

HARRIS AND HARVEY.

LAST DAY OF THE GREAT FINANCIAL DEBATE.

The Question of the Advisability of the United States Resuming Free Coinage Without International Consent Final Subject of Discussion.

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Chicago, July 30.—The Harris-Harvey debate was brought to a close to-day. The question of the wisdom of the United States returning to free coinage was the main subject discussed. The condensed report follows:

The Question at Issue.

Mr. Harris—* * * We are discussing a great question, and now to-day we come down to the gist of this whole business. The question is, can this nation alone establish the old ratio of 16 to 1 and maintain it among the nations of the world?

Mr. Harvey—* * * In beginning the debate to-day, I hand to the stenographer a table, from pages 184 to 186 of the mint report for 1893, of the gold and silver coined in this country from 1792 to 1873, and make it a part of the debate. I do this to remove the representation that has gone all over the country that for the first half of the century we were on a silver basis and from 1850 to 1873 we were on a gold basis. The best answer to that argument is the production of the table of coins themselves. The statement that gold did not seek the mints for the first fifty years and that silver did not seek the mints for the last thirty years prior to 1873 is not true.

Page 130 of the United States Coinage Laws, Appendix and Statistics, 1894—I now hand the book to Mr. Harris—gives the approximate stock of money in the world. The stock of gold there given is \$3,901,900,000; the stock of silver there given is \$3,931,300,000. This estimate includes gold and silver coins and gold and silver bullion available for coinage into money. I have given it to you as expressed in dollars. As expressed in space or bulk there is, if each were melted into a solid mass, the cube of 22 feet of gold and the cube of 66 feet of silver. In chapter V of "Coin's Financial School" you are told how to make this calculation. But it is sufficient in this debate that we deal with these two metals as expressed in dollars.

The quantity of these two metals available for coinage into money is what is left after the demand for them of the arts and manufactures are supplied. As civilization has grown the use in arts and manufactures of these metals has grown out of proportion to the increase in population.

Report of the Director of the Mint, From Their Organization, by Calendar Years.

Silver Coinage.		Half Dollars.	
Calendar Years.	Dollars.	Dollars.	
1793-5	\$ 204,791	\$ 161,572	
1796	72,920		
1797	7,776	1,659	
1798	327,536		
1799	423,515		
1800	220,920		
1801	54,454	15,144	
1802	41,650	14,945	
1803	66,064	15,857	
1804	19,570	78,259	
1805	321	105,861	
1806		419,788	
1807		525,738	
1808		684,300	
1809		702,905	
1810		638,133	
1811		601,822	
1812		814,023	
1813		620,951	
1814		519,537	
1816		23,575	
1817		607,783	
1818		980,161	
1819		1,104,000	
1820		375,561	
1821		652,898	
1822		779,786	
1823		847,100	
1824		1,752,447	
1825		1,471,583	
1826		2,002,090	
1827		2,746,700	
1828		1,537,600	
1829		1,856,078	
1830		2,382,400	
1831		2,936,830	
1832		2,398,500	
1833		2,603,000	
1834		3,206,002	
1835		2,676,003	
1836		3,273,100	
1837		1,814,910	
1838		1,773,000	
1839		1,748,768	
1840		1,145,054	
1841		355,500	
1842		1,844,882	
1843		1,656,100	
1844		20,000	
1845		24,500	
1846		169,600	
1847		140,750	
1848		15,000	
1849		62,600	
1850		47,500	
1851		1,300	
1852		1,100	
1853		46,110	
1854		33,140	
1855		26,000	
1856		63,500	
1857		94,000	
1858		5,998,000	
1859		636,500	
1860		733,930	
1861		78,500	
1862		12,090	
1863		27,600	
1864		31,170	
1865		47,000	
1866		49,625	
1867		60,325	
1868		182,700	
1869		424,300	
1870		445,464	
1871		1,117,136	
1872		1,113,600	

Dimes, half-dimes and 3-cent pieces are omitted from report.

One Nation Can Not.

