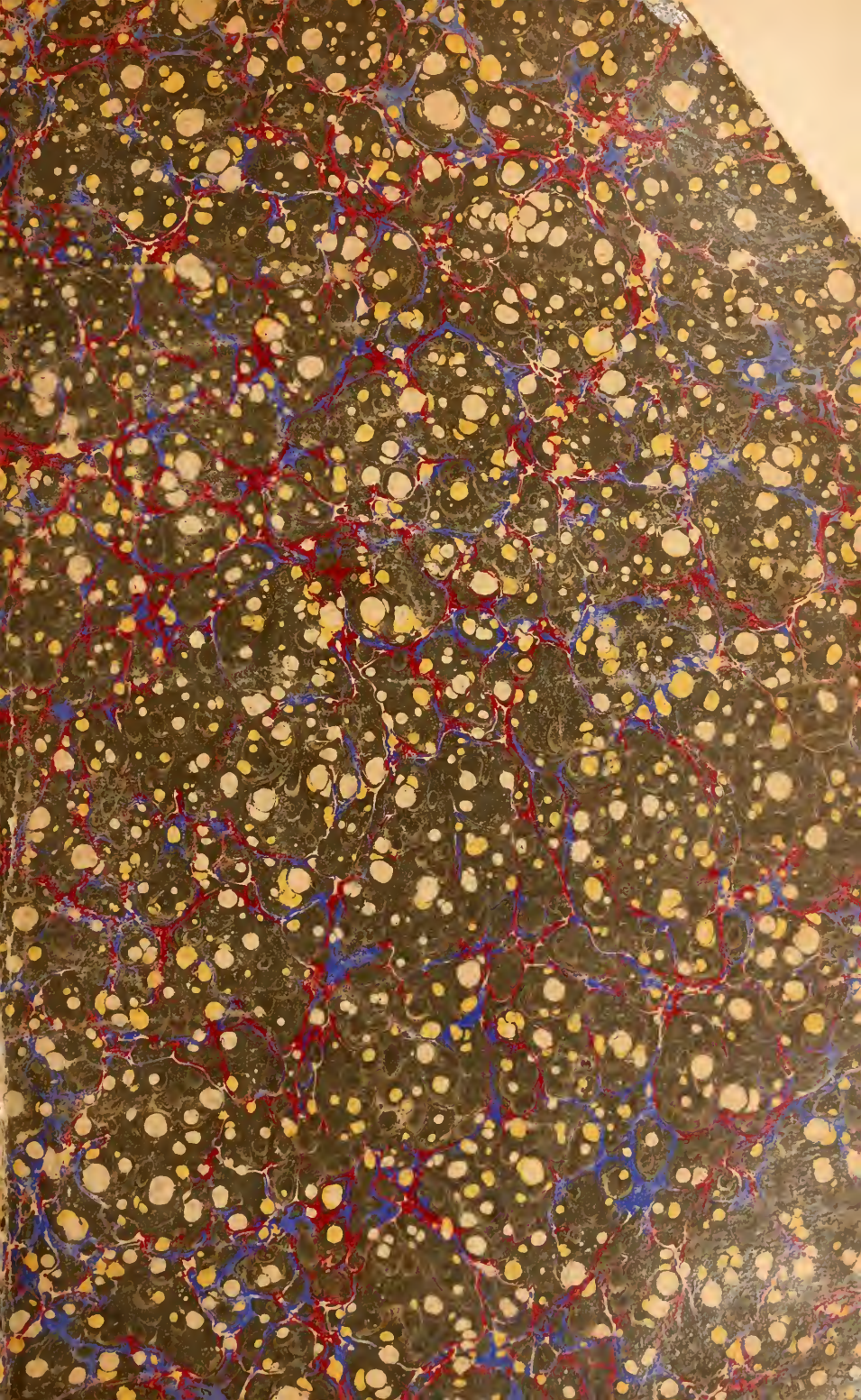
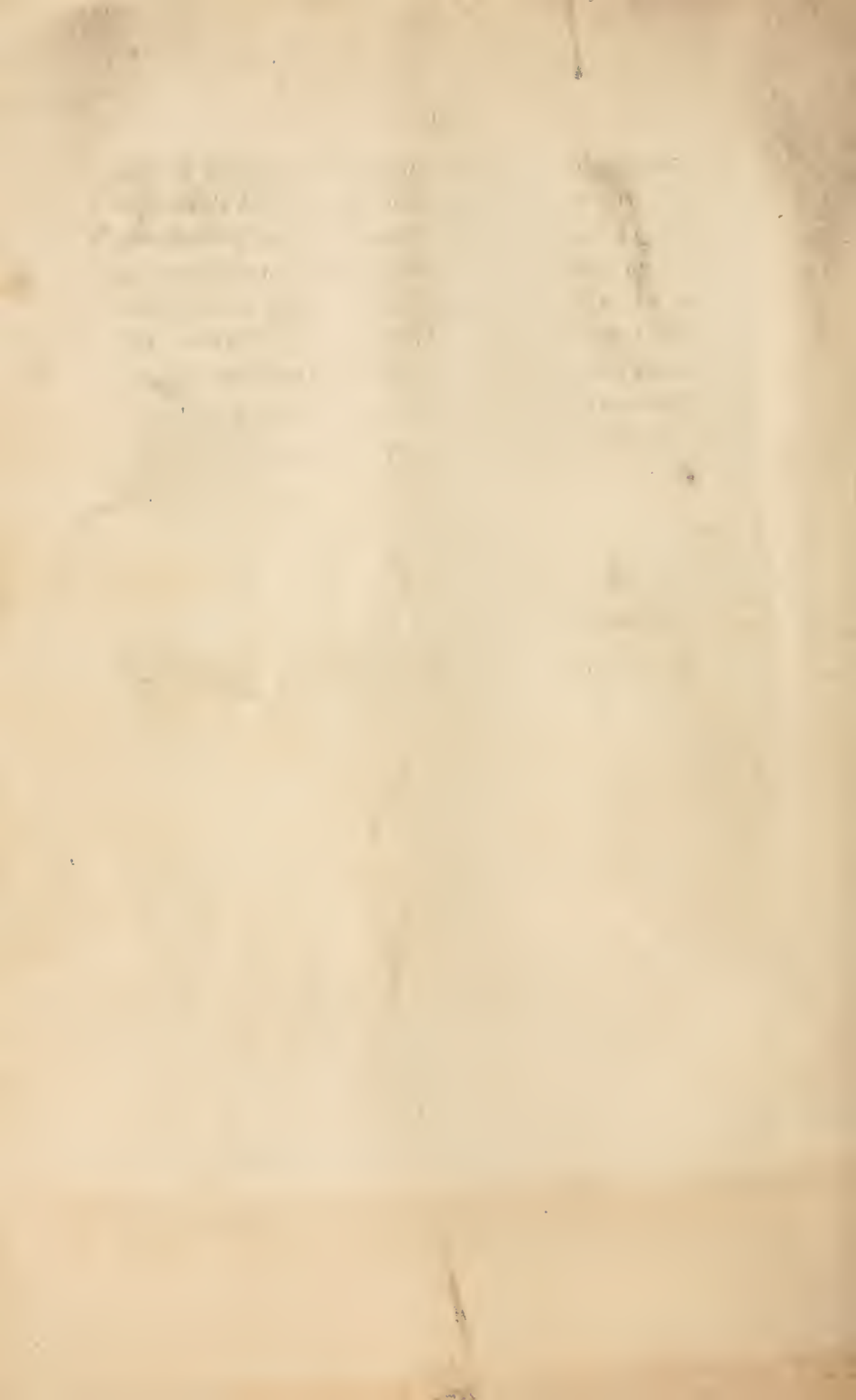


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PROCEEDINGS



NEVADA SILVER CONVENTION

HELD AT

Carson City, Nevada, Saturday, January 31, 1885.

Published in compliance with Concurrent Resolution No. 20 of the Nevada Legislature, passed February 3, 1885.



CARSON CITY, NEV.:

J. C. HARLOW, STATE PRINTER.

1885.



# SILVER CONVENTION.

Carson, Nevada, January 15, 1885.

Mr. ....

*At a meeting of State Senators, held in the Senate Chamber, in this city, this day, it was*

RESOLVED, That a Silver Convention be held in Carson City, Nevada, on

-1- SATURDAY, JANUARY 31, 1886, -1-

In the interest of Silver Mining, Coinage of Silver and other matters relating thereto. It was also

RESOLVED, That a Committee of five Senators be appointed to make the necessary arrangements for the holding of such Silver Convention, and also to name and invite five citizens from each county of this State to act as Delegates to said Convention.

*And in the performance of that duty we hereby respectfully invite you to attend said Convention and take part in its deliberations.*

ROBERT BRIGGS,

*Chairman.*

H. L. FISH,  
ANDREW MAUTE,  
J. W. POWELL,  
G. H. THOMA, } Committee.



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# MINUTES OF THE CONVENTION.

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THEATER HALL, CARSON CITY, NEVADA, }  
SATURDAY MORNING, January 31, 1885. }

Robert Briggs of White Pine county, Chairman of the Senate Committee on Invitation and Arrangements, called the meeting to order at 11 o'clock A. M., in accordance with the foregoing call, and said :

*Gentlemen*—This Convention is called in the interest of silver mining, coinage of silver, and other matters relating thereto. The time has arrived when a consultation of the friends of silver is necessary. Self-protection is the first law of nature, and we must make a united and determined effort to extricate ourselves from the grasp of our enemies; and I hope and believe that when we finally adjourn, a definite and well-defined course of action will have been adopted which will ultimately result in some practical benefit. It is a matter wherein there appears to be no diversity of opinion among us, except as to ways and means of accomplishing the same result; and I believe that the audience before me, most of whom I know are deeply interested in this matter, will not return to their homes until some decisive and determined course of action has been agreed upon. Gentlemen, your first business will be the election of a temporary Chairman and a temporary Secretary. Nominations are now in order.

Hon. C. C. Stevenson of Storey was elected temporary Chairman, and A. C. Pratt of Douglas, temporary Secretary, by acclamation. On taking the chair Mr. Stevenson said :

*Gentlemen of the Convention*—I thank you for the honor of electing me your temporary Chairman. The object of this Convention is to devise means to relieve the producers of silver of the onerous burdens placed upon that industry, and the importance of united and intelligent action. The Colorado Convention has taken the lead in this matter and has elected a committee of prominent citizens as a permanent committee. Let us follow in the good work by keeping

alive the interest manifested here to-day. Let us organize permanently to the end that we may have the machinery to call an election of delegates to attend a National Convention at some future time. In the East the silver question is but little understood. The United States Government seems to be trying to pay off the national debt at the expense of the silver bullion producers. The annual report of the Director of the Mints is virtually an acknowledgment of the fact. The work of organizing to systematically fight the enemies of silver in the East must begin at once in the West. There is no reason why the Government should discriminate against the coinage of silver and in favor of gold. Every person in the United States is interested in having a coin basis of values. In justice to all, then, every tax payer should contribute towards the expense of coining silver as well as gold. Gentlemen, your next business will be the appointment of a Committee on Credentials and Permanent Organization and Order of Business.

On motion of Senator Maute of Nye, the following committee of seven were appointed by the Chairman as Committee on Permanent Organization and Order of Business:

J. F. Cupid, of White Pine ;	John Gallagher, Esmeralda ;
W. J. Penrose, Eureka ;	J. W. Powell, Elko ;
T. J. Bell, Nye ;	James Shaw, Lyon.
E. Strother, Storey ;	

On motion of H. G. Shaw of Storey, the following Senate Committee on Invitation was constituted the Committee on Credentials:

Robert Briggs, White Pine ;	J. W. Powell, Elko ;
H. L. Fish, Washoe ;	G. H. Thoma, Eureka.
Andrew Maute, Nye ;	

Senator Smyth of Lander, in behalf of the Senate Committee on Mines and Mining and State Affairs, extended an invitation to the Convention to meet in the Senate Chamber.

Accepted.

At 11:30 A. M. a recess was had until 12:30 P. M. to meet in the Senate Chamber.

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#### AFTERNOON SESSION.

After a recess of one hour the Convention reassembled in the Senate Chamber of the State Capitol, C. C. Stevenson presiding.

Minutes of the morning session read and approved.

The following report of the Committee on Credentials was then read and adopted:

*Mr. Chairman*—Your Committee on Credentials beg leave to

submit the following report. We find the following entitled to seats in the Convention:

*Eureka County.*

E. Probert, (M. D. Foley, proxy);	Alex. Frazer, (D. E. Bailey, proxy);
H. Johnson, (M. D. Foley, proxy);	W. Arrington, (D. E. Bailey, proxy);
R. K. Morrison, (M. D. Foley, proxy);	Henry Rives,
J. C. Powell, (M. D. Foley, proxy);	S. J. Beebee,
F. Robbins,	George Mullins, (W. J. Penrose, proxy);
	R. Sadler.

