

## HORR AND HARVEY.

## THIRD DAY OF THE GREAT SILVER DEBATE.

The Alleged Crime of 1873 Takes Up the Session—Getting Down to the Intrinsic Part of the Question—Take a Day Off.

(Copyrighted, 1895, by Azel F. Hatch.) Chicago, July 18.—The Horr-Harvey silver debate was continued to-day from 10 a. m. to 1 p. m., a change having been made in order that copy can be carefully revised by the contestants prior to its delivery to the newspapers, and for other reasons. Mr. Horr again opened.

Mr. Horr.—Previous to entering upon a discussion of the law of 1873 I desire to state something as to my personal relations in this debate, because my opponent yesterday stated: "Mr. Horr has only taught in this debate a proposition that is in the interest of every selfish money-lender in the world to advocate, and he is here advocating it." I say to my opponent now I am not a money-lender, I have not a dollar's interest in any banking institution or American corporation or any other corporations on the face of the earth. I have spent my entire life in working for a living; all the early part of that life was spent in hard work on a small farm.

Now, having stated this, I desire to say to my friend, I have no prejudice against men who have been more fortunate than myself, and who have accumulated money where I have not. I do not think that a man becomes a scoundrel necessarily because he saves a part of what he earns. I have been in every corner, every nook of the state in which my friend was born; the hills and the valleys of West Virginia are familiar to me; I have traveled through her sheep-growing counties, been in her mines and her lumber camps; I have learned something of her people. I do not think it is anything against a man if he even becomes a stockholder in a national bank. I am informed, Brother Harvey, that your father is fortunate enough to own stock in the Kanawha National bank; am I right about that?

Mr. Harvey.—No, sir; he does not.

Mr. Horr.—Did he ever?

Mr. Harvey.—Never did.

Mr. Horr.—Well, it wouldn't hurt him if he had, would it?

Mr. Harvey.—No, sir.

Mr. Horr.—He could own stock in the bank and still keep honest, couldn't he?

Mr. Harvey.—Yes.

Mr. Horr.—A man could be successful in life without creating in me any spirit of envy.

## Easy to Understand.

Mr. Harvey.—Yesterday Mr. Horr undertook to impress on you how difficult it was for anybody to understand the science of money, except—the inference was bankers. I criticised that by calling your attention to the fact that that impression had been attempted to be made upon the minds of the people through all the history of money, and that it had assisted them in causing the people to abandon a consideration of their financial system, and leave it to those people who were enriching themselves by it and who would make it to suit their interests. Therefore, it was to their interest to make you believe that you knew nothing about it and never would know anything about it. (Applause.) I then added that you (Mr. Horr) were here repeating that poisonous argument. I did not mean to criticise Mr. Horr personally. That he was an advocate of a pernicious principle did not mean that Mr. Horr himself was a bad man. This great question is not going to be decided by the American people by any advocate parading himself before them as having been a horny-fisted working man at one time in his life. (Long and continued applause.) I do not object to Mr. Horr giving the evolution of his life. I do think it was a little unfair to have omitted that in that evolution he finally became a bank president. That statement should have gone with the balance in the play to popular favor. I do not deny that Mr. Horr and numerous selfish bank presidents have at one time been tollers of the soil. The minds and character of men are molded only in part by their early associations. As they grow older in this feverish age, where money has been erected as a god, selfish motives make them climb from one place to another until it has become a proposition that a man can only win in this world by his ability to make money, and the fact that a man is raised on a farm and afterwards gets into the whirlpool of city life among capitalists and corporations and becomes an employee of corporations, even at wages equivalent in each day to two months' salary of a working man, we are not to be blamed for believing that their characters are molded by subsequent events in their lives.

The value of the debate yesterday was in this. A studied misrepresentation has gone before the people of the United States that there was only eight millions of dollars of silver coined by the United States prior to 1873. Now, meeting face to face with a representative of the other side of the question, this debate now carries to the people of the United States the admitted fact that there was \$143,000,000 of silver coined prior to 1873.

Mr. Horr.—In reference to my having been a bank president, I omitted it not because I was ashamed of the fact.

I now propose to take up this question of the origin of the law of 1873, which our silver friends denounced as a crime. That bill first originated a little before the year 1870. It was

drafted after consulting a large number of experts.

## Revision of Mint Laws.

We had never had a revision of the mint laws for a great number of years, and the men in charge of the mint thought that the time had come when something should be done. Among the men who were consulted upon the question were Mr. Boutwell, the secretary of the treasury; Mr. Knox, deputy controller of the currency; Mr. Linderman, director of the mint, and Mr. Parsons, superintendent of the mint at Philadelphia. I deny that it had its origination in England or London. I defy Mr. Harvey to prove one single item that had any reference to the British people controlling or directing this matter.