Mr. Harris—I had just started to show that no nation alone can establish the old ratio of 16 to 1. I state now that I do not believe Mr. Harvey thinks any one nation can do it—at least he does not propose to keep that ratio. He says in his book "they say it is not bimetalism unless the two metals stay at exactly the parity of 16 to 1. These men do not know what bimetalism is. It may be desirable to let one metal go, as it would be now with both as primary money. We may have bimetalism and bimetallic prices whether one metal has a tendency to leave us more than the other or not, and if desirable to stop this leaving a change in the ratio will do it, and if necessary we can do it so as to set the other metal going so that we can feed Europe either metal we choose." So he is not a stickler for 16 to 1 at all. Now I start out with this proposition: Nations by their laws do not fix the value of things. They can not do it if they try. The actual value of the two metals at the present time is wide apart. The ratio of 16 to 1 is today a thing of the past; the value of the two metals in the markets of the world has changed all this discussion that we have had. How it happened to have been done, what brought it about, does not bear upon this question today. The figures 16 to 1 do not represent the commercial value of the two today, nobody claims they do. * * * It is useless to talk about fixing a comparative ratio between any two substances by legislation. Is there a man living who thinks all the nations in the world combined could fix a ratio of value between a bushel of wheat and a bushel of oats? Try it on. You will see where you will land. If you have a small crop of wheat up will go your ratio, and law has no more effect on it than it has to make water run up hill instead of down. Does any one think that by passing an act you could stay the floods of Niagara and make them run up stream? Why not? Well, there is a little difficulty in the way. The law of gravitation stands between you and the accomplishment of such an act. Consequently the same thing occurs when you come to the ratio between any two articles. They are determined by the different conditions over which legislators have no control.

Would Raise Prices.

Now, Mr. Harris and I both agree that the free coinage of silver will decrease the measure of value used here in this country. He doesn't deny that. The burden of his whole talk in this debate is that we ought to have a cheaper measure; that the unit is worth too much. So now we agree that it will change the measure. Mr. Harvey says then, that is what ought to be done, because, he says, the whole world is in debt and our country is on the brink of ruin, because the present dollar is too valuable. That is his position. That in a position from which I differ. He proposes to relieve the distress of the people by letting them pay what they owe in cheaper money. I know I do not represent you in that respect. Mr. Harvey. I answer him, "No, the debts of the day, the bulk of them, have all been contracted with the gold dollar as the measure and to relieve the payment of them in any way by a trick of this kind of repudiation."

Mr. Harvey—When I reach Mr. Harris' argument as to legislation not controlling the value of gold and silver, my answer I think will be satisfactory. I now continue reading from Professor Sues's. * * * Here in the United States we produce a little more gold than we use in the arts, but the portion left for use as money is growing less. On page 102 of the book on coinage laws, etc., heretofore referred to, you get the annual gold product of the United States. On page 455 of the same book, you get the gold furnished by the mints to be used in the arts and manufactures for the years 1880 to 1892 inclusive. I put these two together and here is the result. I hand this table to the stenographer to insert in the report:

Gold Production Since 1880.

Production of gold in the United States and amount used in the arts for the years 1880-1892:		Years.		Production.		Use in Arts.	
1880		1880	\$36,000,000	1880	\$10,962,600		
1881		1881	34,700,000	1881	11,770,700		
1882		1882	32,500,000	1882	10,868,000		
1883		1883	30,000,000	1883	14,458,800		
1884		1884	30,800,000	1884	14,500,000		
1885		1885	31,800,000	1885	11,824,742		
1886		1886	35,000,000	1886	13,069,529		
1887		1887	33,000,000	1887	14,810,346		
1888		1888	33,175,000	1888	16,514,842		
1889		1889	32,800,000	1889	16,697,056		
1890		1890	32,845,000	1890	17,655,960		
1891		1891	33,175,000	1891	19,686,916		
1892		1892	33,000,000	1892	19,239,074		

We thus see that while we produced of gold \$36,000,000 in 1880, we produced only \$33,000,000 in 1892, with population larger and necessity for gold greater at the latter period. But the comparison is more serious when you notice what is left for use as money at the latter period as compared with the former. In 1880 there was left for coinage after deducting what was used in the arts \$25,000,000, while in 1892 less than \$14,000,000 was left. This estimate does not include the \$3,500,000 before estimated as melted up in the coins by manufacturers, and does not include gold lost by hoarding, accident, fire or abrasion.

Silver of the World.

We have seen that the supply of silver in 1894 available for use as money was \$3,931,100,000 (see page 130, Coinage Laws and Statistics, for the figures I am about to read); \$950,000,000 of this silver is in use as money in India, \$725,000,000 in China, \$58,000,000 in Mexico, Central and South America, \$31,300,000 in Japan, \$110,000,000 in the Straits. The remainder, or about \$1,900,000,000, is in use as follows:—or occupying

the quasi position of limping bimetalism in the other nations of the world. The larger part of this is divided as follows: United States \$24,000,000, United Kingdom \$112,000,000, France \$500,000,000, Germany \$215,000,000, Spain \$155,000,000, and the remainder among the smaller nations of the earth. The foregoing figures are all coinage value in our dollars.

