Congress, which was passed at a time when we were less enlightened than to-day, either by study or experience, sought to establish a double standard by giving to gold coin and silver coin equal legal currency in payments, whatever might be the amount of the debt.

And that we have sufficiently learned—

> That the system of a double standard is not only a fallacy, but an impossibility, in assuming a fixed relation between the values of two different products, gold and silver. The value of each of these depends upon the quantity produced, and this quantity is beyond the power of legislation. A diminution of value is and ever will be the inevitable result of the increase of supply.

In a written argument presented on June 28, 1867, he discussed the probable yield of gold and silver in the United States, and said:

Its annual product, now nearly $100,000,000, may eventually reach three hundred or four hundred millions. The money of the world must be unified now or never. * * * It is moreover to be considered that the United States and Great Britain may continue to add for many successive periods of fifteen years, the gold to be produced in America and Australia, which will probably fall little short for each period of $655,352,323 for the United States and $455,235,695 for Great Britain, the amounts respectively coined during the fifteen years just elapsed. We will not dwell upon what can not be forgotten, the possibility of a still more enormous product that would result from the more extensive developments and discoveries in the vast auriferous interior of the United States, a field as yet only partially explored.

Without going too far in measuring the gigantic monetary future in reserve for the world, we will simply say that the work of unification can not begin too soon.

During the discussions he said that—

Two milliards ($200,000,000) in gold had been thrown into the money market since the discovery of the mines of Australia and California, and that it was certainly possible that the coinage of gold in the United States in the next fifteen years may reach five milliards of francs ($1,000,000,000). In view of such a future the American Government would prefer to reduce its monetary unit at once.

No wonder, Mr. President, that this international monetary conference recommended the establishment of the single standard of gold, with silver as a subsidiary minor coin, when they were enlightened by such exaggerations as I have just read, coming from officials of our own Government professing to be statisticians and to know the facts they presented!

This international monetary convention unanimously decided against the adoption of the single silver standard, and in favor of the single gold standard exclusively, The Netherlands alone dissenting on the gold standard, and unanimously affirmed that it was "more easy to realize monetary unification by mutual co-ordination of existing systems, taking into account the scientific advantages of certain types and of the numbers of the populations which have already adopted them."

Senator SHERMAN, in his letter May 18, 1867, to Mr. Ruggles, said:

We now produce the larger part of the gold and silver of the world, and can not limit our coinage except by the wants of our people and the demands of commerce.

On January 6, 1868, Senator SHERMAN introduced S. 217, in relation to gold and silver coinage. Referred to Finance Committee.

On June 9, 1868, Senator SHERMAN, from that committee, reported the bill back to the Senate with amendments, accompanied by a written report, S. Report 117.

The bill, as proposed to be amended, "with a view to promote a uniform currency among the nations," made the half-eagle or $5 gold coin weigh $124\frac{9}{20}$ grains instead of 129 grains, to be equivalent to 25 francs, and all other gold coins to correspond, to be full legal tenders, and reduced the silver half-dollar from $192\frac{9}{10}$ grains to 179 grains, and the quarter-dollar and dime correspondingly, with legal tender not over $10, and discontinued the coinage of the standard silver dollar.

In his report on this bill Senator SHERMAN gave the reasons for the changes proposed and refers to the proposition submitted by Mr. Ruggles at the Berlin International Statistical Congress of 1863, the report of Secretary Chase of 1862, and the Paris International Monetary Conference of 1867, and stated:

The United States is the great gold-producing country of the world, now producing more than all other nations combined, and with a capacity for future production almost without limit. (See reports of Mr. Ruggles and J. Ross

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Browne.) Gold with us is like cotton, a raw product. Its production here affects and regulates its value throughout the world.

The United States is a new nation, and therefore a debtor nation. By placing ourselves in harmony with the money units of creditor nations we promote the easy borrowing of money and payment of debts without the loss of recoinage or exchange, always paid by the debtor.

He then indorsed the recommendations of the Paris International Monetary Conference of 1867, and said:

The single standard of gold is an American idea, yielded reluctantly by France and other countries where silver is the chief standard of value.

All the provisions of the plan proposed are in harmony with the American system of coinage. They are either already adopted or may be without inconvenience.

France, whose standard is adopted, makes a new coin similar to our half-eagle. She yields to our demand for the sole standard of gold.

Here we have conclusive proof of the indorsement of the highly exaggerated statements of the productions of the precious metals in our own country made broadcast in Europe by Mr. Ruggles in 1863 and 1867, and our other officials from 1862 to 1868, and the world is told that we demanded the single gold standard, and to secure it were ready and willing to debase and reduce the value of our gold dollar 3½ cents. Why? For the honorable, noble, and unselfish reason that our country was the great gold-producing country, and would deluge the world with gold, and, being a creditor nation, could pay our debts more easily in such debased, reduced coinage (!)

Now the time is changed, and these same gentlemen proclaim to the world that we are the great silver-producing country, ready to flood the world with silver, and those of us who favor the maintenance of the old standard silver dollar on a par and equality with gold are denounced as dishonest, imbecile, selfish, and even disloyal.

Strangest of all, however, we no longer hear Senator SHERMAN and his coadjutors boldly proposing to debase and reduce the value of our gold coinage, as they did only so recently.

Continuing the proofs to sustain our second proposition, we find that the Fourth Commercial Convention was held at Berlin, in October, 1868, wherein one hundred and nineteen German cities were represented, and declared in favor of the single standard of gold, in pursuance of the principles recommended by the International Monetary Conference of Paris in its report of July 6, 1867.

On April 25, 1870, the Secretary of the Treasury transmitted to Senator SHERMAN, chairman of Finance Committee, the draught of "a bill revising the laws relative to the Mint, assay offices, and coinage of the United States," with a lengthy report of John Jay Knox, Deputy Comptroller of the Currency, explaining the bill and the reasons for it, published in Senate Miscellaneous Document No. 132, Forty-first Congress, second session.

In this report, with draught of a coinage law, Mr. Knox says:

SILVER DOLLAR—ITS DISCONTINUANCE AS A STANDARD.

The coinage of the silver dollar piece * * * is discontinued in the proposed bill. It is by law the dollar unit, and assuming the value of gold to be fifteen and one-half times that of silver, being about the mean ratio for the past six years, is worth in gold a premium of about 3 per cent. (its value being $1.0312), and intrinsically more than 7 per cent. premium in our other silver coins, its value thus being $1.0742. The present laws consequently authorize both a gold-dollar unit and a silver-dollar unit, differing from each other in intrinsic value. The present gold dollar is made the dollar unit in the proposed bill, and the silver-dollar piece is discontinued.