*Churchill.*

Charles Kaiser,	W. W. Williams,
W. H. A. Pike,	(J. W. Ferguson, proxy);
L. Allen, (W. Marsden, proxy);	C. S. Kellogg, (C. Kaiser, proxy).

*Ormsby.*

D. A. Bender,	T. D. Edwards,
Robert Logan,	George H. Morrison,
A. C. Ellis,	Evan Williams.

*Esmeralda.*

W. M. Seawell,	T. H. Wells,
J. M. Jones,	A. Farrington.
A. G. Turner,	

*Nye.*

N. S. Trowbridge,	Patrick Downey,
George Ernst,	(A. Maute, proxy);
R. C. Langworthy,	T. J. Bell.
George E. Clarke,	

*Washoe.*

Jerry Schooling,	J. H. Whited,
R. L. Fulton,	A. H. Barnes,
C. C. Powning,	W. N. Knox,
B. F. Leete,	C. S. Preble.
H. H. Beck,	

*Storey.*

C. C. Stevenson,  
R. P. Keating,  
J. M. Douglass,  
E. Strother,  
M. N. Stone,

H. G. Shaw,  
William Woodburn,  
W. E. Sharon,  
Thomas Hulley,  
J. F. Egan.

*Elko.*

J. W. Powell,  
John H. Dennis,  
W. J. Hanks,

R. P. Hamill,  
P. Holm.

*Lincoln.*

J. F. Hallock,  
H. Rice,  
J. Poujade,

E. F. Morton,  
C. F. Meyers.

*White Pine.*

E. N. Robinson,  
Frank Drake,  
(S. Liddle, proxy);  
J. R. Kendall,  
J. F. Cupid,

J. B. Williamson,  
(A. T. Stearns, proxy);  
Robert Briggs,  
A. C. Cleveland,  
Dr. L. B. Brooks.

*Douglas.*

A. C. Pratt,  
J. W. Haines,  
J. T. Williams.

J. Rodenbaugh,  
A. W. Pray,

*Humboldt.*

J. H. McMillan,  
G. McM. Ross,  
J. V. McCurdy,

M. Colley,  
M. Mills.

*Lyon.*

George W. Keith,  
C. C. Thomas,  
George W. Likens,

W. C. Dovey,  
H. Rulison.

*Lander.*

John Marks,  
L. N. Getchell,  
J. R. Williamson,

E. T. George,  
John Smyth.

*Delegates at Large.*

J. W. Adams, C. E. Laughton, C. H. Belknap, O. R. Leonard, T. P. Hawley, W. H. Davenport, C. F. Bicknell, J. M. Dormer, J. F. Hallock, George Tuffy, C. S. Young, H. G. Parker, J. C. Harlow, William Garrard, T. R. Hofer, Wells Drury, S. P. Davis, M. D. Noteware, Otto Greenhood, and all members of the Senate and Assembly.

Your committee beg to further report that many others are present in attendance who are entitled to seats in this Convention, but whose names we are unable to ascertain. Your committee, therefore, beg leave to report in favor of admitting all such to seats on this floor, and invite all those whose names are omitted from the list to send their names up to the Secretary, in order that they may be placed upon the roll.

ROBERT BRIGGS,  
G. H. THOMA,  
ANDREW MAUTE,  
H. L. FISH,  
J. W. POWELL,  
Committee.

C. E. Laughton, of Ormsby, offered the following resolution, which was read and adopted :

*Resolved*, That Hon. Henry J. W. Dam, Executive Secretary to His Excellency, Governor Stoneman of California, being now upon this floor, he is invited to accept a seat in this Convention and participate in its deliberations.

Geo. H. Morrison of Ormsby, moved that in accordance with the report of the Committee on Credentials, all persons present desirous of participating in the proceedings of this Convention, be invited to send their names up to the Secretary and that such names be placed upon the list of delegates.

Motion of Mr. Morrison was adopted and the following names entered upon the roll by the Secretary :

W. M. Seawell, of Esmeralda,	John S. Child, Douglas ;
W. J. Marsh, Douglas ;	P. V. Roux, Eureka ;
J. T. Longabaugh, Douglas ;	R. M. Clarke, Ormsby ;
H. Harris, Douglas ;	L. J. Flint, Washoe.

The report of the Committee on Permanent Organization was read and adopted :

*To the Silver Convention of the State of Nevada*—We, your Committee on Permanent Organization, beg leave to report the following as the permanent officers of this Convention: C. C. Stevenson, Chairman; A. C. Pratt, Secretary; C. H. Stoddard, Sergeant-at-Arms.

J. F. CUPID, Chairman.

CARSON, Nevada, January 31, 1885.

Mr. Ernst of Nye, moved the appointment of a Committee on Resolutions and Memorials.

H. G. Shaw of Storey, moved as an amendment that the appointment of this committee be postponed until after the members of the Convention had given expression to their views upon the best means to be adopted to maintain the interests of silver. He knew that there was no difference of opinion here as to the end to be attained, but there were very decided differences of opinion as to the best means to be employed to accomplish results. The Committee on Resolutions was entitled to some light outside of themselves. Some time might be profitably given to an informal conference, and the committee would be able to do quicker work and be better able to reflect the sentiments of the Convention after hearing the views of whosoever had anything to contribute to the solution of the delicate and complicated questions which were involved in the correct settlement of the silver problem.

Upon the suggestion of Mr. Ernst of Nye, that the committee should not retire until after a general discussion in the Convention of the various propositions to be offered, the amendment was withdrawn, and the Chairman appointed the following Committee on Resolutions and Memorial :

A. C. Ellis, of Ormsby ;	John Marks, Lander ;
H. G. Shaw, Storey ;	Jerry Schooling, Washoe ;
George Ernst, Nye ;	E. F. Morton, Lincoln ;
G. H. Thoma, Eureka ;	W. C. Dovey, Lyon ;
J. H. McMillan, Humboldt ;	W. H. A. Pike, Churchill ;
John Dennis, Elko ;	J. T. Williams, Douglas ;
Thos. H. Wells, Esmeralda ;	Robert Briggs, White Pine.

Congressman-elect William Woodburn was called upon and gave his views upon the silver question. He recited the history of the demonetization of silver during his first term in Congress, and said that three words in the Revised Coinage Act had done the mischief, though not a member of either house understood their real significance at the time. The Act of Congress which declared that the principal and interest of United States bonds were payable only in gold coin, he believed to be a fraud upon the people, since at the time the bonds were issued the law made them payable in standard coin of the United States, which included silver as well as gold. He saw no reason why the bonds could not be redeemed with both metals, and he believed as a lawyer that the validity of the law declaring them payable in gold exclusively could be successfully assailed in the Supreme Court. He urged the right of unlimited

coinage of silver, and expected to be largely guided as a Representative by the action of this Convention, and said that he was heartily in accord with the resolutions of the Colorado Convention.

The following telegrams were next read, and the Secretary instructed to convey to those gentlemen the thanks of this Convention for their communications on the subject :

WASHINGTON, January 29, 1885.

*Hon. John H. Dennis and others :* I regret sincerely that public duties here will prevent me participating in the deliberations of your Convention, but I beg to assure you that I most heartily concur in the objects and purposes sought to be obtained. The time has arrived when the friends of silver must stand together as one man to protect this paramount interest and industry of the people. It is not a local question, but one of great national importance. It goes directly to the progress and prosperity of the whole country. This solid, indestructible money of the fathers must be given full power and dignity in the monetary system of the land. The friends of silver should assume a more aggressive attitude before the world. Concert of action has been too long delayed. We have supinely acquiesced in unjust and half-way measures regarding this overshadowing question. The whole power of the Federal Administration as it stands to-day, and has stood for twelve years, is antagonistic to silver. Sworn officers of the Government discriminate against it, and refuse to enforce the laws regarding it. The national banks, the creatures of the Government, are in conspiracy to degrade and discredit this solid money of the Constitution. The opposition seems stronger and more imminent this Winter than usual. I shall not be surprised if adverse legislation is had in the Senate within the next thirty days, but you may rely that the House will stand by the people as against the conspirators in whatever guise they may appear. No adverse legislation need therefore be apprehended during this Congress, but our friends must not forget that there is a growing sentiment in the East against silver as one of the money metals. The falling off in the gold product has seemingly increased the value of the metal by comparison, and thus widened the relation between gold and silver, thereby affording monometalists an additional argument for the demonetization of silver; ignoring that gold has appreciated. They insist that silver has declined in the markets of the world. If I may be permitted to suggest, I would say that the efforts of your Convention should be directed to a demand for free and unlimited coinage for silver; to the abolition of all issues of paper below the denomination of \$5; to an earnest protest against the coinage of the minimum of silver allowed by law, but, instead, the maximum, including a firm resolve in opposition to the practice of heavy discounts in bullion purchased by the Government on the basis of the London market.

Hoping that the action of the Convention may be productive of

great good to the silver interests in all respects, I have the honor to be, very sincerely,

GEORGE W. CASSIDY.

WASHINGTON, January 30,

*Hon. Robert Briggs, Chairman, Carson City, Nevada:* Your invitation to attend the Silver Convention at Carson just received, and I regret my inability to respond in person. Please extend to the Convention assurances of my hearty sympathy in the movement. Let the friends of silver stand united, firm and true, and our silver, the savior of our National Treasury in time of need, will again take its just and equal rank with gold in the commercial marts of the world.

JAMES G. FAIR.

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## PAPER BY M. J. FARRELL.

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By request of Robert Briggs, of White Pine, Mr. Charles F. Bicknell read the following paper :

*To the members of the Silver Convention, assembled at Carson City, Nevada, January 31, 1885 :*

The object of this Convention, as I understand it, is to devise ways and means to defend our chief industry from the attack of Eastern bankers and capitalists, which, if successful, must inevitably depreciate the price of silver to such an extent as to render silver mining not unprofitable but *impossible*.

In order to do this it is necessary to inquire into the influences that are controlling the people of the East in their warfare upon silver and expose the fallacy of the arguments used against it. This I propose to do, to a limited extent, as the subject is so vast and intricate that I could only hope to partially present it in a paper like this, with the limited time at my disposal, even if I were thoroughly conversant with it, which I do not profess to be. The subject of National finance is one the mass of the people do not understand, and consequently it is easy to deceive them, as is now being done. In fact it demands study and close attention, which they have not time to give it, and therefore leave it to their law-makers and expect them to understand it.

This is no reflection on the intelligence of our people, as it is the case all over the world; neither is it an assumption of superior knowledge on my part, as I have already acknowledged that I am not master of the subject, but my business relations have brought me in contact with it, and I have, to some extent, caught it like the measles, and during the last few days have taken the pains to refresh my memory by looking up some facts in the case. In order to forestall any hair-splitting criticisms, I will say that I do not profess to



absolute accuracy in the figures which I shall present, but shall content myself with round numbers, and shall not deviate enough from the actual figures to affect the arguments to be drawn from them.

#### THE WAR AGAINST SILVER.

Ever since the passage of the Silver Bill in 1878, the leading newspapers of the Eastern cities, notably New York, under the control of the bankers and capitalists and English financiers, have made war on silver, and have been steadily at work *mis-educating* the people, if such a word is allowable, on that question. They juggle with figures, give partial statements, and draw erroneous conclusions, misrepresent, exaggerate and lie from day to day, and year to year, as persistently, as industriously, as the true Mussulman repeats his prayers.

The people of the East hear only one side of the question, and that as misrepresented by their papers. Their assertions in the absence of contradiction, and given as the statements of bankers and financiers, supposed to be infallible, are taken for granted, and the smaller fry of papers throughout the country copy them, and generally with adverse comments, to show that they agree with those great financial lights, and leave the impression with their readers that *they* have ideas on the subject, which is a grievous mistake, and thus are the people misled.

To this, however, there is one exception, and only one of any note that I know of. The New York *Mining Record*, which has been fighting our battles nobly for several years, and to which I am indebted for many of the facts and figures which I shall offer. But the influence of this journal is restricted in the East on account of its name. The name "*Mining*" *Record* debars it from circulation or attention among merchants, business men and bankers, and the people at large imagine they have no interest, directly or indirectly, in mining for precious metals.

It is a fact, the mere mention of which is sufficient, that the business of the world is rapidly increasing and demands more money, while the production of precious metals is decreasing, and the remedy proposed by these astute financiers in this emergency is to destroy the money power of nearly one-half of the precious metal now in existence—that is, in order to supply the demand for *more* money, they advise the destruction of one-half of what we have.

