

HORR AND HARVEY.

RATIOS OF GOLD AND SILVER
UNDER DISCUSSION.

The Subject, as Debated by Both Sides,
Throws Some Fresh Light Into Hitherto
to Unexplored Regions Thereof—Where
Labor Enters.

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Chicago, July 22.—The Horr-Harvey
debate was resumed at 1 p.m., and con-
tinued for three hours. The chief point
under discussion was ratios. The con-
densed report is as follows:

Depreciation of Silver.

Mr. Horr.—At the close of the debate on Saturday I had given the facts as to the constant depreciation of silver as compared with gold since the dawn of civilization. The civilized nations of the world have at some time or other, all of them, tried to fix a ratio so as to give free coinage to both metals. Through all ages the market or commercial value of the two metals has been a changing quantity, hence the ratio has been variable. A difference between the legal ratio and the commercial ratio of one-fourth of one per cent has been enough to drive the dearer metal out of any civilized country on the face of the earth. History is full of efforts of governments to force the legal ratio upon the people, and there is no instance on record where the market value of each metal has not controlled in the end, and the best money has always been driven from the field by the cheaper. Such result is in accordance with a law that is as universal and as unchangeable as the law of gravitation. Our forefathers tried the experiment and fixed the ratio at 15 to 1 in 1792. The commercial ratio at that time was about 15 1-3 to 1, and our gold coins left us. In 1834 the legal ratio was changed to 16 to 1. The commercial ratio was at that time about 15 1-2 to 1, and our silver coin left us. This became so marked that in 1853 congress passed a law for coining smaller silver coins of less value than either the legal or commercial ratio would indicate. They made such coins token money.

The government purchased the silver at its commercial value and covered the profit into the public treasury. They gave no free coinage to silver used in subsidiary coins.

Did France Make a Bid?

This is all history, which is disputed by none.

I know "Coin" says in his "Financial School," page 10, "During this struggle to get more silver, France made a bid for it by establishing a ratio of 15 1/2 to 1, and as our ratio was 16 to 1, this made silver worth 103.8 cents when exchanged for gold, and as gold would answer the same purpose as silver for money, it was found our silver was leaving us. So congress, in 1853, had our silver coins made of light weight to prevent their being exported."

"Coin," as usual, is not accurate. France did not bid for our silver by making her ratio at 15 1/2 to 1 when ours was 16 to 1. France established the ratio of 15 1/2 to 1 in 1803.

France tried to maintain both metals as circulating mediums from 113 to 1874 on some legal ratio, and between those dates France changed the mint price of the gold mare 146 times and the mint price of the silver mare 251 times, and thus changed the ratio a large number of times, and in 1726 she fixed her legal ratio at 14 1/2 to 1. At that time she rated silver too high, and while England became a gold-standard country, France became a silver-standard one. In 1803 she lowered the legal value of silver and fixed her ratio at 15 1/2 to 1, where it is nominally today, but in 1874 she ceased the free coinage of silver altogether. Here is the exact fact. The experience of the United States in an effort to establish and maintain a double standard has been the experience of the entire world. During the nineteenth century all the great civilized and commercial nations on the face of the globe have adopted the gold standard, and have done so without discounting silver as money, but every one of them refused free coinage to silver at any ratio.

The table of ratios given by "Coin," page 34 of his book, shows that from 1803, when France established the ratio of 15 1/2 to 1, up to 1874, when she stopped the free coinage of silver, in only one instance, and that was in 1861, did the commercial and legal ratios between the two metals agree. In only that one instance was the ratio of silver as 15 1/2 to 1.

What Senator Morrill Said.

Mr. Harvey—When I reply to the statement which Mr. Horr has just read my answer will be full and complete. But I must pause for a moment to deal with a question which you will recognize the importance of. It is by way of summary of the debate at the last session. I have had many requests, both orally and by letter, and by telegrams, since the last session to put into the record what Blaine, Garfield, Senator Beck, of Kentucky; Senator Ingalls, of Kansas, and many others have said officially, either to the effect that the act of 1873 was the result of gross ignorance on the subject, or that it was the result of fraud.

