

## HORR AND HARVEY.

## SECOND SESSION OF THE FINANCIAL DEBATE.

Mr. Horr Again Leads Off by Charging Falsehood Against Author of "Coin's Financial School"—Both Contestants Cite Various Standard Authorities.

Copyrighted, 1895, by Azel F. Hatch. Chicago, July 17.—The second day's session of the Horr-Harvey silver debate began at the Illinois Club at 2 p.m., and was continued to 5 p.m. Judges Miller and Vincent presided. Many notable persons were present. Mr. Horr opened the discussion again.

## Wealth and Poverty.

Mr. Horr—Gentlemen: In opening the discussion to-day I desire to call the attention of my friend to the fact that he read an essay here yesterday upon the condition of the world during the fifteenth century, especially up to the discovery of America, 1492. He read that statement without its having been called out at all by me, as I had not attacked that part of his book. But he made such an elaborate effort to show the condition of things in the world from 1400 to 1530, that I have taken a little pains to find out, if I could, whether there is any truth in the representations that he makes, and I find that history leaves him in as bad a condition in this as it does in regard to the bulk of the statements in "Coin's Financial School." In the "Economic Interpretation of History," page 34, Rogers says, in speaking of the statute of laborers of 1495, it is "considering the cheapness of the times exceeding liberal. At no time in English history have the earnings of laborers, interpreted by their purchasing power, been so considerable as those which this act acknowledges." At that time Rogers shows this purchasing power of wages was substantially 50 per cent higher than for the average for the 280 years, 1261 to 1540. In "Agriculture and Prices," page 45, Rogers says so cheap were the means of life during the fifteenth century and so good relatively speaking was the rate of wages that even the farm hand would have found little difficulty in emancipating himself.

Mr. Harvey—What year was that?

Mr. Horr—That was in the fifteenth century, that was the time when you say everything was going to the bow-wows. Hyndman, in his "Historical Basis of Socialism," doubts whether any European community ever enjoyed as great, though rough, plenty as the English yeoman, craftsman and laborer of the fifteenth century. Malthus agrees with Rogers in his rosy picture of the closing days of the fifteenth century.

Later, I shall show that in his treatment of the present, as of the past, Mr. Harvey stands as the exponent of the rich and not of the toilers, whose welfare should first be considered by the legislation of the state.

## That Monetary Commission.

Mr. Harvey—When among the fly-leaves of the "School" yesterday, to assist Mr. Horr in getting out of them I left him meditating on a verse from the Bible while I passed on to the preface of the book. I volunteered to explain the preface without waiting for it to be attacked, because gold standard papers all over the United States had charged that it was a forgery; that no such quotation as was there used was ever made from the report of any monetary commission or any other official document, and to show that the gold standard papers, as usual, were wrong, and the "School" was right, I read from the report of the United States Monetary Commission of 1876, not for the purpose of entering into an argument on political economy of the year 1400 to 1500, but simply to show that all of my friends from New York and elsewhere who had accused me of forgery were wrong. Now, I am not going to argue with Mr. Horr that the monetary commission did not know what they were talking about. He shall not get me at any point in this debate to divert my mind from the regular argument and logical arrangement of the debate. When a man can put together words that would convince an unthinking working man that he was better off to-day by far than he was in 1872, and can convince a farmer that he is getting higher prices now than he was in 1872, I would expect him to convince a crowd who are not studying history that prices rose during the dark ages at the very time that they were falling, and that laboring men were faring well at the very time when they were working as the serfs of the lords of Europe.

## Wheat and Wages.

Mr. Horr—Gentlemen, I want to say that I am surprised that my friend, after taking so long a time yesterday to prove to the people of the United States that the year before the discovery of silver in the New World silver money had become so scarce that the people were on the verge of starvation—after devoting so long a time to it that he should now accuse me of trying to divert him from the regular work before us when it is the very work he himself introduced. I propose now to clinch this business by reading from Prof. George Gunton, the author of "Wealth and Progress," who is a man perhaps as well acquainted with the laboring classes and with their history in the past ages as any man that lives to-day, a person whom I know intimately. He says, on page 140 of "Wealth and Progress," that in 1496 wheat was 5 shillings and 5 pence a-h'penny, and in 1514 it was 5 shillings and 4 pence. If we take the average for the decades in which each of these years occur, which is still better, we will find the result to be the same. The average price of wheat from 1441 to 1450 was 5 shillings and 3 pence and 3 farthings; from 1491

to 1500 it was 5 shillings and 3 farthings, and from 1511 to 1520 it was 6 shillings and 8 pence 3 farthings.