#### THE BULLION CONSUMED IN THE INDUSTRIAL ARTS.

They propose to make gold alone the standard of value in the face of the fact that it is becoming consumed in the industrial arts alone much faster than it is being produced. The *coinage* of gold for the last thirty years has been \$1,000,000,000 more than the production, and for the last six years \$67,000,000 per year over the product. But as I do not wish in any manner to deceive, it is fair to state that much of this has been coined over several times in its migration from

one country to another. But for the same thirty years the consumption in the arts and sciences—a very small portion of which will ever find its way back into coin—was \$1,500,000,000, or \$50,000,000 per year. The consumption for industrial purposes has now reached \$75,000,000 per year and is increasing. The silver consumed for other purposes than money during the same period was over \$570,000,000, or \$20,000,000 per year. This includes a period during which very little silver was thus used; but the amount has rapidly increased from year to year, and last year reached about \$40,000,000.

#### THE GRESHAM LAW.

The grand and unanswerable argument which these gold maniacs oppose to arguments and facts they cannot answer, is the Gresham law. It appears that some time or other there was a man named Gresham, who announced to the world as law, unchangeable, that in countries having a double standard of money, the least valuable metal would drive out that of greater value and leave that country the poorer, or baser metal, as they delight to call it. This they assert and reiterate in the face of the most conclusive evidence to the contrary. There may, perhaps, have been in times past some case in which this appeared to be true, but if it were subjected to such an investigation as it would receive at the present day I have no doubt it would be found to be the result of other causes. At any rate, the history of the two greatest nations of the present day, which have given it a trial, prove exactly the contrary.

France, which has been trying it for eighty years, has been steadily accumulating gold, as well as silver, until, at the present time, it has more of the money metals than any nation of the world, viz.: nearly \$900,000,000 in gold and \$540,000,000 in silver, making a per capita of about \$24 in gold and over \$14 in silver to its population, to our \$10 in gold and about three standard dollars in silver. France has also the strongest bank in the world, with its stock, at the par value of \$200, selling at over \$1,000 per share. Its vaults contain over \$400,000,000, one-half of which is silver, and based on this, gold and silver alike, one as good as the other, it has an issue of over \$630,000,000 in paper money, making the total volume of money in the nation, at the present time, \$2,045,000,000, a per capita of nearly \$55, the greatest of any nation in the world. And yet these most gifted financiers are making the East resound with their lamentations over the money inflation which is bound to bring inevitable ruin on our unfortunate land, when our total per capita, greenbacks, subsidiary silver coin, bank notes and all, does not reach \$30; and all the nations of any importance in continental Europe have much more, with the exception of Italy, which, however, is swinging into line. It is worthy of note, also, that the most prosperous nations are those which have the largest amount of money to the head. They dismally lament that we have reached the limit of absorption of silver, with \$140,000,000 or \$150,000,000, in the face of the fact that France, with its \$540,000,000 in silver, has a popula-

tion of less than 38,000,000, and is almost stationary in that respect, while we have 55,000,000, and are increasing beyond all precedent.

At the present rate of coinage (\$2,000,000 per month) by the time we have as much silver as France, our population will exceed 80,000,000, and the disparity per capita will be as great as ever. It must be borne in mind all the time that the silver in circulation and in the Bank of France, to the extent of \$540,000,000, full legal tender, is coined at a valuation of 3.06 per cent. lower than is given in our standard dollar. That is, if they should be compelled to recoin their silver at the rate we value it, they would lose nearly \$17,000,000; and if the other nations of Europe should do the same it would involve a loss in all of over \$28,000,000. And France, with more silver than any other nation in the world (outside of India, where they have about \$1,000,000,000 and a single silver standard), and still accumulating gold as well as silver, is admitted to be the most prosperous nation in the world to-day, notwithstanding the \$1,000,000,000 in gold paid to Germany as indemnity for the war, over \$800,000,000 as the cost of that war, as much more expended in providing against another war of like kind, and a loss of a large portion of her most productive and richest territory.

I have only spoken of France, as it is the most important of the silver using nations; but the other nations included, there is about \$1,000,000,000 of silver in use in Europe of a full legal tender valuation—at over three per cent. less than our standard dollar—at a value which would make our dollar worth one hundred and three cents, and yet you do not hear of a clipped five-franc piece, or a short weight thaler.

#### THE BRITISH EMPIRE HAS VIRTUALLY A DOUBLE STANDARD.

Thus far I have not alluded to Great Britain, desiring to treat it by itself. England is known as a single standard nation, acknowledging only gold as money, except about \$90,000,000 subsidiary silver coins. But the British Empire has virtually a double standard—gold in the British Isles and silver in India—thus reaping the advantages of a double standard while she poses before the nations of the world as an illustration of the blessings and benefits of a single standard and invites them to follow her example that she may reap the reward of their folly. It might, and probably would, defeat her purposes in the end if all nations should follow her advice; but of this she has no fears, and as long as there is found a powerful faction in the United States to struggle for it, and agitate the question, so long will the price of silver be depreciated and England reap the advantage. She does not produce silver, but is the largest coiner of that metal in the world, and as a matter of course wants cheap silver. The English merchant buys silver at fifty or fifty-one pence per ounce and ships it to India and has it coined into rupees at sixty-one pence per ounce. Is it at all singular that he should favor anything that would keep down the price in the United States, the greatest producer in the world? And just here I would like to call

the attention of the American farmer to the bearing of all this on *his* industry.

#### CHEAP SILVER MEANS CHEAP WHEAT,

Bringing the farmers of the United States into direct and sharp competition with the pauper labor of India. Thus the English merchant buys silver in the London market, at say, fifty pence per ounce, and ships it to India and has it coined into rupees at sixty-one pence per ounce, with which he buys wheat, cotton, or anything else which we produce, and which he ships back to England, or any part of Europe that they want it, making the difference between fifty pence and sixty-one pence per ounce, and of course is able to sell cheaper than we can in the same market. We gratuitously furnish him with cheap silver, in return for which he not only does not buy our other products, but turns it into a club with which he beats out our brains. Thus the American producer who helps to depreciate the price of silver, either by direct effort or by failing to lend aid and comfort to those who are fighting its battles deprives himself of a home market, by killing the miner as well as a foreign market, and like Byron's "Struck Eagle" must eventually

"View his own feather on the fatal dart  
And wings the shaft that quivered in his heart.

There are other ways in which the American farmer is affected, but as it would take much space to show them properly, this will suffice. They point to the large imports of the gold that England receives as evidence of the advantage of a single gold standard, but an examination of the reports of the movements of the precious metals shows that this gold that is received in the London market speedily finds its way, for the most part, to France and other double standard countries of continental Europe. The Bank of England reserve is about one hundred and twenty millions of gold, with no silver, while the Bank of France has two hundred millions gold and two hundred millions silver.

#### THE CAUSE OF THE DECLINE IN SILVER.

The demonetization of silver by the United States and Germany was undoubtedly the cause of the decline in the price of silver, and the increased production had no bearing on it. The product of silver, annually, is less than \$90,000,000, of which the arts and sciences consumed about \$40,000,000 last year, and this annual consumption for other than monetary purposes is increasing. The growing wants of the world are not met by what is left, as will become apparent in a few years. Some time ago Germany became insane on the single gold standard theory and attempted to sell her silver, of which she had about \$300,000,000, or exchange it for gold in the London market. If the price had kept up she would have lost about \$50,000,000, but as the increased supply in excess of the then present

wants immediately sent down the price, there is no limit to the loss she might have sustained had she persisted in her intentions. However, she soon discovered her mistake, which was England's gain, and stopped her sales, although still remaining ostensibly a single standard nation, which it is only in law and not in practice. She has made no sales since 1879. It is noticeable that the financiers of Germany who advised this course are not now the advisers of the Government, their services having been dispensed with, and those whose voices now have the greatest weight in that country have a decided leaning towards the re-establishment of the double standard, while silver is used just as formerly by general consent.

There can be but little doubt that the convulsions that shook the financial world at that time were produced by this attempt to demonetize silver.

I would here say, what I believe I have not mentioned previously (and if I have the repetition will do no harm), that India has \$1,000,000,000 in silver, coined at a valuation of more than three per cent. less than our standard dollar, making in Europe and India \$2,000,000,000 coined at a valuation that would make our dollar worth 103 cents, our standard being sixteen to one, theirs fifteen and one-half to one. And in the face of these facts they propose to demonetize our dollar, suspend coinage, or increase the weight to correspond *not with the money of other nations*, which it now exceeds in value, but, forsooth, to meet the demand of the London market, where they buy it for the express purpose of coining it into a legal tender money at a less value than ours. Is this insanity or dishonesty, or an unhappy combination of the two?

#### THE SITUATION IN THE UNITED STATES.

Having taken a view of the situation in foreign countries, we will now return to our own. Previous to the demonetization of silver by the United States and Germany, it was at a premium of three to four per cent., selling as high as six and one-half pence per ounce (and, I think, higher) in the London market. This I know from my own observation, the company by which I was then and am still employed realizing a profit from this source of \$15,000 in one year. The philosophy, or financial acumen, that would demonetize silver now would demonetize gold then. In fact, the financiers and political economists of that day, when California and Australia were pouring into the laps of nations such a flood of gold, were as much alarmed for fear gold would depreciate in value as the same class are now about silver. But the increased product of silver *now* bears no proportion to the increased product of gold *then*, and is much less likely to depreciate the value (unless assisted by insane legislation) than it was to lessen the value of gold then; and we have seen how supremely absurd were their fears.

I said in the beginning of this paper that the newspapers were knowingly deceiving the people of the East on this subject, at the instigation of the bankers and capitalists. I wish to modify that

assertion. I am not sure that they are not deceiving *themselves* to some extent. The capitalists and bankers, who talk oracularly and pose as the great repository of all human knowledge on the subject of finance and currency, even if they were honest in their teachings, would be very unsafe guides, as is shown at several periods of our recent history when they might have enriched themselves but for their blind adherence to the "Gresham law" and other fallacies that are hoary with age and as absurd as they are old.

Upon the passage of the Act of February 28, 1878, remonetizing silver and providing for its coinage, a syndicate of the leading bankers of New York, acting on their pet theory that such a law must so affect the credit of the Government that it would be impossible to refund the public debt at a lower rate than five per cent., abrogated a contract which they held with the Government to take two hundred millions at four and a half per cent. But a month after, having a recognition of their mistake forced on them by public events, they were petitioning the Government for the privilege of floating fifty millions at four and a half per cent., and other syndicates were besieging the treasury to get them at four per cent. In less than a year and a half afterwards the latter named bonds had been sold to the extent of seven hundred million dollars, and are now held at a premium of twenty-two or twenty-three per cent. They solemnly predicted that in consequence of the remonetization of silver, resumption of specie payments were utterly impossible. The fact is, as every one knows, that resumption was accomplished without causing a ripple on the surface; the coinage of silver making it *possible*, instead of *impossible*, as they assured us. And what is remarkable and somewhat ridiculous about this matter is that these bonds, which they assured us could not be sold for less than five per cent. (but were sold for it) in consequence of the remonetization of silver were made payable—in gold? Not at all, but in standard coin of the United States, which means either gold or silver.

You perceive the purchasers were not posted on the disasters to follow silver coinage and the depreciated coin, chipped dollars, etc., but they are now suffering for their ignorance in holding a bond that is now worth twenty-two per cent. too much. They asserted loudly and acted on their belief to a greater or lesser extent that the re-establishing of the silver dollar as money would immediately drive gold out of the country, in obedience to the "Gresham law." What are the facts? So far from said prediction being verified, gold commenced to flow into the country and into the United States Treasury and has continued to do so, with slight intermissions, ever since, showing a gain since that time of over three hundred millions dollars. Here are the figures for the first four years: June 30, 1878, gold in circulation, including bullion, \$247,430,000; November 1, 1882, gold in circulation, \$576,105,000; gain in four years, \$319,675,000; coinage of standard dollars for same time, \$119,089,875. I have not the figures to show the situation at the present time, but the relative position is not changed to any extent. What a comfort to have a "Gresham law!" Again, they, the bankers, opposed the law re-

funding so large an amount of the public debt at three per cent. and influenced the President to veto it, thus depriving themselves of the bonds requisite as a basis for their circulation. They are now clamoring for a bond at two and one-half per cent. I might cite other instances in which their judgment or integrity has been at fault, but the above will serve to show that they are unsafe guides.

#### A WORLD-WIDE CONSPIRACY.

The object they have in view is to demonetize silver, reduce the metallic basis of money (nearly one-half as it would do), and thus double the riches of the rich. This is not the action of our bankers and capitalists alone, but a world-wide conspiracy, at least tacitly understood, to contract the currency of the world. To this end they are now working in the East to procure a change in the Constitution which will deprive the greenback of its legal tender property, after vainly trying to have the Supreme Court pronounce it unconstitutional. This is the object they have in view in which they all work in unison. With the aid of all the bankers and capitalists, now they hope to strip the business man, the merchant and the poor, and when this is accomplished the banker of a few millions, who chuckles over his success, will be gathered in like the rest, and the Rothschilds, Barings, Vanderbilts and Goulds will reign supreme. But meanwhile the poor, and those who are moderately well off, must suffer.