On June 25, 1870, in response to a House resolution of June 4, the Secretary of the Treasury transmitted to the Speaker a report of Mr. Knox, giving copies of a voluminous correspondence between the Department and officers of the different mints, assay offices, and other persons, touching the bill and report submitted April 25, 1870. In this correspondence some favored and others opposed the proposed discontinuance of the silver dollar.

The Government of Sweden and Norway instituted a commission known as the Swedish Commission on Coinage, and in July, 1870, our minister there submitted to this commission copies of a letter from our Secretary of State, of June 13, 1870, "on the subject of promoting a common unit and standard of international coinage."

This commission in 1870 submitted their report containing about 300 pages, and in it discussed, with great particularity as to dates, names, etc., every step then taken in regard to a universal coinage, referring to the statements and reports of Mr. Ruggles, Senator SHERMAN'S letter to Ruggles, his report and bill in 1868, quoting from them and sundry other bills presented in Congress, etc., and the proposal of our Government, and rejected it.

The commission recommended a new coinage system, making gold the only standard of valuation and silver for small money three-fourths silver and one-fourth alloy.

Continuing my proofs in chronological order, the new German Empire on December 4, 1871, flushed with her victories over France, and her French indemnity of $1,000,000,000, and the consolidation and unification of all her separate states and kingdoms into one, which states had previously issued various coins, assumed the right of coinage in its own name and ordained a coinage of gold coins at the ratio of 15½ to 1 of a new unit called "mark," and required a new coinage of all gold coins in circulation, and prohibited any further coinage of large silver coins until the decree of a law for their withdrawal, and thus established the single gold standard practically.

On December 18, 1872, Denmark and Sweden and Norway concluded a coinage treaty in pursuance of the recommendations of the Swedish commission on coinage, and by laws passed in pursuance thereof abandoned the single silver standard and adopted the single gold standard with unlimited coinage on paying a charge of one-fourth per cent., and made silver a subsidiary coin, to be coined only on Government account at the ratio of 14.88 to 1, with legal tender limited not to exceed 20 crowns, or about $5.26. The efforts of Senator SHERMAN and Mr. Ruggles and their coadjutors, so long persisted in, secured the coinage act of February 12, 1873, establishing the single gold standard and the gold dollar as the unit of value, and discontinuing the coinage of the standard silver dollar.

Strange to say, however, they wholly abandoned their long cherished and advocated policy of debasing and reducing the value of the gold dollar 3½ cents, preferring to strike down the silver dollar as money and confine full legal-tender coins to gold alone, thereby largely increasing its value and purchasing power.

I venture to intimate, mildly and kindly, that the great masses of our people have never appreciated this success in the interest of the creditor classes.

Quickly following this coinage law came the law of the German Empire of July 9, 1873, fully completing her imperial gold standard, with the mark as its unit, limiting the amount of the imperial silver, nickel, and copper coins to 10 marks per capita, and requiring the withdrawal of all other silver coins, according to directions to be given, the silver coins to be a tender for 20 marks, and as the new silver coins were issued the old silver coins to be withdrawn, the old silver 1 and 2 thaler

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pieces of German coinage to remain a legal tender until withdrawn, which has not yet been authorized.

These acts of Denmark, Sweden and Norway, Germany, and the United States were followed by the adoption, on January 30, 1874, by the nations of the Latin Union, of a supplementary treaty, withdrawing from individuals the free coinage of silver 5 francs and limiting the amount of such pieces to be coined by each state during 1874 to a fixed sum.

Another convention was held in 1875, and the limited coinage of silver was continued, and in 1876 the total amount to be coined for all the states was reduced to 120,000,000 francs, and that amount was not coined, as Switzerland did not coin any in 1875 and 1876, and on August 6, 1876, France closed her mint to silver. The Netherlands, by her laws of June 6, 1875, and May 10, 1876, abandoned her single silver standard adopted by law of November 26, 1847, and adopted the single gold standard with unlimited coinage, subject to a mint charge, and discontinued the coinage of large silver pieces, and limited silver coins to 25 cents or less to be coined on government account.

In 1877 the Latin Union suspended entirely the coinage of 5-franc silver pieces for that year, except 10,000,000 francs for Italy, and by treaty of November 5, 1878, agreed that the "coinage of silver 5-franc pieces is provisionally suspended. It may be resumed when a unanimous agreement to that effect shall be established between all the contracting states" to hold until January 1, 1886, and by a supplementary treaty of December 12, 1885, the Union was continued till January, 1891, with the restrictions upon silver coinage continued.

In 1876 Russia, whose legal standard had been the silver ruble, suspended the coinage of silver for the account of private persons except in the case of the ruble destined for the China trade.

These data show cause and effect, the exaggerated statements and our own efforts to honor and magnify gold and debase and degrade silver, and the resulting discriminating legislation and actions against silver. Congress by joint resolution of August 15, 1876, created our monetary commission, and they submitted their report through Senator JONES to the Senate on March 2, 1879.

Among the witnesses whose testimony was taken and reported was Hon. Edward Atkinson, who testified in regard to the yield of silver, and said:

> I should question the evidence as to the total production of silver, partly on the ground of what I saw in the centennial exhibition from Mexico.

And in reply to the question as to what he had seen, said:

> A very curious mass of silver, thick in the center and thin at the edge, as if it had been cast in an earthen pan. It was afterward explained to me how it was obtained: that there were cliffs containing veins of metal, against which piles of combustible materials were placed and set on fire, and the production was collected in what might be called an earthen pan, and this was alleged to be a rough production by this process. I at once inferred in relation to silver production that statistics might be fallacious.

Mr. President, I have thus traced, in as consecutive chronological order as possible the facts and figures in regard to the fabulous, mythical exaggerations of the probable production of gold and silver in the United States, in such amounts as to literally flood, deluge the world and seriously impair the currency value of these metals, especially of gold; and in regard to the representations and efforts of Senator SHERMAN, Ruggles, and other officials and representatives of our Government, made to secure the single gold standard in this country, and their bold proposal to the nations of the world to debase and reduce our gold dollar 3½ cents in value because of the excessive production of gold and its depreciation; and then in regard to the actions and legislation of European governments changing their coinage and their discrimination in favor of gold and against silver, in order that we might correctly see the producing causes and the resulting effects.

Beyond question in my mind, the statements and actions of the representatives of our country, which I have shown, caused, forced the discriminating legislation of European nations in favor of gold and against silver, and all combined have caused the change in the ratio of gold to silver.