Mr. Harvey—That price is not per bushel.

Mr. Horr—No, not per bushel, per quarter, but it shows that wheat had been steadily advancing instead of going down as you claim. Now I proceed. The next thing I desire to call your attention to, is the matter we were talking about when we closed last night—the question whether the framers of the bill of 1792 intended to establish two measures of value.

## Unit of Value.

Now I have before me a letter of Mr. Leach, who was for many years the director of the mint, a man whom I know well, and who is considered authority on all the money matters in the United States. He was one of the commissioners, appointed, I think, by President Cleveland, to go abroad upon this subject. He takes precisely the same view that Judge Vincent took. He tells us, "if, as Mr. Turck says, the silver dollar was the unit which measured the value of the gold coins from 1792 to 1873, what becomes of the act of January 18, 1837, (supplementary to the act of 1834, which changed the ratio in coinage to 15.98 to 1), in which acts no reference whatever is made to units, but in prescribing the silver coin says: 'The dollar shall be the weight of 41 $\frac{1}{2}$  grains.'" Nothing about unit. "And the gold coin of the weight for the eagle shall be 258 grains, and that for all sums whatever the eagle shall be legal tender of payment for \$10. The true reason that the gold dollar was reduced in weight in 1834 to conform to the new ratio, rather than the silver dollar, was that gold, being under-valued by the ratio of 15 to 1, gold coins constituted no material part of our circulation." Just as I stated last night exactly. "The bulk of the circulation in 1834 consisted of silver coins and it was easier, practically, to change the gold dollar than the silver dollar. Does not Mr. Turck perceive that this claim that the silver dollar was the unit of value is inconsistent with the bimetallic system? The bimetallic system presumes a unit of account, a unit of name or number to be represented in coinage by a given quantity of gold and a given quantity of silver. If either is the sole measure, the system is not bimetallic. So, if the silver dollar was the unit of value in this country from 1792 to 1873, we did not have a bimetallic but a silver metallic system." This is signed by E. O. Leach, ex-director of the mint.

I submit that that decision was exactly in accordance with the facts, but I find in the report of the mint for 1868-84, the document submitted by Mr. Knox, who was the deputy comptroller of the currency, a report in which he stated: "By the act of April 2, 1792, 371 $\frac{1}{4}$  grains of pure silver and 24 $\frac{1}{4}$  grains of pure gold were declared to be equivalent one with the other and to the dollar of account."

## Harvey Charges Evasion.

Mr. Harvey—Yesterday at the close after I had quoted as authority for silver being the unit, the statute itself, the utterances of Secretary Gallatin, a decision by Chief Justice Chase, of the supreme court of the United States, and other numerous authorities, including Roswell G. Horr, of New York, Mr. Horr then admitted that the silver dollar was the unit of value and the record of yesterday shows that. Now in view of his attempt to try to twist something back into the discussion by which we are to believe him as saying one thing yesterday and something else to-day, I leave him to such fate as the readers of this debate think is proper. (Applause.)

Mr. Horr—I beg pardon, you misquoted me. I stated last night, that I had not got through with the unit of value, that I had some other things to submit, in so many words, and we did not agree to take up any one subject at any particular session, only that we would take them in a certain order and let them run until we had finished them.

Mr. Harvey—And the order was that the crime of 1873, as we call it, came next after the discussion of the unit.

Mr. Horr—I am not through with that yet.

Mr. Harvey—Well, I am, and I will go on. (Laughter.) Words are our ammunition in this debate, 60,000 words apiece being allowed to us, and if the readers think that I have neglected some side issues that Mr. Horr has introduced, I want to tell them now that I do it in order to devote my part of the words in this debate to that which will do them more good than following Mr. Horr off on side tracks. (Applause.)

To understand how silver could be demonetized in this Republic, the reader should understand that we then had paper money and no silver or gold was in circulation except in California. The same situation existed in England following the French wars in 1816, when silver was dropped from the mints there. The conspiracy to demonetize silver was regarded by those engaged in it as a business transaction, just as those who visit Washington and other capitals to accomplish by legislation a sugar trust or a trust on school-books, or anything else.

## The Act of 1873.

The conspiracy originated in London. European financiers had discovered that the demonetization of silver by England had no effect on the commercial parity of the two metals at the ratio fixed by France. It was, therefore, current that in order to break the commercial parity and substantially depreciate silver, all of the great governments would have to be included in the legislation needed. The subject was discussed among these financiers informally in London and Paris, and very few were included among those who understood its ultimate effect. A good deal of diplomacy, concealment and misrepresentation was practiced in se-

curing the co-operation of politicians in Germany, France and the United States. The subject was discussed without disclosing the ultimate aim of those who directed the conference.