But in view of the important topics yet before us, and the limited number of words remaining at my disposal, I will not do so, but will try to find space for this matter in my 2,500-word summary at the close of the debate to do so. But I do wish in a few words to dispose of a few witnesses produced by Mr. Horr to the fairness of that legislation. Those whom he first mentioned were the treasurer, the comptroller of the treasury and the director of the mint, all of whom soon after the expiration of their terms of office became prominent as national bankers. Outside of these he has called no witnesses who have since 1873.

spoken upon this question, except a letter written in the last few days from an ex-congressman in Indiana, whose essential statements are contradicted by the senate proceedings. With this exception, it brings only one prominent witness; it is Senator Morrill, of Vermont, over whom Mr. Horr pronounces an eulogy. Mr. Horr says of Senator Morrill, "if there is an honest pure man inside the United States, it is Justin S. Morrill." I am going to shatter the reputation of Mr. Horr's New England idol. Mr. Horr reads an extract from a letter from Senator Morrill, in which the latter says that "congress purposely omitted to provide for the further coinage of the silver dollar," now observe I read Senator Morrill's exact language, "none having been coined for nearly forty years." I now hand Mr. Horr a report of the director of the mint for 1891, open at page 212, and call his attention to the number of silver dollars coined during the forty years next prior to 1873, and hand to the stenographer a copy of that report of the mint, showing the number of silver dollars coined for each of these years, to be inserted at this point in my remarks:

Silver Coined from 1833 to 1873.

Year	Silver Dollars	Silver Dollars	
Coined	Year	Coined	
1836	\$ 1,000	1855	\$ 26,000
1839	300	1856	63,500
1840	61,005	1857	94,000
1841	173,000	1858	636,500
1842	184,618	1860	733,930
1843	165,100	1861	78,500
1844	20,000	1862	12,099
1845	24,500	1863	27,660
1846	169,600	1864	31,170
1847	140,750	1865	47,000
1848	15,000	1866	49,625
1849	62,600	1867	60,325
1850	47,500	1868	182,700
1851	1,300	1869	424,300
1852	1,100	1870	445,462
1853	46,110	1871	1,117,136
1854	33,140	1872	1,118,600

Look at them, Mr. Horr. See that in 1859 there were 636,000 of them coined; in 1860, 733,000 of them coined; in 1871, 1,117,000 of them; in 1872, 1,118,000, and in all those forty years, silver dollars in large quantities were coined, except in six years, and when you answer me, Mr. Horr, tell us why Mr. Morrill said there were none coined; and if he was not truthful about that what importance should be attached to what he said about the silver dollar being destroyed.

The secret of all this is that Senator Morrill is a bank stockholder and insurance company money-lender, and when giving utterance to the statement that serves his personal interest he has not had a strict regard for the truth.

I want to nail this statement at this point; not only to discredit the letter that Senator Morrill wrote and that was read here, but to nail that same statement that is being industriously published all over the country, and that has been reiterated here in Chicago, that there were no silver dollars coined for many years prior to 1873. There it is before Mr. Horr in the report of the director of the mint, and as published in my remarks. I now pause for Mr. Horr to justify Senator Morrill in making the statement that no silver dollars had been coined for nearly forty years prior to the act of 1873. (Applause.)

Defends Senator Morrill.

Mr. Horr—I desire to say in defense of Senator Morrill, that the object of that letter was to deny the general fraudulent talk that was going about the country, and originated by Mr. Harvey as much as any one, that all who were connected with the congress of 1873, or enough of them, were corrupt, and were crowding the bill through congress by the use of money. Now Senator Morrill did not intend by that expression to say that there was not one single dollar coined. He did mean to say that, substantially, there were none, and that is true. In the whole length of the time from the organization of this government up to 1873, as your book shows itself, there were less than \$8,000,000 of them silver dollars. There were over \$600,000,000 in gold, if I mistake not. I speak now from my memory.

Senator Morrill simply used the expression, "There were none coined," and Mr. Harvey draws the conclusion that because that is not accurately true, cannot tell the truth about anything else.

Mr. Harvey—Will you pardon me?

Mr. Horr—Certainly.

Mr. Harvey—Isn't it true, as that statement shows, that there were several millions coined, and that they were coined largely every year except six years?

Mr. Horr—Certainly, I do not dispute it, nor does Senator Morrill intend to. Mr. Horr may have made a mistake in the exact words he used. (Applause on the silver side of the house.)