Thousands of the bill were sent broadcast to all parts of the country. The bill prepared by Mr. Knox was endorsed by Secretary Boutwell of the treasury and transmitted to the senate on April 25, 1870. The bill as it was at that time drafted dropped the dollar silver coin of the United States and changed the unit of value. That was in the original bill as it was sent to the senate, with a letter from the secretary.

Mr. Harvey.—Mr. Horr, permit me. Have you that bill and those letters with you?

Mr. Horr.—I have not them here to-day, but I have them in the city, I think.

Mr. Harvey.—Will you produce them during the debate?

Mr. Horr.—I will if I have them; I don't know whether I brought them with me, but I think I did.

Mr. Patterson wrote to Mr. Knox and his letter was printed in the public documents—for I will say to this house that every single document I have referred to I copied from the books of the government in the city of Washington, myself individually, so I know what I am talking about. Mr. Patterson said: "The silver dollar, half-dime, and three-cent piece are dispensed with by this amendment. Gold becomes the standard money, of which the gold dollar is the unit. Silver is subsidiary, embracing coins from the dime to the half dollar."

## Corruption in Congress.

Mr. Harvey.—In the interrupted presentation of demonetization I had called the attention of the people to the condition, morally, of congress at the time of the passage of the act. I had referred to impeachment charges against Vice-President Colfax in 1873 for fraud in connection with legislation; to the resignation of Secretary of War Belknap for bribery. I now proceed, after first stating for Mr. Horr's information that Del Mar, the English historian, says that the act of 1816 demonetizing silver in England had a clause in it that it might be reinstated by the king; that that clause giving a right to reinstatement was repealed in 1874, and that the act in which it was repealed was within two weeks in the hands of Mr. Knox, the comptroller of the United States treasury (applause), and was in part the basis of the act in this country.

Now I proceed with this argument as to what occurred in congress, and I shall pass the books to Mr. Horr. By examining the records of the day and the newspapers we find that there was an era of corruption in congress at that time. Clinton Colgate confessed before the ways and means committee of 1873 to the use of money to influence the incorporation of special features in the internal revenue bill, testifying among other things that Charles Sherman, of Ohio, a brother of Senator Sherman, had been paid \$10,000 by the New York Stock Exchange in connection with the revenue bill. The officials of the stock exchange were subpoenaed, and the facts developed that while the money had not been paid, Judge Sherman had rendered a bill to the exchange for his services, and, as he claimed, for securing the services of his brother, Senator Sherman, to put the bill through. (Applause.) Colgate, when he testified, knew of the transaction, and supposed the bill had been paid. As Judge Sherman was then a United States district judge, the ways and means committee turned the whole matter over to the judiciary committee, directing it to take action looking to his impeachment—and I stop right here to read a letter of Judge Sherman to a member of the stock exchange of New York (page 2125, No. 3 appendix, third session, Forty-second congress, Congressional Globe.)

## Sherman's Letter.

"Judge's Room, United States Court, Northern District of Ohio.  
"Cleveland, March 27th, 1872.

"Dear Sir—I wrote you yesterday on my return from an absence of some time in too feeble terms of my feelings as regards the death of your father, yet as the mortal moves on, so, though we never shall forget him, yet business must be attended to. Last summer, at the instance of your father, I attempted to have such a construction placed upon the internal revenue laws as would relieve the bankers and brokers from the payment of a heavy tax. There was a partial success, but such a boasting or rather publicity given to it that the attention of the secretary of the treasury was called to it, and he forbade the order to be issued. There was then no remedy but in congress. I so suggested to your father. He then wrote me the enclosed letter.

"Upon the authority and in consideration of what was said in it I went to work: Had interviews with Mr. Boutwell, with John Sherman, chairman of the senate finance committee; with General Garfield and other prominent members of congress, and the result was that it became the policy of the administration to repeal not only the tax in question, but the stamp and other obnoxious taxes. I think this result was brought about by discussions

raised and influences used by me. The taxes are not yet repealed, but they are certain to be so within the next 60 days. If your father was living there would be no necessity of asking about it, but as the agreement was made through him, I fear there may arise a misunderstanding, and therefore ask you to inquire into it and ascertain whether the committee of the stock exchange still recognize the contract. If they do it is all right and I will still continue my labors. Let me hear from you at your earliest convenience. Please preserve the letter." (Meaning the letter that reflected the contract.)

That is signed by C. T. Sherman, brother of John Sherman.