Following his trip to London and Paris, Mr. Sherman introduced a bill in 1868 that was on its face intended to establish the gold standard. Senator Morgan, of New York, jumped on it, in the finance committee, with "all fours." And Sherman says that Morgan understood genuine bimetallism, and this bill died that day and was never heard of again. Senator Morgan's term of office expired in 1869, and at the very next session another bill made its appearance.

Those who took an open and avowed interest in the new measure were Mr. Linderman, director of the mint, and Mr. Knox, the comptroller of the treasury, who at the end of his term of office became president of a national bank in New York, John Sherman in the senate, and Representatives Hooper, of Massachusetts, and Stoughton, of Michigan, in the house. The bill this went to a committee, in which the second attempt to leave out the silver dollar was again discovered and it was inserted at the ratio of 15 $\frac{1}{2}$  to 1, which was the French ratio. This provided for a dollar of 384 grains. This was the equivalent of the French 5-franc piece. To knock this dollar out surreptitiously at the last moment then became the plan of the conspirators.

## A Passage in Coin.

Mr. Horr—You will excuse me, Mr. Harvey, but previous to commencing my discussion of the law of 1873 I call your attention to a passage on page 9 in your book, because you have already announced here to-day that you propose to convince that what this book says is absolutely true, and that I am wrong about it. You say, prior to 1873 there were \$105,000,000 of silver coined by the United States and \$8,000,000 of this was in silver dollars. Now, I understand you have since corrected that amount. I make no point upon the fact that you were in error as to the amount; such errors occur with everyone, but I am told that in your last book—indeed, I have it—you correct that statement. But this is what I want to call your attention to: "About \$100,000,000 of foreign silver had found its way into this country prior to 1860. It was principally Spanish, Mexican and Canadian coin. It had all been made legal tender in the United States by the act of congress. We needed more silver than we had, and congress passed laws making all foreign silver coins legal tender in this country. I will read you one of those laws—they are scattered all through the statutes prior to 1873."

"Here Coin took up a copy of the laws of the United States relating to loans and the currency, coinage and banking, published at Washington. He said a copy could be obtained by anyone on writing to the treasury department. He then read from page 240 as follows: 'And be it further enacted, that from and after the passage of this act the following foreign silver coins shall pass current as money within the United States, and to be receivable by tale for the payment of all debts and demands, at the rates following; that is to say: The Spanish pillar dollars, and the dollars of Mexico, Peru and Bolivia.' Now, I have the coinage laws of the United States, every one that has ever been passed since 1792, and I state, Mr. Harvey, that in no law within the lids of that book are all the foreign silver coins made a legal tender. I defy you to show a single law that states anything of the kind. And the very law which you quote where you stopped with the 'etc.' if you had finished the quotation and had read the whole of the law it would have shown you that your first statement was not true. (Applause.) You left off the very part which restricted the legal tender quality of foreign coins.

Mr. Harvey—Do you want me to answer you now?

## At Close Range.

Mr. Horr—Certainly.

Mr. Harvey—It provides the amount that each shall be received for, received by tale.

Mr. Horr—Certainly, but unless they are up to the standard they are not legal tender.

Mr. Harvey—Can I answer you further?

Mr. Horr—I will get the very law quoted from, because it is a good while afterward. You skipped the clause that made the gold dollars also a legal tender. You are asking me questions. What made you do that?

Mr. Harvey—Mr. Horr, in writing a book or making a speech, when your number of words are limited, unless you want to confuse the reader with a great big volume, in making a quotation it is not necessary to quote that which is not pertinent to the subject you are treating; otherwise, you load down the book till no one will read it. (Applause.)

Mr. Horr—I agree with you, but when you state that the government passed a law requiring or making silver coins a legal tender and also in the same act they made gold coins a legal tender, why did you quote the silver part and leave the gold out, unless you wanted to impress your readers with the fact that silver was considered the most important, which wasn't true?

Mr. Harvey—Can I answer you now?

Mr. Horr—Yes, I have no written essay; I am here to work. (Applause.)

Mr. Harvey—When a man is discussing cattle he doesn't talk hogs.

Mr. Horr—Some times cattle and hogs are the same.

Mr. Harvey—And when a man is discussing silver and the manner in which it was treated by our forefathers, and comparing it with the way in which it is treated by you people now, it wasn't necessary to refer to how they treated gold or copper. (Loud and continued applause.)