Mr. Harvey—In raising the question of the quantity of silver coined in thirty or forty years prior to 1873, I do it to establish the land mark in the financial discussion in the United States. The people have been misled, and at each step in this discussion, when we can set them right, the debate has been of value. The gold men are represented here by Mr. Horr, and when I show him and you that silver was copiously coined during the forty years prior to 1873, and he admits it as he must, then that question is settled.

Scientific Bimetallism.

I now begin the discussion of bimetallism. Scientific bimetallism is this:

1. Free and unlimited coinage of both gold and silver; these two metals to constitute the primary or redemption money of the government.

2. Silver dollars of 37 1/4 grains of pure silver (with us) to be the unit of value and gold to be coined into money at a ratio to be changed if necessary from time to time if the commercial parity to the legal ratio shall be affected by the action of foreign countries.

3. The money coined from both

metals to be legal tender in the payment of all debts.

4. The option as to which of the two moneys is to be paid in the liquidation of the debt to rest with the debtor, and the government also to exercise that option when desirable in paying out redemption money. (Applause.)

All of these conditions are necessary. Like any useful mechanical construction all the parts are necessary. First, as to unlimited coinage. When the mints are open to unlimited coinage of the two metals, an unlimited demand is created for them. The quantity is limited. When these two metals seek a market, they find a demand for their use in the arts and manufactures, which is limited. The surplus finds an unlimited market at the mints to be coined into money, the object for which all other products seek the market. They thus have an unlimited market, as the mints are open to all that comes. It is a question of supply and demand. Supply of precious metals is limited. When the mints are open an unlimited demand is created. This demand is limited only by the capacity of the business of the country to absorb money. With a limited supply and unlimited demand, what stops their value rising? It is this: The law says, "We coin 37 1/4 grains pure silver and 23.2 grains pure gold, respectively, into dollars, and confer upon these coins functions which make for them a permanent and equal demand." When this is the law people will not take less for their silver and gold, the quantities above named, than a dollar of current money, for they have the right to have it coined into dollars.

Commercial Ratios.

I now make a part of my remarks an official table taken from page 108 of Compiled Laws and Coinage Statistics, an official document from Washington, showing the commercial ratio of the two metals for 200 years, to which I have added the commercial ratio for 1894. I now hand the book to Mr. Horr. I wish to give those present an opportunity to see this table, and now distribute copies of it in the audience. From this table it will be seen that under the effect of unlimited coinage up to 1873, a parity between the two metals was maintained at the legal ratio. England closing her mints in 1816 to silver, and Germany and Austria in 1854 to gold, had no perceptible effect.

Mr. Horr—All these inquiries about the valuation in the ratio of the past are of little account in this debate. This one fact is admitted by "Coin" and disputed by no one: All the civilized nations of the world have ceased the free coinage of silver upon any ratio. * * *

It is possible that my friend, Harvey, believes, when he says that the act of 1873, when it demonetized silver, cut the price of the property of the world in two, and that prices immediately, as they must have done, if their statement is true, dropped 50 per cent. I was around in the world in 1873, and I know that did not take place, and he knows it. You destroy one-half the wheat in the world and the chances are that you will increase the value of wheat probably four times—such is the estimate of political economists—but wheat is an article that people had to eat to live; it is all consumed from year to year, or after a short time. Gold has been accumulating for ages, and if you should destroy the primary money quality of half the gold in the world you would not change the price of the metal one-half. As soon as the price would go up there is an enormous store laid away all over the entire world that is not being used for money purposes, that would at once seek the channels and be coined into money and take the place of the money that had been destroyed.

The Cheap Dollar.

What "Coin" is really after is a cheap dollar. He would reduce at one stroke, if need be, the value of the money unit of this country one-half. If that is not adopting a 50-cent dollar, what is it?