The actions and legislation which I have stated, abandoning the single silver standard and adopting the single gold standard, and abandoning the double standard by adopting the single gold standard, and by stopping the coinage of full legal-tender silver and continuing the unlimited coinage of gold with full tender, have necessarily and unavoidably caused an enhanced demand for gold and thrown upon the markets of the world an enhanced supply of silver, and very largely decreased the demand for silver, and have broken the connecting link forged and maintained by law for so many years previously at a fixed ratio with very slight changes, and have stricken down silver as a money metal of the world and debased it from money to a mere commodity, a mere metal, like nickel and copper, in the markets, and consequently, when measured by the full legal-tender gold metal, silver has fallen in value.

In further support of my propositions I will quote from the final report of the royal commission of Great Britain—appointed in 1886 to inquire into the recent changes in the relative values of the precious metals—made in 1888. This commission examined fully into all the facts, and in their unanimous report say:

189. Looking then to the vast changes which occurred prior to 1873 in the relative production of the two metals without any corresponding disturbance in their market value, it appears to us difficult to resist the conclusion that some influence was then at work tending to steady the price of silver and to keep the ratio which it bore to gold approximately stable.

190. There is another fact to which we have already drawn attention, pointing decidedly in the same direction. Prior to 1873 the fluctuations in the price of silver were gradual in their character and ranged within narrow limits.

192. * * * Now undoubtedly the date which forms the dividing line between an epoch of approximate affinity in the relative value of gold and silver and one of marked instability is the year when the bimetallic system which had previously been in force in the Latin Union ceased to be in full operation; and we are irresistibly led to the conclusion that the operation of that system, established as it was in countries the population and commerce of which were considerable, exerted a material influence upon the relative value of the two metals. So long as that system was in force, we think that, notwithstanding the changes in the production and use of the precious metals, it kept the market price of silver approximately steady at the ratio fixed by law between them, namely 15½ to 1.

198. To sum up our conclusions on this part of the case, we are of opinion that the true explanation of the phenomena which we are directed to investigate is to be found in a combination of causes, and can not be attributed to any one cause alone. The action of the Latin Union in 1873 broke the link between silver and gold, which had kept the price of the former, as measured by the latter, constant at about the legal ratio; and when this link was broken the silver market was open to the influence of all the factors which go to affect the price of a commodity. These factors happen since 1873 to have operated in the direction of a fall in the gold price of that metal, and the frequent fluctuations in its value are accounted for by the fact that the market has become fully sensitive to the other influences, to which we have called attention above.

I submit that both my propositions are fully sustained and conclusively established. Now let us trace the steps taken to repair the wrongs done.

Just as soon as the legislation to which I have referred had been secured and gold enthroned as the only money metal and silver degraded, debased, and dishonored as a money metal and made a mere commodity, these same distinguished gentlemen and their gold-standard friends, who had made the world believe that it was about to be deluged with gold, and silver could not be maintained at a par with gold, suddenly about-face and raise the hue and cry that it is not gold, but silver, which is about to deluge the world, and that in the United States and Mexico we have mountains of silver cliffs so rich in silver that it is only necessary to pile combustible materials against the cliffs and set fire to them and the white metal runs down in copious streams, forming in masses thick in the middle and thin at the edges.

Our first step, resisted to the bitter end and vetoed by the President, was the passage of the law of February 28, 1878, over the veto, restoring the limited coinage and full legal tender of the standard silver dollar. Under section 2 of that law, in pursuance of invitations of our Government to the Governments of Europe, an international monetary conference was held at Paris in August, 1878, in which we were represented by Messrs. Fenton, Groesbeck, and Walker, with Horton as secretary.

In the proceedings Mr. Groesbeck referred to the error, prejudice, and misapprehension in regard to the production of silver in the United States and the exhaustion of the Bonanza mines of Nevada, and attempted to correct the impression that the United States had taken the initiative in the conference because they were a silver-producing country, and referred to the coinage law of 1873—

which did not very accurately carry out its purpose. Silver was made to disappear through inadvertence rather than intentionally by an omission to say anything about it.

To which Mr. Feer-Herzog replied—

that long before the law of 1873 silver had disappeared from circulation in the United States;

And said:

During the long period of time, * * * from 1792 to 1873, there had only been coined about eight millions of silver dollars, while in the three or four months that had succeeded the passage of the Bland bill an equal amount of these dollars had been coined.

He then laid before the conference documents relating to the preliminary preparation of that law of 1873, published by our Government. The document he presented was Senate Miscellaneous Document, No. 132, Forty-first Congress, first session, containing the "Report of John Jay Knox in relation to a revision of the laws pertaining to the Mint and coinage of the United States," dated April 25, 1870, and quoted therefrom.

Whatever may be said about the information possessed by members of the Senate and House in regard to the coinage law of 1873, dropping the coinage of the silver dollar and establishing the gold standard, it is manifest that the gold monometallists of Europe knew the preliminary steps taken for its passage and its purpose and effect.

Our commissioners, in their report to the President, said:

The United States appeared at the conference at a disadvantage by reason of the belief, quite commonly entertained in Europe, that the action of Congress had been mainly determined by the consideration that the United States are largely producers of silver. This opinion exhibited not a little vitality, and your commissioners found it necessary to combat it. Our delegates submitted certain propositions to which the European delegates replied that they recognize:

I. That it is necessary to maintain in the world the monetary functions of silver as well as those of gold, but that the selection for use of one or the other of the two metals or of both simultaneously should be governed by the special position of each state or group of states.

II. That the question of the restriction of the coinage of silver should equally be left to the discretion of each state or group of states, according to the particular circumstances in which they find themselves placed, and the more so, in that the disturbance produced during the recent years in the silver market has variously affected the monetary situation of the several countries.

III. That the differences of opinion which have appeared and the fact that even some of the States which have the double standard find it impossible to enter into a mutual engagement with regard to the free coinage of silver exclude the discussion of the adoption of a common ratio between the two metals.

This showed some progress and a very different conclusion by that conference from the single gold standard conclusion of the conference of 1867 in Paris, in which the exaggerations of Mr. Ruggles as to our gold production seemed to have been received as statistical facts of his own country's production.

Another International Monetary Conference was held in Paris in 1881 on the invitations extended to European governments by France and the United States, in which we were represented by Senator EVARTS, ex-Senators Thurman and Howe, and S. Dana Holton. The questions presented were ably discussed, but no final action was had, and the conference adjourned to Wednesday, April 12, 1882, with the expectation of holding another conference, and on March 31, 1882, the Governments of France and the United States sent an identical note to the various powers deferring the convocation of the conference, and no subsequent conference was held.