Mr. Horr—Unless your treatment is such that you are misleading your readers as to the manner of legislation upon that subject.

Mr. Harvey—You are misleading yourself.

Mr. Horr—No, I am not. What made you stop with your "etc."?

Mr. Harvey—Because I had quoted all of the statute necessary to show that they had made foreign silver legal tender.

Mr. Horr—No, you hadn't; you had quoted all there was necessary to show that they had made legal tender certain coins if there had been nothing attached to it.

Mr. Harvey—There is nothing attached to it.

Mr. Horr—There is; I will read it.

Mr. Harvey—You refer to the amounts for which the Spanish coin of such a name is received in American money, and the Mexican coin for so much, the British coin for so much, meaning to tell the American people how much they could pass that coin for as expressed in our money. That is not necessary in order to establish the principle I was stating that foreign silver was legal tender in this country. The point is this: Our mints tested these foreign coins and valued the silver that was in them. The alloy of much of that coin was different from our alloy, so it was necessary to assay those foreign coins and see how much they were worth in our money; that the mints did and congress put into that act how much a certain foreign coin was worth in our money, and that is stated in that statute that he accuses me of leaving out what was unnecessary for me to state in establishing the principle that our laws made foreign silver legal tender. (Applause.)

Mr. Horr—When you left out that you left out the very fact which showed that a number of foreign coins were not a legal tender, because none were made such except they came up to a certain standard.

But away on ahead you speak of 1873. Now, up to 1873, you

said that they had made all these a legal tender. Did you think so?

Mr. Harvey—The law of 1857, passed upon that same subject, when they declared that none of them should be legal tender, and required the mints of the country to melt up and recoin them all, and repealed the very law that he has been talking about. (Applause.) That is the fact about it. Now, I admit that this is a serious matter, I admit that I had no idea for a moment that he could defend the proposition. To me it is preposterous. Do you claim that all the silver coin that was in the United States at that time was a legal tender? Why, not anywhere near half of it was ever legal tender.

Mr. Harvey—Read the rest.

Mr. Harvey—That is as far as I quoted. You said I misquoted it.

Mr. Horr—I did not. I never claimed you quoted it wrong at all. Let me see the book, please. (Laughter and applause.) Here (referring to the book), that has gold in the first, just as I told you, and that is the one I read from, and that is what you said had no gold connected with it.

Mr. Harvey—I said I quoted it correctly.

Mr. Harvey (quoting from Coin)—"And be it further enacted, that from and after the passage of this act, the following foreign silver coins shall pass current as money within the United States and be receivable by tale for the payment of all debts and demands at the rates following, that is to say: The Spanish pillar dollars, and the dollars of Mexico, Peru and Bolivia." That is as far as the quotation goes.

Mr. Horr—Read the rest.

Mr. Harvey—That is as far as I quoted. You said I misquoted it.

Mr. Horr—I did not. I never claimed you quoted it wrong at all. Let me see the book, please. (Laughter and applause.) Here (referring to the book), that has gold in the first, just as I told you, and that is the one I read from, and that is what you said had no gold connected with it.

Mr. Harvey—I said I quoted it correctly.

Section 2 is as I read it in the book. What appears in another section I don't care about.

Mr. Horr—I shall appeal to the notes of the reporter that you said the one you quoted from had no gold connected with it, if I remember rightly.

Mr. Harvey—I understood Mr. Horr to say that in making the quotation I had omitted the word gold.

Mr. Horr—Not at all. I never said such a thing.

Mr. Harvey—This is a great question we are debating, affecting the welfare of 65,000,000 of people, and the trifling away of words and time by a quarrel introduced here over trifling matters that do not affect the principles we are discussing, one way or the other, indicates upon the part of the other side a lack of appreciation of the question involved. (Applause.)

Now, briefly to satisfy him about Jefferson: I said that Jefferson ordered the coins made into small coins to better serve the people, and on account of the scarcity of silver—both silver and gold were scarce then. There was abundant silver in the world as compared with gold, 30 to 1, but it was not in the United States. (Applause.) Here in the United States silver was scarce. Jefferson was a patriot and a statesman. He understood these little wants of the people as they are not understood now.

Mr. Harvey—That has a silver and gold clause.

Mr. Horr—That has, but that is not the one you quoted from. Don't misunderstand me. That is not the law that you put part of and took off the rest. Now take your book and watch: "And be it further enacted, that after and from the passage of this act,