## Mr. Harvey Rebuked.

Mr. Horr.—Before proceeding with the history of this bill I desire to say one word, and that is this: The attempt of Mr. Harvey to smear the congress of the United States and make the people of this country believe that the people who act as members of congress in this country are corrupt and have been subject to purchase and sale can be characterized only as infamous. (Applause.) No nation on the face of the earth ever had a purer set of legislators than have been in the congress of this country during its existence. There sit before me several members of congress who served with me in several congresses, and I appeal to each and every one of them if during their entire services they ever saw or mistrusted that money was being used to purchase members of congress. I served six years without ever knowing that an instance of that kind had occurred during the congresses in which I served. When men start out with the proposition that in order to prove their case they must also prove that the majority of the best men of this country are thieves and scoundrels, they had better stop before they begin. (Applause.)

Mr. Harvey.—Did they impeach Judge Sherman?

Mr. Horr.—Judge Sherman resigned immediately, they drove him from the bench. (Applause.) The public opinion of this country would not permit a man to hold a public position who would do a thing of that kind. But what has that to do with the question whether Mr. Knox openly and squarely presented this bill to congress? Mr. Knox said himself: "The coinage of the silver dollar piece, the history of which is here given, is discontinued in the proposed bill. It is by law the dollar unit"—you read that yesterday—"and assuming the value of gold to be 15½ times that of silver, being about the mean ratio for the last six years, it is worth in gold a premium of about 3 per cent, its value being \$1.03 12-100, and intrinsically more than 7 per cent premium in our other silver coin, its value thus being \$1.07 43-100. The present laws, consequently, authorize a gold dollar unit and a silver dollar unit differing from each other in intrinsic value. The present gold dollar piece is made the dollar unit in the proposed bill and the silver dollar piece was discontinued."

## Intrinsic Value.

A Voice in the Audience.—When was that written?

Mr. Horr.—Just before it was sent to congress in 1870. It was a part of the report that Secretary Boutwell sent to the senate in the spring of 1870; it accompanied the bill and was printed in the public documents as being an explanation of the bill by order of the senate.

Now Mr. Sherman was chairman of the finance committee. This bill went immediately to his committee. He said only in August of 1893 as follows: "Mr. President: The finance committee carefully examined that bill; we were not in any hurry about it; it was sent to us in April, 1870. In December, 1870, the committee on finance, after a careful examination, after having the bill printed and sent by order of the senate to everyone who desired to read it or look over it, reported it unanimously. That committee was composed of Messrs. Sherman, Williams of Oregon, Cattell, Warner, Fenton, and Bayard. The bill was reported to the senate December 19, 1870, after lying in our committee room eight months. The nature of the bill I have already described. The dollar was dropped from the coinage of the bill framed in the treasury department. No one proposed to reissue it. The Pacific coast had six intelligent, able, and competent senators on the floor, representing a population of not more than a million then, if that much. They would have carefully looked out for the interests of silver if the bill affected them injuriously, but the silver dollar at that time was worth more than the gold dollar."

## Passed by a Yea and Nay Vote.

"It was passed by a yea and nay vote"—and let me say right here, so far as I have been able to discover that is the only yea and nay vote taken during the entire passage of this bill, which ran along for nearly three years. Now mark: The senators from the Pacific slope, including Senator Stewart of Nevada, voted for the bill, and Senator Sherman voted against it. Mr. Sherman tells us that he did not vote against it because it struck out the silver dollar, but because it compelled the government to pay the expense of coinage, and he thought the people who owned the gold and silver bullion should pay that expense. Now, up to that time had there been any secrecy?

The bill was sent from the senate to the house, and on January 13, 1871, on motion of William D. Kelly, the bill was ordered to be printed. February 25, 1871, Mr. Kelly, who was at that time chairman of the committee on coinage, reported the bill back with an amendment which was in the nature of a substitute. It was again printed and again sent back to the committee. The

fifty-first congress died by constitutional limitation a few days after the bill had been thus reported and without any action upon it by the house. Now, on March 9, 1871, there had been already a special session called of another congress. Mr. Kelly again introduced this bill and it was ordered to be printed and referred to the committee on coinage when such committee should be appointed. Nothing further was done about it during that entire extra session.

Mr. Harvey.—As I proceed—in a connected manner, however—I will fully answer Mr. Horr.

Among the many charges of corruption made at this period, 1873, there was one of significance when we consider that silver was demonetized by a single sentence being omitted from the report of the conference committee and enrollment of the mint bill, and indicates the power, in this instance, a corrupt clerk could have. George A. Bassett, clerk of the ways and means committee, 1873, was charged with having demanded \$250 per month from the bankers and brokers of New York to assist them in repealing the tax on borrowed capital, and \$5,000 when the act passed.

George A. Bassett Scored.

In the Chicago Tribune of February 21, 1873, an administration paper of that period, now before me on this table for the inspection of Mr. Horr, a Washington correspondent says: "As for George A. Bassett, long the clerk of the ways and means committee, the story of the use of his privileges are as old as my residence in this city. I heard complaints made in California that he had demanded payment for services after experiencing unusual hospitality from the corporations there."