A natural inquiry is, what becomes of the silver we are producing? I quote from an interview with G. H. Gibson, a prominent New York stockbroker who has just returned from London, in the Chicago Post, a gold standard paper, of the 8th inst.:

"I talked with Sir Hector M. Hay, a member of the firm doing the largest bullion business in the world. In reply to a direct inquiry as to how much silver bullion he regarded as existing in the market in Europe, he stated his belief that the visible supply in Europe did not exceed 3,000,000 pounds sterling."

"Sir Charles Freemantle, the master of the British mint on Tower Hill, told me five years ago, that there was no stock of silver bullion to speak of in Europe. It came by every steamer and went away by every steamer. On inquiry of one of the highest statistical authorities in London the fact was confirmed that despite the demonetization of silver by all of the great nations, including India, the use of silver in the arts has grown so wonderfully that there is a ridiculously small supply in the market at any one time."

Last Year's Silver Production.

The production of silver in the United States last year was bullion value \$49,000,000, and we exported bullion value \$37,164,713. Thus there was a demand in the balance of the world for substantially all of our silver. These are the facts, and this is the situation before us as we begin the argument for independent action of the United States.

Let us first sound a few principles: The more costly either of these metals become, the greater the demand for it among the rich for use as ornaments.

Where the dealer is used exclusively for primary money, it is the one that is hoarded. When gold and silver were both used as money in their rights silver was hoarded by the plain people and was brought forth to serve them in time of need. Gold is principally hoarded by the rich to serve a purpose in bullion the money market. Hoarding of silver by the people was beneficial; hoarding of gold is an injury. The cause of hoarding in the two instances is different. In the first instance it is to serve a natural law providing for the future; in the second instance it is a commercial motive affecting injuriously the community.

This is one of the reasons why silver has always proven the more stable money.

Gold is not regular in production. I here hand the stenographer a table showing the production of gold for the world for the years 1849 to 1892, taken from page 103, Coinage Laws and Statistics, to be here inserted:

Production of Gold for the World.		Year.		Amount.	
1849		1849		1,000,000	
1850		1850		41,750,000	
1851		1851		67,690,000	
1852		1852		132,750,000	
1853		1853		155,450,000	
1854		1854		127,450,000	
1855		1855		135,075,000	
1856		1856		147,690,000	
1857		1857		133,275,000	
1858		1858		124,650,000	
1859		1859		124,850,000	
1860		1860		119,250,000	
1861		1861		113,800,000	
1862		1862		107,750,000	
1863		1863		106,950,000	
1864		1864		113,000,000	
1865		1865		120,200,000	
1866		1866		121,100,000	
1867		1867		104,025,000	
1868		1868		109,025,000	
1869		1869		106,225,000	
1870		1870		106,050,000	
1871		1871		107,000,000	
1872		1872		99,600,000	
1873		1873		96,200,000	
1874		1874		90,750,000	
1875		1875		97,500,000	
1876		1876		103,700,000	
1877		1877		11,000,000	
1878		1878		119,000,000	
1879		1879		109,000,000	
1880		1880		106,500,000	
1881		1881		103,000,000	
1882		1882		102,000,000	
1883		1883		95,400,000	
1884		1884		101,700,000	
1885		1885		108,400,000	
1886		1886		106,000,000	
1887		1887		105,775,000	
1888		1888		110,197,000	
1889		1889		123,489,000	
1890		1890		118,849,000	
1891		1891		126,184,000	
1892		1892		138,860,000	

It will be seen that the world produced more gold in the year 1892 than it has in any year since then. With increasing population and increasing demand for gold there has been no increase in the annual supply since 1853. If we go back to 1849 (see the table heretofore introduced), the irregularity is more marked.

Combined Production.

The production of the two metals combined is more regular than either separately, and is safer to rely on for a stable money measurement of values than either could be separately.

Where two metals are relied on for money, with the right of the debtor to pay in either, if the demand for money is sufficient, this demand regulates the commercial value of the two metals at the ratio fixed by law. Supply and demand affect the value of these metals the same as all other property.

When the law bestows the full function of money upon these metals, it creates a use for them that they did not before have. (Applause.) A new use to an article adds to its value. The new use of corn for making glucose,

candy and molasses has increased its value. The extent to which corn can be supplied is virtually unlimited, and with other farm productions unprofitable, the corn crop will increase and the price will drop.