But to return to our mutton. Despairing of bringing about demonetization again, as they did before by trickery, they propose various plans by which they hope to destroy its usefulness. One of these plans is to put 480 grains in the standard dollar, to bring it to the standard of the London market. It now contains 412½ grains. This would be equivalent to a discount of between sixteen and seventeen per cent. It would not affect the present price at first, as we are paying about that discount now, but it would be making permanent the degradation of silver, which is now only a temporary condition, brought about by unwise legislation. This, they claim, would create a demand for it. No doubt. It would be in effect to diminish permanently and absolutely the value of silver sixteen per cent. in order to create a demand for it to that extent. If this philosophy is good, why not make it 900 or 1,000 grains, and increase the demand for it 250 per cent.? It would be all right for everybody but the producer. In all these calculations there is one important factor left out, namely, the miner. He would like to be heard, gentlemen of the banks, before you finally determine upon this plan.

The farmer might find or create a market for his wheat in the same way, by increasing the weight of his bushel and selling at the old price. He would sell more wheat. If the object is simply to get clear of the silver there are easier ways than that to do it. And why, in the name of all that is sensible, should we, who produce nearly half of the silver in the world, stop its coinage, cease to use it and send it to nations that do not produce it, at a price that will

enable them to turn it into coin at a valuation three per cent. less than we now give, to be used in producing commodities that come in competition with our own, with an advantage in their favor of from fifteen to twenty per cent., *given them by ourselves?* Why should we, one of whose chief industries is the production of silver, combine to destroy its value when it is coined and used in Europe at a full legal tender value to the extent of nearly \$1,000,000,000? And in India another \$1,000,000,000, at three per cent. less than we give it in our standard dollars?

#### GOLD AND SILVER NOT COMMODITIES.

They talk of supply and demand regulating the price of silver and gold just as it does any other commodity; but gold and silver are not commodities in the sense that wheat and cotton are. These articles are *the* means of life and consequently have an intrinsic value. It is because, and only because, a certain amount of gold and silver is received at the Mints of the world as the equivalent of one dollar, that they have that value. Take from them that property and see how long their intrinsic value will hold them at their present standard. Gold and silver are not necessities of life, but the means, with an arbitrary value, of procuring them.

It is kept before the people in the New York daily press that the currency is being inflated by the enormous coinage of silver and the Treasury depleted of gold by this worse than useless purchase of silver. This hardly challenges the attention of the people. They take it for granted that it is so, but they are deliberately lying when they say it. *Silver is not paid for in gold.* There has been coined something like one hundred and eighty million standard dollars (as well as three hundred and sixty million in gold) since the passage of the Silver Bill, all of which, with the exception of the first eight millions, has been paid for in silver dollars or silver certificates; and so far from taking gold out of the Treasury it has actually contributed—put into the Treasury—between sixty and seventy million dollars in gold by the sale of standard dollars and silver certificates, the latter redeemable only in silver.

#### A POPULAR DELUSION.

In point of fact the Government is not buying silver at all, and can possibly suffer no loss where there is no outlay. It is simply coining it and holding it in trust for the people, for which piece of banking business the people pay it about one dollar in seven; that is, it takes silver from the people at sixteen per cent. discount and pays them in the same silver, of the same weight, at par. In this way the Treasury has made from twenty to twenty-five millions; that is, if all the certificates and claims against the silver in the Treasury were paid there would still remain twenty million dollars there without a claimant. Now, this is contrary to all National law that coinage should cost the people anything. They charge also



that the coinage of silver has had a fair trial and has proved a failure, and that it is impossible to force it into circulation. This I most emphatically deny, either that it has had a fair trial or that it has proved a failure. It could have no fair trial when it was discounted sixteen or seventeen per cent. in the coinage, and every officer of the Government, from the Treasurer and Director of the Mints down to the \$600-a-year dude clerk, was arrayed against it; while every banker in the East was loud in his railings against it, and took every opportunity his business afforded to prevent its reception by the people; while every prominent newspaper from Maine to Florida and from Missouri to New York through *influence* or ignorance denounced it and lied about it industriously. Almost every employe of the Government, instead of attending to his business and executing the laws, has been giving his views on finance and advising Congress, frequently in the most insolent language, how to handle the currency question; and the opinions of the Honorable J. Jones, colored porter in the Treasury Department, on the difficulty of handling and the absurdity of coining silver, were published with alacrity by the *New York Tribune, Herald, Post, Times, Journal of Commerce* and other papers, read with avidity and circulated by the banker and his friends.

#### SILVER EXECUTING ITS MISSION.

That it has proved a failure I deny, for it is to-day executing its mission as money in the form of standard dollars and silver certificates, as fully and efficiently as the gold of the country is doing in eagles and gold certificates. What difference does it make whether it remains in the Treasury, and is represented by silver certificates in the hands of the people, or circulates as coin? No one carries gold any more than silver in quantities; the certificates are more convenient. A silver certificate is no larger and weighs no more than a gold certificate. Then why should it not be as good so long as the coin is back of it? That is all the people care to know.

A wail goes up from the philanthropic banker of the East that there is nearly forty millions of silver (thirty-seven and a quarter millions, actually) in the Treasury not represented by certificates in circulation (\$25,000,000, by the way, is the profit the Government has made out of the miner); that it won't circulate; that there is an alarming accumulation, and coinage should be stopped. If this logic is good, the fact that there is over one hundred and forty millions in gold in the Treasury, not represented by certificates, should be a much better argument why the coinage of gold should be suspended. The silver in the Treasury has the same right there, and reached there in as legitimate a way as the gold, and if it were coined, as it should be, and as all civilized, and even half civilized, nations coin it, every dollar of it would be worth one hundred and three cents.

It is at the whim of the National banks when it suits their purpose to withhold or withdraw their notes, and leave the country without sufficient currency to meet the demands of business in an emergency.

This has been done, and the deficiency supplied by silver certificates. Hear what Treasurer Gilfillan says, November 8, 1881: "Large amounts of silver certificates have been paid out for gold at the Sub-Treasuries of New Orleans, St. Louis, Chicago and Cincinnati, for the purpose of moving the cotton and other crops. The National banks do not find a sufficient profit in issuing their circulation to induce them to supply the additional demand for paper circulation, caused by the increase in business. *The issuing of silver certificates by meeting the demand has averted what might have proved a serious public inconvenience.*" How does this agree with their assertion that supply and demand and the wants of trade will regulate these matters better than Congress can do it? If Congress had not provided the silver certificates they could have compelled the people to pay them a premium on their paper, besides their regular profit of four or five per cent. on their circulation. There is one of the points at which the shoe pinches.

The fact is, silver and gold notes are rapidly taking the place of National bank notes because the people have more confidence in them and prefer them, and with reason, too, for as Gladstone told a syndicate of Scotch bankers not long ago "the State is the true source of money."

#### FREE COINAGE THE TRUE REMEDY.

The proper remedy for all these troubles, and what the producer asks for as his right, is free coinage. Silver is holding its own in the currency of the country, notwithstanding all the disadvantages it labors under, and it should have just the same advantages as any other coin of the realm. The reply to this is that free coinage would bring upon us an avalanche of silver from Europe. Where would it come from, pray? None of the nations of Europe have more than they want, and as what they have is coined to par value there would be no object in it. England is constantly buying and as constantly selling to continental nations and shipping to India. They do not keep it on hand. I know that they will immediately resurrect the German bugbear, but there is nothing to show that Germany is desirous of selling any more silver. The indications are that she will soon want more to replace what she did sell. Stop the supply from the United States to the London market for one year, and you would see the price of silver go up to par. And I suggest it as a good speculation to these wealthy bankers, that they form a syndicate and buy up the silver of this country for one year. There is seventeen per cent. in it. But supposing European speculators should, or could, commence shipping silver to this country?

If silver is a commodity, as these bankers call it, what is to prevent levying a duty on it, same as any other commodity? Gold has been constantly accumulating in this country since the passage of the silver bill, notwithstanding the fact that we have been paying out over one hundred millions annually on our bonds representing the public debt, a large percentage of which are held in Europe. They

are constantly asserting that the people are anxious to get clear of their silver dollars and silver certificates. Well, they are receivable for duties, and if the people were badly scared, or the bankers themselves were afraid of them, the first place that would show it would be the Custom House. The fact is not one-fourth of the money paid in there is either silver or silver certificates. Here are the figures for sixteen months: Custom House receipts, \$198,085,000; of this were silver certificates, \$47,227,000, and the remainder, \$150,758,000 was gold, and the probabilities are that even this amount of silver certificates was collected and paid by the bankers themselves to prove their position.

They are now calling attention in the Eastern papers to last year's coinage, and leaving it to be inferred, where they don't say it, that the quantity of gold is decreasing in the country. They give the coinage of gold, which was about twenty-four millions, and the coinage of silver about twenty-eight millions, leaving the impression that there was no more gold coined, because it was not to be had. The fact is, there was left in the Treasury after the coinage of the twenty-four millions, sixty-three millions in gold bullion. This they might have coined, making the coinage \$87,000,000, the largest, with one exception, I believe, that has ever been coined (or, at least, within a great many years); and \$56,000,000 more than the coinage of silver, instead of \$4,000,000 less. But this would have been giving silver a fair show, which none of the employés of the Government propose to do, if they can help it. The silver left uncoined in the Treasury was \$4,000,000.

#### NEARLY ALL SILVER MINES CONTAIN GOLD.

It must be borne in mind that, in addition to the regular decrease of gold produced from the gold fields of the world, that as silver mining is one of the producers of gold, should that be stopped, the product of gold would be very materially lessened. Nearly all silver mines contain gold in a greater or lesser degree. The product of the Comstock was always represented as silver by the Eastern papers, although we all know that it was nearly one-half gold.

But "Who would be free, himself must strike the blow." It will not do to look supinely on to see them fight our battles in Congress. Jones and Fair and Cassidy and the representatives of other silver States are able and willing to do all that is possible for men in their situation to do, but they are outnumbered and overmatched in every way.

There is danger ahead, and much more than we realize. The present movement to suspend the coinage of silver, or increase the weight of the dollar, is but the first faint whisper of the storm that is to follow. They have educated the people to believe that the coinage of silver is sure to be followed by disaster; and if they succeed in stopping the coinage or increasing the weight, this will be followed by a powerful effort, backed by millions, to demonetize it. Their object is to contract the currency of the world and concentrate

it in the hands of the banks, reducing the poor to slavery, and making even the most powerful nations of the world their servants. What we should do is to place the facts of the situation before the people, and uneducate them, so that they will not suffer their representatives to work for the bankers. This can be done by gathering and printing the facts, and scattering them among the people as campaign documents are distributed.

*Memoranda.*

The following memoranda was attached to Mr. Farrell's paper.

GOLD.

For thirty-one years including 1881, coinage exceeded production \$1,048,979,785; used in arts, sciences, etc., \$1,542,092,215; total consumption over product, \$2,581,172,000.

SILVER.

Same time, coinage exceeded production \$1,204,614,332; used in arts, sciences, etc., \$570,702,000; total consumption over production, \$1,775,316,332.

The Imperial Bank of Germany holds \$135,000,000, of which \$101,000,000 are silver 3.06 per cent. less value than ours.

Another source of consumption or loss is the Chinese Empire, which has not entered into the calculation, and which consumed \$105,000,000 in the last eight years. All that goes there remains there.

Also losses by shipwreck and otherwise, and general loss by abrasion.

Demand for silver in the eight years ending 1883 for coinage and industrial purposes, \$162,000,000 per year, while the production has been about an average of \$87,000,000.

The gold in the country about eight months before the passage of the silver bill was estimated at \$194,000,000, and on the first of October, 1884, \$557,000,000.

The banks of France, Germany, Austro-Hungary and Netherlands had on September 1, 1884: gold, \$297,000,000; silver, \$416,000,000. The United States had: gold, \$216,000,000; silver, \$178,000,000.

England as a market one-half of year 1884: Imports—gold, \$40,000,000; silver, \$25,000,000. Exports—gold, \$30,000,000; silver, \$26,000,000.

Of \$200,000,000 produced by silver mines in the United States for five years ending 1879, \$42,000,000 was gold.

Great Britain has coined over \$38,000,000 per year for over five or six years, which it buys from us at about fifty-one pence and coins at sixty-one pence.

From 1850 to 1882 France gained by imports over exports: Gold, \$1,267,515,869; silver, \$76,523,128.

Treasurer Gilfillan says that instead of the volume of circulation of

the bank notes being regulated by the business needs of the country, it is governed by the price of United States bonds.

On motion of H. G. Shaw of Storey, Mr. Farrell's address was referred to the Committee on Memorial and Resolutions, and the Secretary was instructed to express to Mr. Farrell the thanks of this Convention.