Ever since the passage of the law of 1878 the gold monometallists have been persistent in denouncing the silver dollar and in their attempts to bring it into discredit and dishonor, while some of the friends of a double standard have advocated the repeal of that law and the stopping of any further coinage under it, with the expressed hope of influencing the European nations to agree upon a standard ratio for the free coinage of both metals.

In 1887, President Cleveland designated Hon. Edward Atkinson, the same gentleman from whose testimony in 1876 I have quoted, to visit the financial centers of Europe in order to ascertain the feasibility of establishing, by international arrangement, a fixity of ratio between the two precious metals in free coinage of both.

Mr. Atkinson made the visit and submitted the results in a report to the President October 1, 1887, from which I read:

I have reason to believe that my efforts in this direction may have partly removed the dread of a prospective "avalanche of silver," as it is sometimes called, from the Continent of North America especially from the United States; and that this fear, which has been perhaps the most potent cause of the unwillingness even to consider the question of bimetallism, may be wholly removed by the further investigation as to the relative production of silver and gold which may ensue. Another dread may also have been removed, namely, that of a sudden change of policy in the United States leading to the cessation of silver coinage and also to the possible attempt to dispose of a considerable part of the present stock of silver coin. * * *

On the other hand, I found, as I have before stated, among the advocates of "monometallism" a continued and somewhat indefinite dread of an "avalanche of silver" from the North American Continent, with little if any regard to cost of production and at any price which might be obtained. I had once been myself subject to a similar misapprehension of the probable supply of silver, but had long since laid aside this impression and I was not prepared to find it existing here in such full force. * * *

The reason is this: The general conviction among the financial men in Europe is that the United States Government is loaded with an excessive quantity of silver dollars which it can not get into circulation. * * * It is believed that the financial officers of the United States are convinced that the product of silver is excessive and that the ratio of silver to gold, *i. e.*, its price as bullion is liable to fall even lower than it is now; therefore any initiative by the United States is looked upon as an attempt to relieve itself of an unprofitable stock and to provide a market for the future product of silver.

This is a graphic, painful, and yet, doubtless, truthful statement of the views and opinions generally prevalent in Europe in regard to the motives and purposes of our Government. Their origin is easily traced, and Mr. Atkinson is in part responsible for their existence. All these distorted views and opinions are only the distinct echoes of the gold monometallists in this country, and of those bimetallists who have been advocating the stoppage of the further coinage of the silver dollar. In the present discussion we hear the same things proclaimed on this floor, and will in due time hear their echo in Europe.

The financiers, statisticians, and business men of Europe have read and believed all the exaggerations, to use a very mild term, in regard to the certain deluge of the world with the precious metals, and the statements made in our efforts to establish the single gold standard and the resulting action and legislation of our own and their own Governments, discriminating in favor of gold and against silver, and then as soon as gold had been enthroned as the only money, the changed hue and cry raised by the gold monometallists in this country as to the excessive production of silver, and then the bitter denunciations poured out against every effort made in this country to restore silver as a money metal and the unfounded statements as to the production of silver and the refusal of our own people to use the silver dollars as money, and have very naturally come to entertain the views, opinions, and feelings so forcibly stated by Mr. ATKINSON.

It is therefore useless to make any further efforts for any international agreement to restore silver as a money metal to its old equality and par with gold. What, then, shall we do, can we do? We can and ought to do right; correct the false, unfounded statements spread throughout the world by our own officials and representatives touching the production of the precious metals, and especially of silver, in our own country, and restore the silver dollar to unlimited coinage and full legal tender and place it as a money metal upon a perfect equality with gold.

Then, conscious of the justice, the correctness, the unselfishness, and the honesty of our motives and actions, we can patiently await the enlightened judgment of the nations of the world for our vindication.

Mr. President, to show beyond cavil the falsity of the statements of the Commissioner of the General Land Office and Secretary of the Interior in 1862, and of Mr. Ruggles in Berlin in 1863, and the subsequent reiteration of these statements up to 1873, I will read from the tables of our Director of the Mint in his report for 1889, giving the full product of gold and silver in the United States from 1792 to 1889. The product of gold and silver, estimated at coining value, from all mines in the United States was for the years named as follows:

Year.	Gold.	Silver.	Total.
1862	$39,200,000	$4,500,000	$43,700,000
1863	40,000,000	8,500,000	48,500,000
1864	46,100,000	11,000,000	57,100,000
1865	53,225,000	11,250,000	64,475,000
1866	53,500,000	10,000,000	63,500,000
1867	51,725,000	13,500,000	65,225,000
1868	48,000,000	12,000,000	60,000,000
1869	49,500,000	12,000,000	61,500,000
1870	50,000,000	16,000,000	66,000,000
1871	43,500,000	23,000,000	66,500,000
1872	36,000,000	28,750,000	64,750,000
1873	36,000,000	35,750,000	71,750,000

Since 1873, up to and including 1889, the lowest product of gold was $30,000,000, in 1883, and the highest was $51,200,000, in 1878, and was $32,800,000 in 1889.

Since 1873 up to 1889, inclusive, the lowest product of silver was $31,700,000, in 1875, and the highest was $64,646,000, in 1889; and the lowest total product of both gold and silver was $65,100,000, in 1875, and the highest was $97,446,000, in 1889, and the next highest was $96,400,000, in 1878. The highest product of gold in any one year in the United States was $65,000,000, in 1853. And yet our officials have scared all Europe with their exaggerated statements that we would flood, literally deluge the world with three hundred or four hundred millions of the precious metals annually, and, since the adoption of the gold standard in 1873, with silver melted from our mountains and cliffs flashing in the sunlight with silver.

From 1873 to this date the world, men, women, and children, have been hunting, digging, and diving on land and in seas for gold and silver, and yet all combined the product of gold throughout the world has ranged from $96,200,000 in 1873 to $118,832,000 in 1889, which was the largest yield, and of silver has ranged from $81,800,000 in 1873 to $162,915,000 in 1889, estimated at its coinage value. The product of both metals in the whole world has been less than our representatives assured all Europe would be the product of our single country.

There is no danger, no possibility, that our own country or the world will ever be deluged with gold and silver, or either of them. The world never has been so deluged in the past and never will be, and never has had and never will have gold and silver combined, much less either one of them, in sufficient quantities, estimated at any reasonable standard of value as money, to meet all the demands of the people of the world for money and a medium of exchange with which to measure the incalculable values of all other products of earth.