Now, I am here to protest against the whole scheme, because it is an effort to cheapen labor. That civilization is the highest; I care not in what part of the world you seek for examples, you will find that civilization is the highest where the best wages are paid for human effort, both mental and physical. Now, I hope my opponent will give me attention. The real measure of values is human toil. To decide whether any system of finances is best you must inquire into its effect upon the toiling millions. (Applause.) The greatest commodity ever placed on the markets of the world is labor. To know whether gold has appreciated or depreciated in real value for paid for any human effort must never be omitted. Hence, this thought about the general range of prices being stable is pure nonsense. Under which system will each day's labor bring the most comforts of life to the greatest number of human beings? That is the vital question which we should attend to. (Applause.) Is it best to cheapen the unit of value, decrease the purchasing value of our dollar? Will such action harm or bless the mass of our people? That is the only question in dispute, Mr. Harvey, between you and myself. You say the dollar buys too much of the product of labor. I say the effort of the human race is continually to better the condition of all people. The tendency of true civilization is to constantly decrease the cost of the products of labor and constantly increase the wages for work.

The Dear Dollar.

Mr. Harvey—Mr. Horr argues that the dear dollar is of more benefit to laborers than a cheaper dollar. The terms dearer and cheaper are relative terms, as compared with your property and your services. If he is right that a dearer dollar is the best and the dearer it gets the better it is—because his argument must be followed to its logical

conclusion—then we might find some metal in the world that is scarcer than gold and dearer than gold, with which a laboring man could purchase more than he can at present with the gold dollar. Mr. Horr, we do, not intend to let you, before the American people, cloak yourself behind the laboring man. (Applause.)

Mr. Horr asks me about prices, why they did not drop suddenly 50 per cent in 1873 when silver was demonetized? The reply is this: We were not on a specie basis. We began again in 1879, the demand for gold was not thrown on it to answer the entire purpose of primary money until 1879, and then it was cushioned in this country by the disputed position of silver.

The commercial parity of silver with gold in 1879 was so near together, not having fallen but about 15 per cent, that it ceased materially, and for a number of years silver hung, as it were, like Mahomet's coffin, between the ceiling and the floor. It was hard to tell where its true position was, so many misrepresentations were made in regard to it. About the same position was occupied by silver in the balance of the commercial nations. They had demonetized it until the demand that had, prior to that time, been on both gold and silver in Europe and partly in America was gradually shifted from both of the metals to gold alone. It is only in the last three or four years that it has been pronounced, and the treasurer at Washington, among the statutes made for that purpose, has construed them to be that gold alone is our redemption money. He says my illustration about half the gold being destroyed is not like the wheat if one-half of that were suddenly destroyed. In this whole argument you can apply one same principle, and that is, that supply and demand regulate values, and if the supply is cut in two, and the demand remains at what it was before, that it does affect the rise in the price of an article the same as it would in the illustration of wheat, gold or any other article.

The French Ratio.

Mr. Horr—I quoted the exact words from "Coin's Financial School." What "Coin" said then I supposed for the purposes of this debate brother Harvey would stick to now. You said "during this struggle to get more silver France made a bid for it by establishing a ratio of 15 1/2 to 1, and as our ratio was 16 to 1, this made silver worth more."

etc. Now, I submit that you attempted by that book to teach the people of the United States that as soon as we, or after, we had raised our ratio to 16, France made a bid by putting her ratio, and paying one-half more for silver,

putting it at 15 1/2, and that she got silver away from us by doing that. The fact is, that she didn't change her ratio at all, that her ratio had been changed thirty-one years previous to our establishing 16 to 1. And now he says France was blockaded at that time. Well, suppose she was, she didn't change her coinage in order to underbid us for silver if it had already been changed, did she? That is the thing. I had just commenced to tell you about the question. Mr. Harvey seems to forget that the question of the impossibility of keeping up a double standard of measures had been argued in this country for one century. The great philosophers of the world—the greatest philosophers of the world—had said over and over again that a double standard or measure of values was impossible as a double standard of weight. Locke had said so, Sir Isaac Newton had said so, Copernicus had written a book and said so. Every man—so far as I know—of brains in those early centuries had written that it was impossible for them to exchange as much honest toil as they gave.

Labor Comes In.

Now any statesman or philosopher who examines the question and proposes any mode of action, and leaves out of his calculation how his plan will affect the pay for labor, ignores the most important part of this subject and is giving his attention to a mere sideshow. My first criticism of this whole business of brother Harvey, and all the silver advocates, is this: They leave out of the question the great human product, labor, and the manner in which it will be affected by the legislation that they propose. Their whole plan seems to be to enable people who have run into debt to pay their debts without returning full value for what they have received, and nowhere do they take into account the much larger army of the human family who live week in and week out on their daily earnings. I have