Mr. Shaw then called the attention of the Convention to the fact that the first blow aimed at silver in this country was when, in 1853, Congress reduced the weight of a dollar in fractional coin from 412.5 grains to 384 grains. Two half dollars of the present coinage, under the existing law, is now only about seventy-eight cents. There are now some \$75,000,000 of fractional coins. To bring them up to the same weight proportionately as the standard silver dollar of 412½ grains would require the purchase by the Government of about 10,000,000 ounces of silver. The recoinage of the subsidiary silver currency would create a demand for much of the silver now lying idle.

On his motion the Committee on Resolutions were directed to consider the subject.

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## PAPER BY R. L. FULTON.

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*Mr. Chairman:* I am not accustomed to making speeches, and do not propose to attempt it here; but this silver question is one in which I feel deeply interested, and with the permission of the Convention I will read some notes concerning the history of silver which I have collected, and which may be of service to the Committee and to this Convention in its deliberations. Before doing so, will say, that before I escaped from school I was taught that cause and effect must be considered together in all important matters. No people in the world have felt the effects of the depression in silver more keenly than the citizens of Nevada; but the cause may be more remote, and I may be pardoned if I take up a few moments in pointing out what seems to me to be the most important ones.

When history first began gold and silver stood at the ratio of about eleven and two-thirds to one, and although they fluctuated on both sides of the line, yet we find them standing firmly at about eleven and one-half to one when Columbus discovered America. Herodotus, in speaking of the revenues of Darius, the son of Hystaspis, quotes them at thirteen to one; but Plato, fifty years later, asserted the ratio to be twelve to one. Three hundred and fifty years before Christ the two metals stood in Greece as ten to one, and they so con-

tinued until 170 years after the death of Alexander the Great. When Edward III., in 1345, began the coinage of gold, they stood twelve and one-half to one. During the reign of Henry VII. they stood eleven to one, and maintained that proportion from 1460 to 1540. In Elizabeth's time silver rose to ten and one-half, but fell in King James' day to thirteen and one-half to one. It was a little over twelve in 1600, 13.48 in 1626, 14.48 in 1666 and 15.209 in 1717, where it stood for over a hundred years. In 1849 it was 15.63, and rose a little in the next twenty years, when it fell rapidly several points and for fifteen years has been declining.

Silver fell a little from the time Herodotus wrote, up to 150 years before Columbus, and then rose several points. Since the year 1492 it has fallen sixty per cent. Whether the discovery of silver in Peru and Mexico had anything to do with starting it on the down grade, you can judge as well as I.

It is guessed that there was in existence in the time of Christ—

Mr. Shaw of Storey :

*Mr. Chairman*—I rise simply to ask how long the gentleman proposes to detain this Convention with his dissertation on the times of Christ and Columbus. It seems to me that what we are here for is not to study ancient history so much, as to meet the enemies of silver in this age.

Mr. Fulton declined to reply, but proceeded with the reading of his paper, as follows :

It is guessed that there was in existence in the time of Christ 358,000,000 pounds of gold and silver money. Allowing for wear, the amount was reduced to 350,000,000 up to the year 800. During this period the product was very trifling ; but it is estimated that up to 1492 the loss by wear was about made up by production. From that time there has been a continuous, but variable, increase. It resulted at first, not only from the influx of gold and silver from the New World, but from the remarkable stimulus these discoveries gave to mining in Europe. Jacobs says: "The discovery of America and the mines it contained seems to have kindled a most vehement passion for searching the bowels of the earth for gold in most of the countries of Europe." Humboldt estimates that from 1492 to 1500 the average annual shipment of the precious metals from America to Europe was about 852,000 pounds. Gold was collected by explorers in the next nineteen years and sent over to average about the same quantity per year.

In 1519 Cortez invaded Mexico, and between gifts and plunder took away 200,000 pounds. Pizarro found Peru twenty years later, and in 1545 rich mines were discovered in Potosi.

From this period up to 1600 the yield was large. Humboldt thought \$10,000,000 a year. For the next hundred years it was \$16,000,000 a year, and in the next hundred twice that amount. From 1800 to 1846 it was about \$55,000,000—

Mr. Shaw of Storey :

*Mr. Chairman*—It is with some reluctance that I again rise to

interrupt the gentleman. His paper is certainly one of great historical interest, but I submit if it is going to be of any length it will, at this time, be a serious strain upon the patience of the Convention. The hour is growing late, and the Committee on Resolutions has much labor before it. If Mr. Fulton will come down to the present day and throw some light on the factors of the problem which we are here called upon to solve, he will be contributing something toward lightening the labors of the committee. If he does not intend to do so, I suggest that the committee should be allowed to retire at this stage so that we can get down to work. In that case I have no doubt the remainder of the Convention can remain and listen with profit to Mr. Fulton's valuable, if somewhat digressive, essay on the silver question.

The Chairman—I must certainly rule the gentleman from Storey out of order.

Mr. Fulton proceeds :

The next cause for the decline of silver was the invention of the steamship and the telegraph. When they came into action, the world was doing business as it had for thousands of years before, on a coin basis, and the coin used was mostly silver. If a merchant in London or Amsterdam wanted a ship load of tea or silk from China, spices from Indian or coffee from Arabia, he loaded silver enough on his ships to pay for the purchase, and sent them sailing away with the certainty that he would not see them again for many months, and often for a year or more. This was happening with hundreds of ships going to all parts of the earth, and the quantity of silver thus employed was enormous. An important consideration, too, was that none of it ever came back. This fact became so noticeable that the Orient became known in financial circles as the "grave of silver." Its capacity for absorption seemed unlimited. A recent report shows that India absorbed in sixty-five years £256,000,000 sterling. The current of the precious metals seems to have always been exactly opposite to the march of civilization. As discovery and settlement have progressed from east to west, just so fast gold and silver have been constantly flowing backward over the same track—from Europe to Asia, and later from America and Australia to both Europe and Asia. But the methods of business have changed by the use of steam and telegraph until to-day if a merchant sends his ship to China he does not send a dollar on her. He gives the master an order on some bank in Hong Kong, or sends it by telegraph when he is notified of the arrival there. So it is all over the world. Modern methods have released coined money to a very great extent, and the result is that both gold and silver have less purchasing power than in former times. Not only has a new system of settling balances released vast sums that were formerly tied up, but Eastern nations

themselves are mining extensively for silver, and what bullion they buy they calculate on as carefully as any broker on the street.

Again, the discovery of gold in large quantities has undoubtedly had much to do with the depression in silver. For ages and ages, up to 1845, the lines on a diagram showing the relative production of the two metals would run nearly parallel, that of silver being twice as high as that of gold. In 1846, however, the gold line shoots up, crosses the silver line and rises from twenty million to one hundred and fifty million in five years. It 1869 in had descended to one hundred and twenty million and silver had risen to fifty-five million. During the period from 1848 to 1868 the enormous sum of two and three-fourth billions of dollars in gold and nearly a billion of silver were given to the world. This vast addition to the quantity of solid cash did undoubtedly help to cheapen silver. Just as fast as it found its way through the channels of trade as coin, the gold displaced silver coin on account of its being so much lighter and more convenient. I take it that there is no need of argument on this point. None of us, as much as we are interested in silver, ever go to a bank and insist on packing off even twenty dollars in silver unless for some special purpose. We prefer gold. It saves the pocket. So it is the world over. No one sends silver to pay a bill of over ten dollars. No one packs it to his saw-mill, or his mine, or to his camp on a new road to pay off his hired men while he can get gold.

When gold was found at Sutter's mill there was supposed to be something over \$9,000,000,000 in gold and silver in the world, which had been accumulating from the days of Tubal Cain up to the year of our Lord 1846. In the next twenty years this quantity was increased forty per cent., and who wonders that it upset things?

Somewhere near the same time the discovery of electro plating substituted nickel and cristofle for solid silver ware, and prevented what would have grown into a largely increased demand for silver over what we have seen.

About the time we began to feel all these forces the discovery of silver mines in Nevada and Colorado threw into an already shaky market several hundred million more of silver to be taken care of, and ever since the supply has exceeded the demand.

In 1792, when we started in business, our government coin was rated as fifteen to one; after some vicissitudes, which it might be wearisome to relate, the standard was changed, in Jackson's time, to 15.62½. In 1837 the alloys were made one-tenth all around, which changed the standard to 15.98837. In 1853 the double standard was virtually abandoned on the recommendation of President Filmore, because silver was so high that none of our coins were to be had. They were worth more for bullion than for money. The half dollar was reduced to 192 grains and was made legal tender for only \$5. Silver continued high for several years longer, nearly twenty, and in 1869 John Jay Knox, since Comptroller of the Currency, was instructed to revise the sixty confused statutes, and he incidentally recommended that the silver dollar, which he claimed had become obsolete, should be dropped from the list of coins. The bill was



before Congress for three years. It was printed thirteen times and recommended in three messages. It was passed in 1873, and provided for the trade dollar to satisfy a demand for silver in China. If the silver market had remained strong this would have done very well, but immediately silver dropped from sixty-one to fifty-nine in London. The Comstock turned out \$13,000,000 in 1872, \$21,000,000 in 1873, and \$24,000,000 in 1874, doubling the output for the whole world. Then Germany got scared and stopped the coinage of silver, taking away its legal tender value. Denmark, Sweden and Norway followed her example, and the Latin Union restricted silver coinage largely. Who can wonder that the price of silver is low when the demand is cut off so greatly just at the time when the supply is doubled?

Now, Mr. Chairman, what can we say for the future? May we hope that bottom has been reached, or is the divergence between the two metals, which has been going on unceasing for four hundred years, to continue or not? Is there not some hope that with the decrease in the gold production, and the increase in the use of both gold and silver in the useful arts, that a demand equal to the supply may be made? And may we not very properly inquire whether we cannot help these natural causes along by some means or other? We all know how easy it is for a very trifling over-production to knock a market. A few seasons ago one man on the Truckee river who had a few hundred tons of ice put up, fought all the other companies combined and kept prices down until they were glad to compromise. He threw in a handful here and there where it would hurt the most, and they had to meet him. It is so with every commodity, and with silver and gold as much as anything else.

I think a market could easily be provided for silver if all nations would give it free way as money, using it wherever change is needed or small sums in actual coin. If Germany, Scandinavia, the Latin Union and the United States would use it for daily trade among the people, for which it is much better fitted than either gold or paper, it would make use for many millions of dollars. I would certainly favor an appeal to the authorities to cease the issuing of any paper or gold money under ten dollar denominations. This would do away with over \$127,000,000 in paper and over \$15,000,000 in fractional currency. This would work a benefit in two directions. It would give our silver a show, and at the same time it would relieve the Treasury of part of the large reserve held there to protect our greenbacks. The reserve on November 1, 1884, was nearly \$454,000,000, a third of which was surplus. It is held that forty per cent. of outstanding notes should be in the Treasury in coin to protect them, and if one-third of the notes could be replaced by silver it would of course release a third of the reserve, which could be used to redeem bonds and stop interest. I do not know how many five dollar gold pieces there are in the country nor how many two dollar and a half pieces, but there are enough to make room for many a dollar in silver if they were retired from circulation.

The Denver Convention yesterday resolved "that it is the sense of

this convention that a law amendatory of the National Bank Act be enacted whereby said banks throughout the United States shall keep not less than fifteen per cent. of legal reserves in national silver coin, and, also, that the redemption fund of said banks shall be in silver coin.

There has been a great deal said lately about the danger of the national bank system becoming embarrassed through the Government paying off the bonds held for them as security for their circulation. It strikes me that we could help ourselves and them also by allowing them to put up silver coin or silver bullion in place of bonds. If the tax of one per cent. on circulation was taken off it would not be far from being an even thing, for the bonds are at twenty-two per cent. premium, and the banks can only issue ninety per cent. on their face, so that what little they get back in interest amounts to nothing. The objection might be raised that the Government could not find vaults to keep the silver bullion in. They need not have vaults. Let the metal be cast in blocks two or three feet square, and nobody will steal them. If they are not safe then, drill holes in and bolt them together. They could be kept in any ordinary store-house with perfect safety.

The scheme of issuing silver certificates is working well, and, in my judgment, the system should be extended to every owner of bullion. Let it be weighed and a certificate issued which shall pass as money and be a legal tender for all debts.

There is another and a very strong point which might, in my judgment, be made if we were very certain of prices remaining as they are. That is to put more metal into our money. It seems to me that all countries would be an open market to us if our coin was worth its face in value. Such a change would use more silver, even if no more pieces were made than are now coined, and it doubtless would send our dollars dancing all over the world. When the present law passed the Senate James G. Blaine made a very strong speech in favor of making the dollar 425, instead of 412½ grains, and in a speech in Reno last Fall Senator Jones said that on that proposition Blaine was right. If there is not some improvement in prices before long, it seems to me that such a change would be wise.