No, Mr. President, there is no such danger, no such possibility, because the creation and distribution of these two precious metals have not been by finite hands or finite wisdom.

The Creator of the universe and of all things therein, an all-wise God, has created and distributed these metals in such places and in such quantities that the wisdom, the skill, the labor, and the energies of all the people of the world combined can not extract them or either of them from the earth in unlimited quantities or beyond the wants and necessities of mankind.

We are warned by our gold monometallists that we as a nation can not and must not venture to restore the silver dollar to a parity and equality with gold as coin and money, and must wait for an international agreement with some leading nations upon a fixity of ratio between the two metals, with free coinage of both. We have tried to secure such an agreement and have failed because of the exaggerated statements and representations you have made to the world, which now render it impossible to secure such an agreement.

You solemnly warn us if we take such action alone the other nations will flood us with their discarded silver and drive away all our gold and force us to the single silver standard.

I must be pardoned for distrusting your prophecies. I heard your warnings and prophecies upon this floor in 1878 and have been hearing and reading them ever since, and not one of them has been fulfilled. Let us test your prophecy by the facts and figures.

Mexico, Central America, and South America can not so flood us, for Mexico, the Central American States, Bolivia, Colombia, Ecuador, Peru, and Venezuela have the single silver standard and no silver to spare; and the Argentine Republic and Chili have the double standard and no silver to spare; and the Republic of Brazil has the single gold standard and no silver to spare.

This threatened deluge of silver can not come from Africa or Asia, from China or India. The silver standard exists there and there is no silver to spare.

Whence then the threatened deluge? If at all it must come from Europe.

I now present a statement by the Director of the Mint, showing the stock of silver in the principal countries of the world and the ratio of same to gold, the full legal tender, the limited legal tender, the total of both, and their respective ratios to gold.

Statement showing the stock of silver in the principal countries of the world and the ratio of same to gold.

Countries.	Stock of full legal-tender silver coin.	Stock of limited-tender silver coin.	Total stock of silver coin.	Ratio of full legal-tender silver to gold.	Ratio of limited-tender silver to gold.
United States	$363,626,266	$74,762,358	$438,388,624	1 to 15.98	1 to 14.95
United Kingdom		100,000,000	100,000,000		1 to 14.28
France	650,000,000	50,000,000	700,000,000	1 to 15.5	1 to 14.38
Germany	102,000,000	113,000,000	215,000,000	1 to 15.5	1 to 13.957
Belgium	48,400,000	6,600,000	55,000,000	1 to 15.5	1 to 14.38
Italy	25,800,000	34,200,000	60,000,000	1 to 15.5	1 to 14.38
Switzerland	11,400,000	3,600,000	15,000,000	1 to 15.5	1 to 14.38
Greece	1,800,000	2,200,000	4,000,000	1 to 15.5	1 to 14.38
Spain	90,000,000	35,000,000	125,000,000	1 to 15.5	1 to 14.38
Portugal		10,000,000	10,000,000		1 to 14.08
Austria-Hungary	90,000,000		90,000,000	1 to 15.3	
Netherlands	61,800,000	3,200,000	65,000,000	1 to 15.5	1 to 15.00
Norway, Sweden, Denmark		10,000,000	10,000,000		1 to 14.88
Russia	22,000,000	38,000,000	60,000,000	1 to 15.5	1 to 15.00
Turkey		45,000,000	45,000,000		1 to 15.1
Australia		7,000,000	7,000,000		1 to 14.28
Egypt		15,000,000	15,000,000		1 to 14.8
Mexico	50,000,000		50,000,000	1 to 16.5	
Central American States	500,000		500,000	1 to 15.5	
South America	25,000,000		25,000,000	1 to 15.5	
Japan	50,000,000		50,000,000	1 to 16.18	
India	900,000,000		900,000,000	1 to 15.00	
China	700,000,000		700,000,000		
The Straits	100,000,000		100,000,000		
Canada		5,000,000	5,000,000		1 to 14.95
Cuba, Hayti, etc.	1,200,000	800,000	2,000,000	Hayti. 1 to 15.5	
Totals	3,293,526,266	553,362,358	3,846,888,624		

The coinage of silver dollars since 1878 and of subsidiary silver to May 1, 1890, is stated in first line.

E. O. LEECH, *Director.*

The Director of the Mint informs me in his letter that the estimates for India, China, and The Straits are at best only guesses.

This table is most interesting and instructive. In the first place, it shows the present use of silver as a full legal tender in all the principal commercial nations except in Great Britain or the United Kingdom at the relative ratio of 15.5 to 1, a higher valuation of silver than in our country, and that only in Mexico and Japan is the valuation of silver lower than in our country, and that in all these countries, where full legal tender is given to silver coins, they are in all respects the equal and on perfect parity with gold coins as money, and if such silver coins are sent to this country to flood our mints and withdraw our gold it will be at a very serious loss to such nations.

In the second place, it shows in actual circulation and use as money a large amount of subsidiary silver coins much below the average standard fineness of the full legal-tender silver coins in such countries, and even in our own country, with full legal tender in limited sums or to a limited amount, and yet, to the amount of their limited legal tender, on an equality and parity with full legal-tender gold and silver coins. In the United Kingdom—Great Britain—which has had the single gold standard since 1816 and in whose market the silver bullion of the world is measured in value as a mere commodity by her legal-tender gold coins, there are $100,000,000 of subsidiary silver coins in actual circulation and use as money on an equality with gold coins at the ratio of 14.28 to 1 in all transactions under 40 shillings, the amount for which they are a legal tender. And to-day such limited tender coins will pay for silver bullion in the market in any quantity under 40 shillings in value equally with gold coin.

Germany has $113,000,000 in limited legal-tender silver coins, at the ratio of 13.957 to 1 in actual circulation as money on a perfect equality with gold coins to the amount of 20 marks, the limit of legal tender.

None of these nations having such limited legal-tender silver coins in use as money can flood our mints with such silver coins without sustaining a still more serious loss than in parting with their full legal-tender silver coins.

In the third place, it shows that Mexico and Japan, each with $50,-000,000 full legal-tender silver coins at the ratio, respectively, of 16.5 and 16.18, are the only nations whose silver coins are of less relative value than our standard silver dollar.

I submit that neither of these countries has been, or now is, in such financial condition as to justify the shipment of their silver coins to our mints, for the very small margin of profit in the difference of their relative values would be more than consumed in the costs of such transaction. It does seem to me that this table shows conclusively that the prophecies and warnings of a probable deluge of our mints with the silver from other nations are without any reasonable foundation in fact to sustain them, and are, like all similar predictions heretofore made, proved false.