In the case of the two metals we are considering, they differ from corn in this: The use of these metals for money, when given full money functions, is comparatively unlimited. The supply, unlike corn, is limited. Their geological formation, and the experience of mankind in their search for and development prove this. The abnormal demand for money in all ages, now at a tension; the fact that tens of thousands of men are continually searching for the metal from which it is made, and the further fact that all that is now in existence outside of useful articles and ornaments can, if melted down, be put into three rooms of this building, prove conclusively that the supply is limited.

We can, therefore, better understand the effect to be produced by the United States throwing open its mints to silver and conferring upon that metal the full functions of money when I shall reach it directly.

Don't Want Cheap Money.

Mr. Harris—* * * Now, I ask the army of professionals, do you think it would benefit you to vote down the price of the dollar in which you are paid? They are all paid in money for their work. Will you be better off by getting just the same number of dollars but having them worth just half as much? Well, they say, we don't want you to submit that proposition to us. We fellows that have studied so that we have got a little bit of gray matter so that it is somewhat active in our brains—you don't want to ask us whether we will be benefited by making us think we are getting the old pay, when we are only getting half as much. Would they vote no? No doubt about it. They say we want the best money, the money that will buy the most of the comforts and the necessities of life. Aren't they right about that? * * * I next call up those engaged in trades and transportation. That includes all the railroad hands, all the steamboat hands. That includes all the people who work in different trades. Typewriters, men and women, they have cultivated themselves so they can do good work and the world pays them for it. The brakemen—it includes people who take risks.

Gold and Silver Cubits.

Mr. Harvey—I wish I had time in this debate to characterize the last speech of Mr. Harris as it deserves, but I can only stop now to say that when I said all the gold and silver in the world available for money could be put into three rooms in this building I knew it would make Mr. Harris wince. The statement that all the gold in the world available for money can be put in the space of twenty-four feet is one of the arguments that worries him the most. It is an object lesson, and if Mr. Harris were on our side of this case, with his inimitable wit and sarcasm, he would go around with a picture, a twenty-two foot block of canvass, and he would have it on every stage where he spoke, and he would ridicule the gold gamblers of the world until he would satisfy his audience that the man who would advocate that that twenty-two foot block should supply the people of the world with primary money had a soul in him no larger than a mustard seed. (Applause.) * * * There is great concern among some of our citizens that if free coinage of silver is adopted those holding gold obligations will be paid in silver, also that gold will leave us, and a debtor who owes gold will not be able to get it without paying a high premium in order to discharge his debt. Both of these questions can be answered together.

Meeting of Values.

Gold obligations should be paid in gold and not in silver. To secure the gold with which to do this would not be so difficult as it is now. It would operate this way: As soon as the United States opens its mints and confers on silver the full functions of money, with the right to no one thereafter to make a debt payable in gold (for under the bimetallic law there would be no such right), the demand for gold would be withdrawn except to pay previous debts thus payable. When you withdraw the demand in such a pronounced way from an article it must decline in value. (Applause.) With the demand thus suddenly thrown on silver to supply the United States with money its value would rapidly advance. (Applause.) You have suddenly transferred the demand from one metal to the other. One must necessarily decline and the other advance relatively. Hence, you could buy the gold cheaper than now. (Applause.)

Mr. Harris—I was just talking of the great army of people of the United States who are classified under the head of trades and transportation. We have of them 3,325,962; at least three million of that army get their wages given them each day, week or month, for the work they have done. You ask them whether they want a dollar that will buy a good many of the things they need or one that will only buy a part as much as they now receive, and what will be their answer? Why, my friend Harvey seemed to think that if he could get me schooled on that question of silver coinage and get me on to the stump on that subject that I would rattle things up wonderfully by carrying around a chart showing the size of the gold in the world. He is mistaken. The size has nothing to do with the value. You may be able to do it, Harvey, but I couldn't refer to a principle and a picture of that kind without stultifying myself. A man who had as much brains as a chipmunk would

know better, would know I was trying to mislead him, because size is not the measure of commercial value. You can put a diamond worth a million dollars, the Regents, all inside of a quail's egg, therefore it isn't—

Mr. Harvey—But we would not consider the proposition to make money out of it for the world.

Harris' Ridiculous Idea.

Mr. Harris—We don't make money out of it. No; but I wouldn't consider the proposition reasonable to go about claiming that it had anything to do with the value of a metal or that you could base any calculation in reference to value on it. It is so ridiculous. But I must proceed.