Gentlemen, realizing the value of our time and the importance of taking some definite action in the matter before the adjournment of this Convention, I thank you for your attention, and give way that those who have matured ideas of a practical nature regarding the best ways and means of accomplishing the purpose for which this Convention was called may be heard.

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## MR. ERNST OF NYE.

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*Mr. Chairman*—I have listened with a great deal of interest to the gentlemen who have addressed us on this silver question, and it might be well for a moment to consider the anomalous condition of

affairs at the present time in this great republic. Visit the great coal mines of Ohio and Pennsylvania, and you find them practically closed. Inquire the reason, and you are told the bunkers are full; that the supply on hand exceeds the demand. Go to the rolling mills and ask why the fires of the furnace are banked, and the answer comes in sad tones that they are overstocked with iron and steel. The spinning jennies and looms of the New England States are idle. Congratulate the farmer on the fine condition of his cattle and hogs, his ample barns, bursting with grain, and he tells you he cannot sell. The money of the capitalist lies idle in the safe. Call at the humble home of the laborers and you are met on the threshold by the careworn countenance of the housewife, and while she tells you her husband is out seeking work, you see the children shoeless, in tatters, hovering over the dying embers and crying for food, and this, sir, in a land of plenty; the finest that God's sunlight smiles upon; one whose variety of climate and productive soil bountifully supplies every want of man. Our patriotic citizens of the East, North and South will soon, we hope, discover the causes of their distress and apply the remedy. We are assembled to consider the causes that have depressed the gold and silver mining industry of the Great West. If any of our Eastern friends doubt our sincerity let them for a moment reflect that many of us have come on horseback and by stage three and four hundred miles, across many snow-capped summits, and that we are each paying our own expenses. This shows that we are patriotic, that we have the good of the whole people at heart. The manufacturing industry of the United States has been suspended but a short time, while that of silver mining has been on the decline since 1873, when Congress in one night, and by a single stroke of the pen, demonetized silver, and gave a million people living in the mining regions such a staggering blow that it reduced this people, you might say, to poverty.

Our people are on the eve of abandoning their mines, mills, furnaces, stock and agricultural ranches, and the homes in which their children have been born, and seek habitations in other parts of this Union. Can our fellow citizens in the East afford to exile us by continued hostile legislation? Let us consider a few facts, easily verified, and pertinent to the subject. Silver mining in the last twenty-five years thoroughly explored this country from the borders of Kansas to the summit of the Sierras, from the British possessions on the North to the Mexican boundary on the South, and settled it with a million of the hardy, enterprising people of this nation, thus erasing from our old maps the Great American Desert. This vast area now contains real and personal property—mines excluded—equal to the national debt. Besides great quantities of copper and lead, it produces one-half of the annual silver product and one-ninth of the annual gold product of the globe. And yet, with all this property and annual production, this great mining region is languishing and its possibilities paralyzed, because the strong arm of the law and an unfriendly Secretary of the Treasury has depreciated the value of our silver seventeen and eighteen per cent. Is there an industry in

the world that can pay this tax and live? Is it not a shame and a disgrace that this great American Government, that we laud so highly in our orations, should profit by this tax of over \$1,000,000 annually and allow the money changers of London to make a like annual amount by discounting the surplus that we are forced to sell abroad? It is the \$8,000,000 that we thus lose annually that is hurting us and clogging our trade with the manufacturers in the Eastern States. After an immense effort Congress, in 1878, gave us an Act fixing the coinage of the standard silver dollar, and limiting the same to a maximum of \$4,000,000 and a minimum of \$2,000,000 per month, with the proviso that the silver should be bought at its market value—now \$1 08 per ounce—and paid for with dollars or silver certificates, coined at \$1.2929 per ounce. To illustrate: The miner takes a bar of fine silver weighing 773½ ounces to the Mint. The Government coins out of this one thousand standard dollars. It gives the miner eight hundred and twenty silver dollars and puts one hundred and seventy into the National Treasury for its own use.

In order to cheapen silver, the Government coins only about one-half of our silver product and forces the miner to sell the surplus, for he is not able to hoard it, to the London bankers, thus bringing him into competition with other silver producing countries. The cheaper silver is the greater is England's profit. Her India possessions use only silver as a medium of exchange. Hence, the more competition there is to sell silver to England the better it pleases her merchants. See them rub their hands and chuckle as they contemplate the present situation. They take our silver at eighty-two cents on the dollar and pay it out at par in exchange for wheat, rice, cotton and raw materials, thus supplying the English market to the detriment of our farmers and laborers. With these facts staring us in the face, we are told, sir, by our financial officers, that the people of the United States are opposed to the unlimited coinage of domestic silver bullion; that the national vaults are full of coined dollars; that the people have all they want, and that to continue the coinage and force it into circulation would compel our merchants and bankers to use a cart and shovel when they settled their balances. The United States, with a population 54,000,000, and rapidly increasing, has a silver circulation but little over \$200,000,000, while France, with a population of only 38,000,000, has a silver circulation of \$500,000,000. France to-day is the most prosperous nation in Europe.

Now, sir, we are all cognizant of this fact, that the American people are partial to a paper currency, because thousands of dollars can be carried in the vest pocket with convenience and safety. All the people ask is that it should be a legal tender at its full value for all debts, public and private; that it should be as readily taken in Maine as in Florida, and when carried from New York to San Francisco it should neither suffer a discount nor command a premium. This is the present status of the greenback and national bank note, though both are mere promises to pay and founded on the good faith of the Nation. The Resumption Act made them par. Our silver mines made that Act possible.

I see it stated that in less than twenty-five years our vast national

debt will be extinguished. Hence it naturally follows that our greenbacks and national bank notes will be gradually retired. Last year \$24,000,000 of national bank notes went out of circulation by being called in. This state of affairs will continue until the last note disappears. Then what will the people do for a paper currency? Create State banks for the purpose of issuing wild cats? No; never. The experience of '57 with that kind of currency is yet too fresh in our memory. What would do more for the permanent credit of the Government or be more conducive to the prosperity of its citizens than a paper currency represented by its equivalent in gold and silver bullion deposited in the United States vaults? That bullion would represent an intrinsic value that every nation would recognize. How long would it take trade and commerce to absorb the coined silver now in our vaults if the one and two dollar greenbacks were retired? Our Eastern friends say it is expensive to build vaults to store bullion. We say that the annual saving to the nation is at least ten times the annual cost of such vaults and the required guarding. Let us figure on this. Political economists of all nations estimate the annual loss and wear of gold and silver, when used as a circulating medium, at one and one-half per cent. of its value. Now, replace the \$700,000,000 currency outstanding with coin and the annual loss to this nation would be \$10,500,000. Most assuredly an important factor in the welfare of this country, and one that should be given due consideration; for the whole people would fall heir to the value of every gold and silver certificate that would be burned up or lost, as is now the case with our greenbacks.

By the time our National debt is paid we will need a thousand million dollars at least, in gold and silver, for a circulating medium; and where is this vast sum to come from? During the Christian era there has been but one Potosi discovered in South America and but one Comstock in the United States. It is a potent fact that the rich deposits of silver in the United States and exposed on the surface are worked out; also that silver mining, like any other industry, after deducting a fair per cent. for the capital invested and the average risk of mining, produces a dollar's worth of silver at the expense of a dollar's worth of labor and supplies. Every intelligent citizen can tell by our poverty that it costs \$1 29 to produce an ounce of silver. Silver mines are exhaustible. The ores that are left in the mines are low grade, therefore there is no danger that there will be an over-production of the precious metals. Indeed, it is to be ardently hoped that our mines during the next twenty years will yield enough gold and silver bullion upon which this nation may be enabled to base its paper currency. Our opponents tell us we cannot fix the price of silver, that we must ask England and Germany to join us in the attempt. What, ask these two nations who hold a thousand million of our bonds, payable in gold and silver, and to whose interest it is to demonetize our silver and force us to pay them in the scarcer metal, gold, ask them, I say, to change their policy? As well ask the winds to be still. The citizens of those two nations hold about eight thousand millions of foreign debt on which they draw interest.

They speculate on the misfortunes of other nations. What a bonanza our civil war was for them. How pleased their capitalists would be if we should get into war with some nation so that they could buy more of our bonds at a discount. But, sir, the United States, producing one-third of the annual gold product and one-half of the silver product of the world, has it in its power to be the banker of the civilized world. The mere fact of storing its bullion in the National vaults and thus withdrawing it from England will raise the price of silver, for England must get silver for her India possessions. Has not the United States the ability and the resources to horde three or four hundred millions of silver during the next ten or fifteen years? And if she did would it not make her feared abroad? Would not Europe respect the Monroe doctrine even if this silver does belong to the people who are holding the certificates? They tell us this plan would flood us with foreign silver. Nonsense! We have exported silver right along, and surely as a sovereign nation we have the power to prevent imports of that metal. If Germany can keep out our hog why can we not keep out her silver? Sir, we ask this legislation of Congress in our own behalf; we ask it in behalf of the thousands of the unemployed in the Eastern States; we ask it in behalf of the manufacturers and merchants; in behalf of the American farmers; in behalf of our common prosperity, and in the interest of trade, commerce and the permanent credit of the United States.

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## MR. MORRISON OF ORMSBY.

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*Mr. Chairman:* I have listened with great interest to the discussion thus far had on this great question, in the interest of which we are assembled here to-day. I concur in the main with what has been said here, but when, as has been asserted, the law of 1878, which gave us a maximum coinage of 4,000,000 silver dollars, has proven a failure, I must dissent from such conclusion. Owing to the unfriendly attitude of the Secretary of the Treasury, we have never had the maximum coinage; but, in my humble judgment, even the minimum has been of great benefit to the silver producing States and Territories of the Nation. As the matter now stands, not over half the silver product is coined, and the miner, being too poor to horde the uncoined surplus, is compelled to sell it. Suppose we could have the \$4,000,000 coinage instead of the \$2,000,000, will any gentleman tell me we would not be in a better condition? So if we could have \$12,000,000 we would be in still better condition. So I say that while the law of 1878 was not what should have been given us by the Congress of the Nation, yet it has not been, as has been asserted, a failure, but has been some little relief, as without it silver, instead of being at a discount of from 17 to 10 per cent., would, no doubt, be double that discount. But what we have a right to demand is the free and unlimited coinage of silver on the same conditions as that of gold. The money function of silver is as well estab-

lished as is that of gold, and if the Pacific States and Territories will present a solid front on this one question, refusing to enter any by-paths, or switch off on any side-tracks, the time will come, and that, too, in the near future, when silver will stand side by side with her sister metal as a measure of value. Thus far, it must be remembered, the few defenders of the rights of the people on this silver question have been fighting, single-handed, the money sharks of both continents. I own, Senator John P. Jones has made a noble fight, but the odds have been against him, and now the people have been aroused. Colorado has spoken, Nevada is now in the act of organizing, and for the purposes of this undertaking we can count on all the silver producing States and Territories west of the Rockies, covering about one-twelfth of the entire earth's surface, and, Mr. Chairman, when once organized and at work in real earnest a flood of light will be shed upon this subject that will put to shame the present organized vandals that would pull down the interests of the people and degrade silver from the position of a measure of value to that of a mere commodity. Let us then keep the question of free and unlimited coinage in view all the time, for in unity and the justice of our cause lie our strength. Discount on silver is but another name for the inflation of gold, and the middlemen are standing hand in hand with the Wall street and London brokers to inflate gold, and the less silver there is coined the easier to create a corner on gold. The idea of the silver certificates and the retirement of the small paper money is a good one, but better still to wipe out all the National banks.

Mr. Chairman, in my judgment, the idea of our own Legislature in asking Congress to place a tariff on foreign silver was an unwise step, for by so doing we took one step in the direction of taking from silver its money function. When we get free and unlimited coinage and the demonetized silver of Europe begins to flow over here to our disadvantage, it will be time enough to take steps to keep it out, but to memorialize Congress to give us free and unlimited coinage for silver which would place it side by side with gold, where it by right belongs, and in the same breath, as it were, ask that it be treated as if it were what its enemies would degrade it to, namely, a commodity, it seems to me to be not only inconsistent and unwise, but a severe blow dealt at the very interest we desire to uphold. Silver was the currency of the world centuries ago, and will be in centuries yet to come. This is an age of association, and while other industries are joining forces to uphold and further their business interests, the silver producers will from this time forth be found doing earnest battle with the few rich money sharks that would deprive the miner of his just due, and the Government, that for years has occupied the position of toll gatherer, must be forced, by public opinion, to deal justly and honestly by this great product of her own people.

H. G. Shaw of Storey thought that the idea of free and unlimited coinage naturally carried with it the idea of a protective tariff on foreign silver. The ratio in Europe was sixteen ounces of silver to

one of gold, while in the United States it was fifteen and one-half to one. Once throw open our mints to the unlimited coinage of silver, and foreign silver would flow in in such a mighty stream that our own silver producers would find all the advantages of the law lost to them. It should be borne in mind that a tariff on silver meant a tariff on other people's silver, not on our own. If silver mining is to be regarded as an industry, no sentimental reasons should prevail against its being protected like other native products. We should work to the end that American silver shall enjoy all the benefits of a free coinage law in this country, and with the present antagonism to silver abroad a protective tariff would be the best means to pursue to secure those benefits.