In the fourth place, this table shows the value and power given to the metal silver by laws authorizing its coinage, either free or limited, as money with full or limited legal tender in payment.

It is or may be replied to this that the laws sustain the money value of silver metal only when its coinage or amount is limited and its legal tender is restrained to such coinage, and to small sums in payments.

The sufficient answer is that for ages past the laws giving free coinage and unlimited legal tender to both gold and silver, placing them on a perfect equality, maintained a stable fixity in their legal ratios of about 15½ to 1 with very slight fluctuations. And similar laws now will insure like results.

I frankly admit that laws giving free coinage with full legal tender to any metals which can be produced in unlimited quantities, such as iron, copper, lead, zinc, and tin, at a comparatively insignificant cost, with the money value given them, can not maintain the value or purchasing power of such coined metals as money in exchange for the other products of the world. Their value or purchasing power would rapidly depreciate, while the value of all other products would appreciate. The records of the world show that neither gold nor silver can be produced in unlimited quantities or in greater quantities than will supply the wants of the world for their use as money and a medium for measuring the value of, and in exchange for, the other products of man and for industrial uses, and that Infinite Wisdom has so created and distributed these two precious metals, and each of them, throughout the earth in such localities and in such quantities that their extraction or production in unlimited quantities is impossible, never has occurred, and never will.

In support of this statement we appeal to all historical records of the past. At given times and in given localities the one or the other or both of these metals may have been produced in greater quantities than needed for the time being and at such localities for monetary uses, but the excess quickly flowed into other places where no production existed and the demand for them was unsupplied.

The wants of man are not supplied fully from the products of any one locality or even one country, but call for and demand for their supply and gratification products from other localities and countries.

It is pertinent to this prophecy that if we restore silver to free coinage our mints will be flooded, our gold withdrawn, and we will be driven to the single silver standard, to inquire now into the uses or the consumption of the two metals, and especially of silver, throughout the world.

There are three principal kinds of consumption of gold and silver in civilized countries. The first is their coinage use as money; the second is their consumption or use in the arts and for various purposes in industries, in manufactures, and for ornamentation, all of which are included under the general term of industrial use; and the third is their net export to regions outside of what we call the civilized countries, and by which we mean principally India and China or Asia and Africa.

There is another method of consumption known as hoarding or a latent reserve, and sometimes and in some countries a very large amount of these metals are so hoarded up by individuals and families.

I will not now discuss the consumption in coinage, but will consider the amounts consumed in industrial use and the net exports to India and China. The figures I give are taken from the table prepared by Dr. Soetbeer, a gold monometallist, and probably as accurate a statistician as any we can consult. He states that the probable consumption of the precious metals in the arts in civilized countries on the average of recent years has been a net consumption annually of 90,000 kilograms of gold, amounting, by estimating the gold kilogram at $664.60, to $59,814,900, and a net consumption of 515,000 kilograms of silver, estimating the kilogram of silver at $41.56, amounting to $21,403,400, making a total consumption for industrial use of $81,218,300 of gold and silver.

The Director of our Mint, in his report on the production of the precious metals in the United States for the calendar year 1889, estimates the consumption for industrial use of gold within the limits of the United States at $13,623,935, and of silver $8,569,318, estimated at coining value, making a consumption of both gold and silver of $22,193,253, and for the calendar year 1888 estimated such consumption of gold at $13,324,025 and of silver at $7,908,148, making a total of $21,232,174.

These tables are certainly very strongly corroborative of the correctness of the tables given by Dr. Soetbeer for such consumption for industrial use throughout the whole world.

Now, let us consider the net exports of gold and silver to India and China. Dr. Soetbeer, who gives a table of the net imports of gold and silver into British India, containing, by the census of 1881, a population of 253,982,595, not including Ceylon and the Straits Settlements, for the fifty years from 1836 to 1885, says:

The export of gold on the average of the fifty years from 1836 to 1885 was not quite 7 per cent. of the import of gold during the same time. That is, there were only 91,900,000 rupees exported, against 1,370,800,000 rupees imported. So far as silver is concerned the re-export is more important. In the last fifty years 553,700,000 rupees were exported, as against 3,191,800,000 rupees imported; but this re-export of a considerable portion of the imported silver takes place in the main to other countries of Eastern Asia, and very little of it finds its way back into international trade. * * * Of the import of gold a very small part has been coined into domestic gold coin. The total coinage of the fifty years since 1835 amounts to no more than 2,352,399 rupees; the rest of the gold, about 1,276,000,000 rupees, has been used for ornamentation or been hoarded in the form of British or Australian sovereigns by the richer natives or Indian princes. The gold that once has flowed to India is lost, almost without exception, to trade. * * * Of the silver imported to India, the great mass has been coined into rupees. A considerable part of this is still in circulation in the Government treasuries or in the banks. The rest has been converted either directly or by smelting down rupees into articles of ornament.

As the totals show, the net import of silver into British India for the period from 1836 to 1885 has reached the enormous sum of 2,638,100,000 rupees, and estimating, according to the Director of the Mint, the rupee in silver at 44.4 cents, amounting to 1,171,316,400 silver dollars of our coinage.

From these tables I make an estimate of the net imports into British India, after deducting exports for five years, from 1880 to 1885, which shows a net import of 304,036,000 silver rupees, amounting to $134,991,984 of our coinage, and a net import of 235,645,000 rupees of gold, amounting to $104,626,380.

These figures show an annual average net import of silver into British India during each of the five years from 1880 to 1885 of $26,998,396, and of gold $20,925,276.

Dr. Soetbeer also shows that the re-export of silver from India is mainly to Mauritius, Ceylon, the Straits Settlements, and the Persian Gulf, and never returns into international trade, so that practically all the imports of silver into British India disappear never to return into international commerce.

Now, in regard to the flow of precious metals into China, Dr. Soetbeer says:

In former years, when the export of opium from India to China had not reached so great an extent, silver was exported to China in large quantities and there went into circulation or was hoarded. * * * A large part of the coin brought into China is re-exported into India in exchange for opium, cotton, etc. The rest remains in circulation or is hoarded within the country.

He then gives a table of exports and imports of precious metals into China, and says:

Converting the Sycee silver and the Mexican dollars into kilograms fine, we get for the five years 1881-1885 the average import of silver into China 868,800 kilograms, and export of silver from China, 706,200 kilograms, or an annual excess of imports of 162,600 kilograms—

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Amounting, estimating the silver kilogram at $41.56, to $6,757,656.
In conclusion, he says:

If we now reckon the total amount of the precious metals which has flown from civilized countries in the five years 1881–1885 to Asia and Africa, we may conclude that it has amounted annually to more than 30,000 kilograms gold and 1,500,000 kilograms silver—

Amounting in our coinage to $19,938,000 of gold and $62,340,000 of silver.