This same correspondent in the same issue of this administration paper (the republican party being then in power), speaking of the situation at Washington February 21, 1873, the very month in which silver was demonetized, said: "Turkish corruption under the padshahs and beys, or Russian official rotteness, could scarcely be worse than it is here."

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Mr. Harvey.—Did they impeach Judge Sherman?

Mr. Horr.—Judge Sherman resigned immediately, they drove him from the bench. (Applause.)

Mr. Harvey.—I take the two sections as they now appear in the statutes and I add between brackets the words that were erased from the bill—

Mr. Horr.—By whom?

Mr. Harvey (continuing)—Surreptitiously in its passage.

Mr. Horr.—By whom? What proof have you that anything was erased?

Mr. Harvey—I'll get to the proof of that a little later.

Mr. Horr.—Well, let's have it.

## Text of Bill of '73.

Mr. Harvey.—Section 15. That the silver coins of the United States shall be a trade dollar, a standard dollar, a half dollar or 50-cent piece, a quarter dollar or 25-cent piece, a dime or 10-cent piece; and the weight of the trade dollar shall be 420 grains troy; (the weight of a standard dollar shall be 384 grains troy); the weight of the half dollar shall be 12 grams and one-half of a gram; the quarter-dollar and the dime shall be respectively one-half and one-fifth of the weight of said half-dollar, and said (fractional) coins shall be a legal tender at their nominal value for any amount not exceeding \$5 in any one payment." Sec. 21. That any owner of silver bullion may deposit same at any mint, to be formed into bars, or into dollars of the weight of 420 grains troy, designated in this act as trade dollars, (or into standard dollars of 384 grains), and no deposit of silver for other coinage shall be received; but silver bullion contained in gold deposits and separated therefrom may be paid for in silver coin at such valuations as may be, from time to time, established by the director of the mint."

As the bill passed both houses the unit was on gold, and free and unlimited coinage of both metals was provided for. By it there was free coinage of silver in the standard silver dollar and the trade dollars; fractional silver coins only were to be regulated by the treasurer at his discretion. But as enrolled the mints were closed to free and unlimited coinage of silver, except as to the trade dollar, afterwards abolished. The standard silver dollar was fraudulently omitted after the bill had passed both houses. (Applause.) It will be questioned by our best citizens that such a fraud could be practiced and the hesitancy with which they accept its truth attests the integrity of our citizenship. Before offering my proof, and I promise you it shall be conclusive, I wish to speak of official crimes.

## Cutting Down the Dollar.

Mr. Horr.—I wish to say right here that upon the face of his own bill there is a proof that to any man who has studied this question is conclusive. The whole attempt to prove that any such bill ever went from the house and senate is false. Does any man in his senses believe that they ever undertook to give free coinage of silver to a standard dollar of 384 grains?

Soon after the meeting of congress in January, 1872, January 6, the bill was reported by Mr. Kelly, chairman of the committee on coinage, with recommendation that it pass. The bill was read and discussed at length. Mr. Kelly, on the floor of the house, during his re-

marks—that is, in the second congress, the second time this bill came up—said: "The senate took up the bill and acted upon it during the last congress and sent it to the house. It was referred to the committee on coinage, weights and measures, and received as careful attention as I have ever known a committee to bestow upon any measure. We proceeded with great deliberation to go over the bill, not only by sections, but line by line and word by word. The bill has not received the same deliberate consideration from the committee on coinage of this house, but the attention of each member was brought to it at the earliest day of this session. Each member procured a copy of the bill, and there has been a thorough examination of the bill."

Now, then; the next day, January 7, 1872, the bill, after further discussion, was again recommitted, and on February 9, 1872, it was again reported from the coinage committee by Samuel Hooper, a member of congress from Massachusetts, and recommitted, sent back to the committee. February 13, 1872, it was again reported by Mr. Hooper with amendments, printed and made the general order for March 12, 1872, until it should be disposed of. April 9, 1872, the bill came up in the house for consideration. Mr. Hooper, who had the bill in charge, made a prepared speech upon it of ten columns and explained the provisions of each section of the bill. He said: "Section 16 re-enacts the provisions of the existing laws defining the silver coins and their weights respectively." Now, mark—except in relation to the silver dollar, which is reduced in weight from 412½ grains standard silver to 384 grains." Mark you, I have quoted his exact words. He stated as a reason that this would take the 3 per cent premium out of the silver in the present silver dollar as compared with gold. In other words, he conveyed the express understanding that silver was to be favored. Less silver was to be put in a dollar. He did not say that the silver from which these silver dollars were to be coined was to be purchased nor that the mints were to be closed, but he did say that the bill re-enacted existing laws, except the clause providing for the 384-grain dollar, with the right to unlimited free coinage, that was surreptitiously erased from the bill in 1873 before it was enrolled.