T. J. Bell of Nye said that he had no confidence in the project of securing the unlimited coinage of silver, but that free coinage to the limit of the present law, he thought, might be secured and would be sufficient for present demands. He thought the tariff memorial passed by the last Nevada Legislature virtually recognized silver as a commodity, and was a step in the wrong direction.

W. C. Dovey, of Lyon, said that he was a member of the last Legislature, and introduced the silver tariff memorial alluded to. He said that his idea was to impose a tariff on silver equal to the discount on it in the London market, and that he still thought the principle a good one.

J. H. McMillan offered the following resolutions, which were read and referred to the Committee on Memorial and Resolutions:

WHEREAS, Through the mining sections of these United States there now exists grave abuse of the rights of miners and citizens generally in the manner of holding and working mining ground; it now being a common practice in mining sections for claimants to hold claims without performing any labor upon said claims; that in many instances, notably upon the Comstock Lode, no actual mining has been done within the limits of many claims for years, while at the same time numbers of citizens, condemned to enforced idleness, are not permitted to work upon these actually abandoned claims, the condition of affairs upon the Comstock are found existing in many mining camps in the State of Nevada; therefore,

*Resolved*, That our representatives in Congress be requested to use their influence to have created a committee to revise the existing mining laws of the United States, and, if possible, so revise these laws that hereafter a person's title to a mining claim of any kind shall consist in actually using and in the continuous working of said claim; that when such work has not been performed for a period of sixty days, such claim shall be considered abandoned.

*Resolved*, By this Convention, that whereas the State University,



as it as at present conducted, is not filling the purposes for which it was created, we respectfully recommend to the Honorable the Legislature of the State of Nevada the re-establishment of the office of State Mineralogist, who shall be appointed by the Regents of the State University, and who shall be a graduate of some reputable school of mines or metallurgical college; that all the branches of education be taught in the university which are included in the terms of the Congressional grant, and in order to better attain that end we recommend a mineral reduction works be established for the accurate and successful treatment of ores in quantities of one ton and upwards, which may be produced from any mine in the State, at a cost not exceeding — dollars per ton, and above the actual cost of reduction, which reduction works shall be under the management of the State Mineralogist, who shall hold his office for the term of four years unless removed for cause. The Regents shall consist of five members, to be appointed by the Legislature, who shall serve without compensation. That in connection with said reduction works a mining bureau be established for the dissemination of data connected with the reduction of silver in this State. That it is our opinion that it will tend largely to invite the investment of capital, and bring to our aid such National legislation as will ultimately advance the silver mining industry of this State.

Robert Briggs, of White Pine. offered the following, which was read and adopted :

WHEREAS, In the formation of the Federal Union it was decreed for the benefit of every State and Territory under its control, and the protection of all the industries of every section alike ; and

WHEREAS, The producers of silver are obliged to contribute more than one-fifth of the products of their mines to the United States Mints for its coinage, and coinage being an exclusive monopoly of the government, is managed in an unjust and arbitrary manner, to-wit : Coining gold bullion on demand and refusing the same privilege to producers of silver bullion ; and

WHEREAS, As aforesaid, the future prosperity of our State is dependent directly upon its gold and silver products ; and

WHEREAS, The great number of mines now idle in this State suggests and demands some prompt and effective action on the part of the friends of silver, whereby its value in the markets of the world may be enhanced and the cost of its production decreased ; and

WHEREAS, The members of all other leading industries of our country have associated themselves together for mutual protection ; therefore, be it

*Resolved*, That this Convention proceed to organize an association for the purpose of securing concerted action in matters relative to the mining interests of Nevada, and especially in resisting the efforts that are constantly and persistently being made by the enemies of silver to degrade it from its proper rank, and that a committee of

seven be appointed by the chair to prepare the necessary constitution and by-laws for the government of such association, and to report the same to this Convention.

The Chairman accordingly appointed the following Committee on Constitution and By-Laws:

Robt. Briggs, of White Pine;	C. S. Preble, Ormsby;
M. N. Stone, of Storey;	J. Schooling, Washoe;
Andrew Maute, Nye;	J. Poujade, Lincoln.
J. M. Jones, Esmeralda;	

On motion of J. H. McMillan of Elko it was ordered that the Legislature of Nevada be memorialized to have five thousand copies of the full proceedings of this Convention published in pamphlet form for general distribution.

On motion of J. Poujade of Lincoln all resolutions and papers read before the Convention were referred to the Committee on Memorial and Resolutions.

Lieutenant-Governor Laughton offered the following, which was adopted :

*Resolved*, That the Nevada Silver Association be, and are hereby requested by this Convention, to organize the Association by the election of the proper officers, and by the observance of all other necessary preliminaries, at the earliest possible moment, and when so organized to take into consideration all the questions pertinent to its organization; and by memorial to the Legislature now in session, suggest such changes in the present laws as would subserve, enhance and benefit the silver interests and its production within this State.

At four o'clock P. M. a motion to take a recess until eight o'clock P. M. was adopted.

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## EVENING SESSION.

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The Convention was called to order in the Senate Chamber at 8:15 P. M., C. C. Stevenson in the chair.

The Committee on Constitution and By-Laws submitted the following report, which was read and adopted :

### NEVADA SILVER ASSOCIATION.

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#### DECLARATION OF PURPOSE.

The following were submitted by the Committee and adopted :

The silver production of Nevada, being the overshadowing inter-

est to the State, and therefore the interest upon which all others are dependent, it is imperatively necessary that all persons engaged in the extraction of silver ores or who may be interested in the great silver interests of the State, should combine and bind themselves together in ties so close as to insure unity of action, against the efforts that are constantly and persistently being made by the enemies of silver to degrade it from its proper rank to that of a commodity.

That silver should continue to retain its money function, which as rightfully belongs to it as it does to gold, is the earnest conviction of this Association.

That the United States Government should accord to silver free coinage on the same basis and subject to the same restrictions only as gold, and that the minor National paper currency should be retired and silver currency substituted therefor, is the belief and prime object of this Association, and to bring about this result by every lawful and proper means, shall henceforth be our earnest endeavor, and in accordance with these views, we do ordain the following general rules to govern our actions :

## CONSTITUTION.

### ARTICLE I.

SECTION 1. The Conventions of this Association shall be held annually, at such time and place as may be determined by a majority *viva voce* vote of all the members of the Association present, at any regular or called meeting. Should the Association for any cause fail to fix the time and place, then the President, or in his absence, the Vice President, shall cause the Secretary to issue a call for the Association to meet at some place to be designated in the call.

SECTION 2. The call provided for in Section one shall be issued at least thirty days prior to the date of holding the Convention, and shall be advertised in at least one newspaper published in each county represented in the Association. In the absence by death, resignation or otherwise, of the President and Vice-President, the Trustees, or a majority thereof, may direct the Secretary to make such call.

SECTION 3. A quorum for the transaction of business shall consist of at least twenty-five members.

### ARTICLE II.

SECTION 1. Membership may be acquired during the sessions of the Association upon the recommendation of any member and a *viva voce* majority vote of all the members present; and during the annual recess of the Association, upon the recommendation of two members he may, in writing, countersigned by two members, make application to the Secretary and authorize said Secretary to sign the applicant's name to the Constitution.

SECTION 2. To enable persons who reside at a distance from the

location of the Secretary to consummate membership, signing the Constitution in the manner provided in Section one of Article II, shall constitute membership in the Association.

### ARTICLE III.

SECTION 1. Each applicant for membership shall pay into the Association as an admission fee, the sum of five dollars

SECTION 2. Each member shall pay as annual dues, five dollars.

SECTION 3. Assessments may be levied when deemed expedient, by a majority of members present at any regular or called meeting of the Association.

### ARTICLE IV.

SECTION 1. The officers of the Association shall consist of a President, one Vice-President, one Secretary and one Treasurer, all of whom shall be elected annually and by a *viva voce* majority vote of all the members present.

SECTION 2. The officers shall perform such duties as the Association may direct.

SECTION 3. There shall be elected annually three Trustees, who shall perform such duties as the Association may direct.

SECTION 4. There shall be elected annually a Finance Committee, to consist of three members, whose duty it shall be to attend to all matters of a financial nature that may be referred to them.

### ARTICLE V.

SECTION 1. The Association may make such by-laws as are deemed necessary, and not in conflict with this Constitution.

SECTION 2. This Constitution may be amended at any regular or called meeting of the Association, by a *viva voce* vote of two-thirds of all the members present. The undersigned members of this Association hereby pledge themselves to maintain the principles announced in the foregoing Constitution.

A. C. Ellis, Chairman of the Committee on Memorial and Resolutions, submitted the following report :

WHEREAS, The agitation in financial circles against the continued coinage of silver in the United States has assumed so serious an aspect as to menace not only the silver mining industry of the country, but to depreciate the prices of all agricultural products, to greatly increase the burdens of the debtor class and to greatly lower the wages of every kind of labor ; therefore, we, the people of Nevada, in Convention assembled at Carson City, January 31, 1885, do hereby declare as our deliberately-formed conviction, that the said agitation is based upon glittering fallacies, false premises, perverted

figures and distorted facts. As evidence of the justice of our position we submit the following self-evident propositions, of the truth of which we challenge successful contradiction :

First—That while the United States of America includes only four per cent. of the population of the globe, it annually produces one-third of the gold and one-half of the entire silver product of the civilized world.

Second—That to paralyze the silver industry in the United States is to rob the world of one-ninth of its total gold product, that being the proportion of the world's gold crop harvested from American silver.

Third—That owing to hostile legislation, both in Europe and in the United States, against silver as a monetary metal, its natural function as a medium of exchange has been greatly though not irretrievably impaired, and the value of its twin metal, gold, correspondingly inflated, thus diminishing the volume of available specie for the business of the world.

Fourth—That Great Britain, while sustaining the single gold standard at home, is one of the principal silver-using nations of the world, and is interested in depreciating the bullion value thereof in order to facilitate her vast commerce with her Indian possessions. With cheap silver in the London market she is enabled to buy wheat in Calcutta at a lower rate than she can import breadstuffs from the United States. With the American Government co-operating in the pernicious work of depreciating silver, our surplus bullion seeks the London market and becomes, in the hands of foreign capitalists, a weapon to annihilate American agriculture. Thus are our own products turned upon us to degrade and cheapen American labor.

Fifth—The annual addition to the stock of silver and gold in existence is proportionately smaller than the annual increase of population, wealth and exchange.

Sixth—The ratio of the production of silver to the production of gold continues practically unchanged ; therefore, be it

*Resolved*, That the suggestions of the Secretary of the Treasury in his last annual report to the President, that the accumulation of standard dollars in the vaults of the Treasury of the United States has resulted in great inconvenience to that Department, and that because of such fact the further coinage of silver should cease, are not worthy to be considered in connection with the vital prosperity of the people engaged in the production of silver, nor in connection with the proper solution of the question of the currency of the Republic ; but to meet such alleged inconvenience and to promote and maintain the prosperity of the thousands who have embarked their all in the production of the precious metals in our country, upon the faith of past legislation, this Convention declares that it is in favor of the enactment of such laws as will authorize and require the issuance of silver certificates for all domestic silver bullion of the required fineness, which may be deposited at the United States Mints after the same

shall have been parted and refined and the value thereof stamped by the Government upon such bullion, such value to be expressed in standard dollars of the weight of  $412\frac{1}{2}$  grains, as now required by law, and such bullion value to be estimated and determined at the ratio of \$129 29 per ounce of fine silver, such bullion to be kept by the Government on deposit for the redemption of such certificates, which shall be a legal tender for all debts, public and private. That it is to the interest of trade, commerce and the permanent credit of the United States that the paper currency of this nation should be represented by its equivalent in gold and silver in the United States Treasury at a date as early as possible.

*Resolved,* That we believe that the recoinage of the subsidiary silver coin, so that it shall carry the same proportion of silver as is contained in the standard dollar, would result in the purification of our silver coinage and in the advantageous use of much of our unemployed silver.

*Resolved,* That this Convention heartily indorses the resolutions of the late Silver Convention held at Denver, Col., which are as follows :

The States and Territories of Kansas, Colorado, Utah, New Mexico, Idaho, Wyoming and Arizona, in Convention assembled, adopt the following resolutions as a declaration of principles :

First—That we are in favor of the doctrine of bimetallism as embodied in the laws of the United States previous to 1873, and we urge the enactment of those laws at the earliest possible moment.

Second—That, in the interest of trade and commerce, we demand the free and unlimited coinage of gold and silver bullion at the present standard of coinage.