It is not a violent assumption to say that this average will be continued indefinitely, for the table of imports and exports of precious metals for the last fifty years, from 1836 to 1885, shows that for most of these years the net imports of silver were greater than for the five years named.

We will not attempt to give any figures in regard to the disappearance of the precious metals from commercial transactions by hoarding. The actual annual loss sustained each year from the abrasion of the coins of these two metals in use and circulation is no inconsiderable sum, and it is believed that to-day nearly one-half of the sovereigns and half-sovereigns in the United Kingdom, exclusive of what is in the Bank of England, is under the standard weight. Dr. Soetbeer thinks that the annual loss by abrasion on all the gold in civilized countries is not more than 700 to 800 kilograms of gold, or about $531,680, and the loss on the silver coins is probably not as high as 50,000 kilograms annually, or $2,078,000.

Dr. Soetbeer, in treating of "the total monetary supply of the precious metals in the different civilized countries," says:

Our estimate of the presumable existing quantity is 13,212,000,000 marks of gold and 7,843,000,000 marks of silver (nominal value).

This estimate was for the close of 1885, and reduced to our coinage amounts to $3,180,632,000 gold and $1,866,634,000 silver.

Basing conclusions upon the records of the past, we may safely say that the consumption of silver, the demand for it, will not only continue in the future to be as large as the records show it has been in the past, but will actually increase more largely in proportion to its production by reason of the greater increase of populations and of the other products of the world and of the decrease in the production of gold throughout the world, while the demand for gold is constantly increasing.

Mr. President, there is a demand to-day existing throughout the world for both silver and gold, which is far beyond the possibilities of their production to supply for many years to come, and to which I have neither heard nor read any reference. No one can reasonably doubt that the nations—the Governments of the various nations of the world—desire and will secure as soon as they can a sound currency as money, either in gold or silver or both, or in a paper circulation based upon or equivalent to either or both of such metals as money.

Then how much paper currency is in circulation in the different countries of the world?

I present a letter from the Comptroller of the Currency in response to my inquiry, giving an estimate of the amounts, which I now read:

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Washington, D. C., June 6, 1890.

DEAR SIR: In reply to your telegram of this date I have the honor to state that the following is an estimate of the paper money in circulation in the different countries of the world:

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United States	$938,728,000	Greece	$18,000,000
United Kingdom	190,000,000	Spain	145,000,000
France	594,000,000	Portugal	7,000,000
Germany	275,000,000	Austria-Hungary	330,000,000
Belgium	75,000,000	Netherlands	80,000,000
Italy	260,000,000	Scandinavian Union	40,000,000
Switzerland	25,000,000	Russia	475,000,000
Turkey	2,000,000	Japan	125,000,000
Australia	25,000,000	India	60,000,000
Mexico	10,000,000	Canada	50,000,000
Central American States	2,000,000	Cuba and Hayti	50,000,000
Argentine Republic	150,000,000		
Rest of South America	175,000,000	Total	4,201,728,000

Very respectfully,

E. S. LACEY, *Comptroller.*

Hon. F. M. COCKRELL,
United States Senate, City.

P. S.—I am indebted to the Director of the Mint, who has taken much pains to ascertain the amounts of coin and paper in circulation in foreign countries for his forthcoming report, which is not yet in print, for the figures given above.

Here we have an aggregate paper currency, used as money in the countries named, amounting to the enormous sum of $4,201,728,000.

Now, deduct from this aggregate all the paper currency used as money in all the countries wherein specie redemption of such currency is maintained, and we have, at the very lowest reasonable estimate, $1,500,000,000 of paper currency used as money without any basis upon or equivalency in coined money of gold and silver, or either of them.

If these nations, having such irredeemable paper currency, resume specie payments, they must have gold and silver, or one or the other, and their demands for the same must continue until supplied.

In view of all these data I must conclude that the prophecies of a deluge of silver into our mints upon the adoption of the free coinage of the silver dollar are like the exaggerated statements, spread broadcast over Europe by our officials, of our gold and silver production flooding Europe at the rate of three hundred or four hundred millions of dollars annually.

I admit that, for a time, we may have a rapid influx of silver and may lose some of our gold, and may have for the time an excess of silver coins, which will be a legal constitutional money, a full tender in payment of debts in this country and in exchange for our other products, and to all intents be as good as gold. Even should our gold coins rise to a premium over our silver coins, the effect will be to check the export of gold.

On May 1, 1890, our national-bank notes amounted to $189,442,472. Our national bonds, upon the basis of which these notes are issued, will soon be paid and canceled and these notes retired from our circulation. With what kind of money shall we supply this large reduction or contraction of our currency?

Shall it be with full legal-tender coins and coin certificates or with legal-tender United States notes or Treasury notes?

We must supply the arteries of trade and commerce with some currency equal in amount to the retired bank-notes. Our mints have long been open to the free coinage of gold, with gold bullion equal to coin, and have failed to supply the necessary increase of gold.

We must then use silver or some paper currency to meet this want.

Silver is indispensable as money to us and also to the world.

The records show that every nation is to-day using silver as money in some form, giving it by law free coinage, limited or no coinage, with full or limited legal tender.

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Silver when coined by law has not been deprived of its function as money anywhere, but has been robbed of its equality with gold before the laws, has been deprived of free coinage, or limited in the amount and in its legal tender; and when not coined has been declared to be a mere commodity, like iron and copper. No nation, however, has ventured to make its silver coins of any reasonable standard of fineness and of full weight redeemable in gold, as the paper currency has been made.

An infinitely wise and merciful God has given to gold and silver peculiar qualities, fitting them for use as money, not possessed by any of the metals, like iron, copper, zinc, etc., which can be produced in unlimited quantities, and has endowed man with an instinct of their preciousness and fitness for measuring the values of other products.

In all ages, among all nations, they have been regarded as "precious metals" and used for exchanges or monetary purposes. By far the greatest demand which has existed in the world for ages has been for their use as money in its several functions, and their most important use as money has been to serve as a standard measure of values with free coinage or a small seigniorage.

I have not been able to trace the origin of laws giving them legal tender in payment of debts or liabilities, but such laws have been in operation for ages past. Free coinage or coinage at a small cost and legal tender in payments, with exchangeability one for the other at some established ratio of weights and fineness, became as it were an inherent part and parcel of each metal and very largely increased the demand for each and also their uses, and made them, in the estimation and transactions of the world, money in its fullest meaning, and invested each of them with inherent functions and qualities not belonging to any other metals or commodities.