Third—We demand that Congress shall pass an Act directing the Secretary of the Treasury to withdraw from circulation all one and two-dollar bills, in order to give a larger circulation to standard dollars.

Fourth—We condemn the Secretaries of the Treasury for their unlawful evasions of the provisions of the Bland bill, and demand that clearing-house balances and obligations of the Government be paid without discriminations in gold and silver, or gold and silver certificates.

Fifth—Resolved, That it is the sense of this Convention that a law amendatory of the National Bank Act be enacted whereby said banks throughout the United States shall keep not less than fifteen per cent. of legal reserves in national silver coin, and, also, that the redemption fund of said banks shall be in silver coin.

Sixth—That until Congress shall restore silver to its ancient, rightful and constitutional equality with gold in respect to coinage, we demand a liberal construction and faithful execution of the provisions of the Bland bill.

Seventh—That the demands and recommendations about to be made are based on broader grounds than any consideration of mere sectionalism or protection of a particular industry; that they are well-nigh-forgotten terms of the wise Constitution and laws under which this nation has gained its place as the foremost people of the globe; that silver needed no such protection as is extended to the pampered industries of the East; that this question is touching the interests of every human being in this broad land, and that it involves the question of whether the debt-paying medium of the nation shall be so changed as to increase the value of the notes, bonds, mortgages and other fixed incomes and depreciate the value of all other property, and also involve the proper execution of our Constitution and our laws.

*Resolved,* That the Silver Convention, composed of delegates from the several States and Territories, of all political opinions and complexions, earnestly request President-elect Grover Cleveland to select some statesman for Secretary of the Treasury who will not labor in the interest of national banks and Eastern brokers, but will recognize the great interests of the South and West in shaping the financial policy of the Administration and strive to promote the interests of the whole people, instead of consulting the wishes of the magnates of Wall street.

The Committee on Memorial and Resolutions also reported back

to the Convention the two resolutions offered by Mr. McMillan, without recommendation, and they were referred to the Nevada Silver Association.

Mr. Ellis spoke at length in support of the resolutions, and explained fully the grievances which prompted the writing of each paragraph of the preamble and resolutions.

M. N. Stone, of Storey, questioned the expediency of adopting resolutions favoring the free and unlimited coinage of silver. He contended that we should only ask for that, the granting of which was probable. We ought to look for some grounds of compromise. We ought to be satisfied if we could only succeed in inducing Congress to enact such further legislation as should make it binding upon the Secretary of the Treasury to coin the maximum amount of silver specified in the Bland law. The enforcement of this law would, in his judgment, restore silver to its equilibrium with gold. It would be far better to ask for something that we could feel sure of securing than to demand too much and get nothing.

H. G. Shaw, of Storey, thought this was a question which did not admit of any compromise. Either we are entirely right or entirely wrong in demanding the free and unlimited coinage of silver. There was no middle ground. Mr. James Russell Lowell had enunciated a great truth when he said that while "compromise was a good umbrella it was a very poor roof." All compromises on the silver question were so many traps to catch the unwary. They had thus far emanated mainly from the mono-metallic conspirators. We must seek the complete restoration of silver to her monetary throne, or abandon the contest altogether. He was surprised that a gentleman hailing from one of the great fortresses of silver should talk about compromises at this stage, and propose adopting the halting views of a Government officer who had recommended the demonetization of silver. It was an easy matter to impale Secretary McCulloch on his own lance. In his recent annual report that officer had used this language, quoting his own words :

The suspension of its (silver) coinage might depress the market price of silver for a time, but the ultimate effect would doubtless be to enhance it. The metal which Oriental nations use exclusively for coin—and all nations to some extent—which costs, in the labor and capital required to extract it from the mines, more than its standard value as coin, cannot be permanently degraded by artificial means. The production of gold is diminishing; that of silver has practically reached its maximum, and there are strong indications that from this time the yield of both gold and silver mines will speedily decline.

At the same time the demand for both for coinage and for manufactures will increase. The very necessities of the commercial world will prevent a general and continued disuse of *either* as money. The European nations which hold large amounts of silver must sooner or later come to its rescue.

Now, Mr. President, I submit that, in the face of such an admission, from such a source, the friends of silver should stand by their guns and not yield a single inch of ground. What does the Secretary of the Treasury mean when he says that the standard value of silver coin cannot be permanently degraded by artificial means? When he uses the word "artificial," I apprehend that he means the hostile species of legislation which has thus far contributed so much, if not altogether, to the degradation of silver. If silver cannot be permanently degraded, and we certainly do not believe it can be, let us from this admission of our Secretary of the Treasury draw new inspiration to continue to firmly resist all efforts to degrade it either temporarily or permanently. The Committee on Resolutions have worked hard to-day in the effort to reflect intelligibly the sentiments of this Convention, and I, for one, hope that their report will be adopted.

Mr. Ernst said that he believed the resolutions ought to be adopted. There had been some differences of opinion in the Committee, and the whole ground had been thoroughly gone over and all differences adjusted. We must show the enemies of silver in the East that we are thoroughly aroused and in earnest, and that we are not dealing with a sectional question but one as broad as the continent. He contended that the resolutions submitted breathed this spirit in every line and word.

#### D. E. BAILEY OF EUREKA.

*Mr. Chairman:* I have listened attentively to the reading of the report of your Committee on Resolutions, and it meets my hearty approval and concurrence. Indeed, in the short time given that committee to report, I wonder that they have done the work committed to them so thoroughly and so well, and I congratulate them. I cannot agree with my friend, Colonel Stone, from Storey county, that the committee in their report ask too much. I know of but one safe rule in asking, and that is to "ask nothing but what is right," and, if possible, "to submit to nothing that is wrong." I honestly believe that we ask nothing but what is right, and that we ask nothing that is wrong, and therefore I hope the report of the committee will be adopted by this Convention, without erasing a letter or line, and that no jot or tittle thereof shall be abated.

The question was then put and the resolutions submitted by the Committee unanimously adopted.



John H. Dennis of Elko offered the following :

*Resolved*, That this Convention favors such modification of the bullion tax law in this State as will reduce the tax burden uniformly and equitably upon all classes of ores, thereby affording equal relief to the mining industry in all parts of the State.

After reading of the foregoing resolution, Mr. Dennis said :

*Mr. President*—Under the published call of the committee this resolution is a proper one for the consideration of this Convention. In fact, the nucleus of this body was a caucus of State Senators, called for the purpose of considering questions of local legislation looking to the relief of the silver mining interest in this State, and more especially the formulating of a bill which would uniformly reduce the rate of taxation upon the net proceeds of mines. That assemblage appointed the committee which called this Convention, and the call most certainly embraced everything pertaining to the silver interest, whether relating to Congressional or State legislation. Therefore this resolution is not only legitimately before this Convention but, in my opinion, it is the most important of any that has yet come up for discussion.

Mr. President, we have adopted resolutions here asking the Federal Administration and Congress to do a great deal for our relief. We have asked the Secretary of the Treasury to order coined the maximum instead of the minimum amount of silver dollars as limited by the present National law. We have asked Congress to enact a law giving us free and unlimited coinage of silver the same as its more precious and aristocratic brother, gold. While all of this was eminently proper, and no more than we in justice are entitled, should not the State of Nevada, as an earnest of her good faith and sincerity in this matter, set the example by affording herself such reasonable relief to the producers of her principal metal as may be afforded by local legislation? Can we consistently ask Congress to render us such assistance as our wants demand while we ourselves refuse to co-operate with that body in the encouragement of our dominant industry? I think that the adoption of this resolution must strike to the intelligence of every member of this Convention as a wise and judicious proceeding. It will prove to the Administration and to Congress that we are willing to do our part towards the fostering of our mining interest, even though it decreases to some extent our public revenue. It will be a graceful invitation to the authorities at Washington, executive and legislative, to follow in our wake with such wholesome policy and enactments as will complete the good work we have commenced, and which, it is to be hoped, will result in the elevation of silver to the standard of gold throughout the length and breadth of our Republic and eventually, perhaps, throughout the civilized world.

But, Mr. President, apart from these considerations, the local merits of the resolution are more than sufficient to entitle it to the favorable consideration of this Convention. The present bullion tax

law is the most unjust and discriminating that was ever imposed upon an industry which comprises the bone and sinew of a Commonwealth. It is the only revenue law which makes a man pay tax tribute upon his losses. It is the only law which assesses property higher than its cash value, for in some of the counties in this State the Assessors base their assessments upon the assay value of the bullion, when, in fact, it is worth but eighty per cent. of that amount in the silver markets of the world. The present law discriminates unjustly towards the classes of ores least able to stand the tax. It is based entirely upon the values of the ores without regard to the expense of mining and milling them. Very rich ore is usually found in very small veins, and the cost of extracting it is more proportionately greater than those of lower grade, which are generally found in larger bodies. Ores assaying thirty dollars per ton, which can be mined and milled for twenty-five dollars, leaving a profit of five dollars to the producer, are taxed proportionately less than one hundred dollar ore, which, perhaps, costs one hundred and ten dollars to transform into bullion. This is where, as I before remarked, the miner is oftentimes taxed upon his losses. The amendments to the law, which have been proposed heretofore in the Legislature, have been framed for the especial benefit of the owners of mines producing the classes of ores which, from their abundance, were best able to pay the tax. They increased rather than diminished the burden of miners in the districts where the lodes are narrow and the ore of a higher grade. I have, both as a journalist and legislator, opposed such amendments, because, as I believe, they were not conducive to the general good, and would not relieve the silver producer, who were then, and still are, the worst oppressed. What is needed is a law uniformly reducing the tax upon all classes of ores, and as nearly as possible exempting the expenses of mining and milling upon all, leaving only the residue subject to taxation. This is a reasonable proposition, and one which I am sure will meet the approbation of every just and intelligent taxpayer in the State. It must be apparent to all that the time is near at hand when something must be done to relieve the mining interest of some of the burdens which are at present crushing it down; this, or silver mining in Nevada will, at no distant period, be known only in history. In Tuscarora district, where I reside, the discount on silver, taxation, and cost of transportation to San Francisco, aggregate twenty-five per cent. of its assay value. No industry in the world can stand such an inroad upon its production. It is the duty of this State to set the example by doing all in its power, through its Legislature, to afford the requisite relief. It is the duty of this Convention to recommend that the Legislature do this. The adoption of this resolution will materially assist the friends of the mining interests in the Legislature to secure the passage of such a bill as is needed, while its rejection will strengthen the opposition to such an extent as at least to render the result doubtful. If this Convention is what it purports to be—an organization to promote the silver interest—the resolution should and will be adopted by the unanimous vote of its members.

On motion of Mr. McMillan of Humboldt the resolution was referred, with others of similar character, to the Nevada Silver Association.

Mr. Williams of Ormsby suggested the necessity of securing at least the twenty-five signatures to the Constitution of the Nevada Silver Association, just adopted, in order that the Association might have a quorum to organize, which he hoped would be done immediately after the adjournment of the Convention.

The Chairman extended an invitation to that effect, and the following names were signed to the Constitution :

Andrew Maute,	Capt. Frank Drake,
John F. Cupid,	Alex. J. McCone,
C. C. Stevenson,	Samuel Dowling,
T. J. Bell,	J. M. Douglas,
H. Harris,	W. G. Thompson,
J. O. Twiss,	O. W. Marye,
Geo. H. Morrison,	H. R. Logan,
M. N. Stone,	S. Frankel,
Eugene N. Robinson,	W. H. Blauvelt,
Samuel Liddle,	S. L. Jones,
John Gooding,	Wm. Shirley,
Samuel B. P. Pierce,	J. R. Shaw,
J. W. Powell,	Geo. H. Lukens,
C. C. Thomas,	Chas. H. Rulison,
W. J. Marsh,	J. Briggs,
E. Williams,	E. G. Stevenson,
Samuel P. Davis,	G. W. Baker,
L. W. Getchell,	Henry Rives,
John Smyth,	W. E. Sharon,
J. A. Stroth.	Robert Keating,
M. D. Foley,	Geo. Ernst,
H. G. Shaw,	M. J. Farrell,
J. C. Harlow,	Wm. H. Burns,
J. Poujade,	W. S. James,
H. G. Parker,	John Wagner,
C. S. Preble,	C. H. Belknap,
J. T. Williams,	P. N. Marker,
J. Rodenbaugh,	E. T. George,
John Young,	E. D. Boyle,
Robt. Briggs,	D. B. Lyman,
John H. Dennis,	Charles E. Laughton.

The Chairman of the Convention said that he was requested to announce a meeting of the Nevada Silver Association in the Senate Chamber immediately after the adjournment of the Convention.

A vote of thanks was, on motion of Senator Foley, passed to the Chairman and Secretary, also to the Senate committees for the use of the Senate Chamber. The Convention then, at 10:45 p. m., adjourned *sine die*.





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