Being endowed with these functions and qualities, not belonging to articles of commerce, they ceased to be mere commodities, and became sensitively subject to every influence and operation of political regulations and legal enactments of any one or more nations, which might increase or diminish the demand and the uses for the one or the other, and thus change their relative values.

Yet Senator SHERMAN said in his report of 1868: "Gold with us is like cotton—a raw product"—and the doctrinaires proclaim that gold and silver are mere commodities like iron, copper, wheat, cotton, and farm products; and belong to and are subject to the regulations of commerce, and not of legislation or laws which can only operate as a certificate of their weight and fineness. They tell us that the great, imperious, irrevocable law of supply and demand alone regulates the values of gold and silver, regardless of the operations of laws.

Such statements have been so long proclaimed as truths, incontrovertible facts, by our doctrinaires and economic writers that the great agricultural masses of our country are concluding that, if true and gold and silver are only commodities, only articles of merchandise, subject alone to the regulations of commerce and the law of supply and demand, then they have the legal right to have their staple products, their commodities, placed by law upon an equal footing with the so-called commodities, gold and silver, or gold, or gold metal. They say if gold is a raw product like cotton, then by law place the raw product cotton upon an equal footing with the raw product gold, and give the farmers an equal chance before the law with the miner.

Hence we have as the legitimate fruit of these false teachings the bill now pending before the committee of this Senate for the establishment of the so-called warehouse system for staple farm products in numerous localities throughout our country, to be determined by production, wherein the farmers can deposit their raw products, like cotton, etc., and receive Government certificates or Treasury notes—not for the full market value of their products, as the existing law gives to the depositor of the raw product gold and as the pending bill now under consideration proposes to give to the depositors of the raw product silver, but only for 70 per cent. of the market value as determined by commerce.

Mr. President, gold is no longer a raw product, a mere commodity, nor is silver. They can not be, and never have been, produced in unlimited quantities, as iron, copper, cotton, wheat, and like commodities have been and can now be produced. With a limited production of gold and silver, laws giving them each like coinage and legal tender can and will control and regulate their ratios of value and prevent any permanent material fluctuation. Suppose the discriminations made by laws and monetary treaties in our own and Europeans nations, to which I have referred, had been in favor of silver and against gold, and gold had been made a mere commodity, what would be the market value of 25.8 grains, 9 parts fine, of gold metal when measured by our standard silver dollar? I do not doubt that their relative values would be to-day reversed, and the silver in our dollar would be increased in value as much as the gold of the gold dollar has been and is to-day.

Suppose all the nations of the world had in 1873 demonetized both gold and silver, prohibited their coinage and their legal tender in any payments, and deprived them of all the functions and qualities of money, and adopted some other metal as money, with free coinage and full tender of money. What would be their relative value to-day compared with or measured by the other products of the world?

Can any one doubt that such action would have relegated them to the list of mere articles of merchandise, only valuable on account of their superior qualities as metals, for ornament, and for industrial uses, and would have reduced their market value, when measured by the money metal having free coinage and unlimited legal tender in all payments, and by other metals and products, from 25 to 50 per cent. below what it is now.

Discriminating legislation and action have caused the divergence now existing in their relative values.

I am opposed to all such discriminating legislation and action, whether for gold or silver or against either.

By our laws and executive action let us place them upon a perfect equality as coin and bullion, and in addition we ought also to increase the standard weight of our half and quarter dollars and dimes to correspond with the dollar, and make all full legal tenders for all sums, and not have two kinds of money of the same metal, one the dollar for the rich, upper-ten classes, and the other, half and quarter dollars and dimes, for the great masses in their millions and billions of transactions under $5 in amount.

In season and out of season those who favor the unlimited coinage of silver are taunted with trying to flood the country with a depreciated 72-cent dollar, and even that noble, grand national sentiment inscribed upon our silver dollars of the standard weight and fineness prescribed by our national laws, "In God we trust," is sneered at and derided as meaning "In God we trust" for the other 28 cents to make it a dollar.

The dollar is our unit of value and money of account, and now by law is represented by and attached to any coin, gold or silver, or any

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paper issue, a legal tender for that unit, and all liabilities, contracts, and obligations are made payable in and can be discharged by the payment of such units of value, dollars and cents, which are a legal tender by law, whether they be gold, silver, or paper, unless it is expressly stipulated therein that such units of value—dollars—shall be paid in coins of a specified weight and fineness in such dollars, as in the case of our funded national bonds of 1891 and 1907.

They charge the friends of silver with nearly all the crimes of dishonesty, and say we want cheap money—a debased dollar.

Mr. President, I shall not indulge in charges or recriminations and shall not impugn the motives of those who differ from me.

The great State I have the honor in part to represent in this Chamber has no gold or silver mines, no stock of silver bullion on hand to be increased in value and can derive no benefit, no gain by any legislation of Congress which will not be equally shared by other States. Nor have I directly or indirectly a cent's interest in any mine of gold or silver or a cent's worth of silver bullion on hand. Nor do I favor the unlimited coinage of silver dollars with full legal tender because the United States are the great producers of silver and want a market created by law for this product. I would favor the unlimited coinage of silver dollars with full legal tender if not a dollar of silver was produced in the United States; and I am not asking for the unlimited coinage of that metal simply because it is an American product.

I find upon our statutes laws discriminating in favor of gold coins and bullion and against silver dollars, limiting the amount of their coinage and depriving the silver metal of the functions and qualities of money, and debasing it to the condition of a raw product, a commodity.

I find in the laws of Germany and other nations and in the treaties of the Latin Union similar discriminations.

I believe I have satisfactorily shown by the facts and records that I have stated and quoted that our own officials and representatives and our own discriminating legislation have caused all the discriminations now existing in Europe, in the nations which previously had the single standard of silver or the double standard of gold and silver, and that these discriminating laws of our own and European countries and the fear, the apprehension, of an avalanche of silver from our mines into Europe have caused the depreciation, the change in the relative value of silver to gold, and have practically relegated silver to the position of a mere commodity, and have made, for the present at least, any international agreement with such nations upon a fixity of ratio between gold and silver in free coinage of both an impossibility.

I believe it is now our duty, regardless of the possible actions of other nations, to retrace our steps, correct the false impressions and apprehensions of European nations caused by our own unfounded representations and by our laws restore silver to a perfect equality with gold, both as coin and bullion.

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