

the talk of fraud in the passage of this demonetization act, there had been only 8,000,000 of them coined while the amount of gold was several hundred millions, said Lord: "Senator Morrill simply used the expression 'There were none coined' because that is not accurately true, he cannot tell the truth about anything else."

He then went on: "Doctor Linderman gives the value of the silver dollar each year from 1834 to 1876 in the Census Report. According to that table, at no time was the silver dollar between 1834 and 1876 worth less than 100.2 cents, was highest was in 1839 when it was worth 100.22. This 'Coin' calls a slight variation."

Harvey then began the discussion of bimetalism and said: "Scientific bimetalism 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. That silver dollars of 37 1/2 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 metals 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."

"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."

"With a limited supply and unlimited demand, what stops their value rising? It is this: The law says, 'We coin 37 1/2 grains pure silver and 23.8 grains pure gold, respect tively, into dollars, and confer upon these coins a 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 in current money, for they have the right to have it coined into dollars."

"This unlimited demand for the two metals existed in all the world at ratios one to the other up to 1816, when England closed her mints to silver. The demand thus made fixed the commercial value of the two metals at the ratio fixed by law. England closing her mints had practically no effect. It was designed to do so and was the beginning of the movement intended to limit the quantity of primary money to one of the metals and correspondingly decrease the value of the other metal."

"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 20 years, to which I have added the commercial ratio for 1894. 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. Cast your eyes up and down these columns and see how evenly the commercial ratio kept pace with the legal ratio. The ratio of France, the largest nation commercially during that period having a bimetallic ratio, was the governing influence, which was 15 1/2 to 1; ours was 15 to 1 till 1834, then 16 to 1."

"The table showed that from 1837 to 1873, inclusive, the ratio varied between 14 1/2 and 16.96, being 11.94 in 1837 and 16.63 in 1873. As prepared by Harvey the rise to 15.92 in 1878 and up to 22.56 in 1894 is marked 'Demonetization.'"

Harvey then took up the argument, saying: "All these inquiries about the valuation in the ratio of the past are of little account in this debate. The one fact is admitted by Coin and disputed by none: All the civilized nations of the world have ceased the free coinage of silver upon any ratio. Silver today has no free coinage in any country where gold is the standard, and only in such countries as are using silver as the unit and measure of value. It matters little how such a state of affairs has been established since it is the existing fact. Silver is cheap. We both agree to that."

"No coins which are of less value than the market values of the metals in them would indicate are ever treated as the measure of ultimate redemption, nor ever passed current at their face value, except they are redeemable in money which is worth as much coined as uncoined. Now 'Coin' in his 'Financial School' really admits that the ratio between the two metals must always be determined by the actual value of the metals in the markets of the world, and ignores the doctrine of the ratio of 16 to 1 being possible at the present day. On page 111 'Coin' says: 'We express values in dollars, the unit of our monetary system. That unit is the gold dollar of 23.2 grains of pure gold, or 23.8 grains of standard gold. If we were to cut this amount in two, and make 11.6 grains a unit or a dollar we would thereby double the value of all the property in the United States except debts.'"

"Is not that statement wisdom for you in chunks? What a head that boy must have. Precisely such another proposition would be: We measure cloth in this country, legally, with a yard stick thirty-six inches long. If we were to cut the yard stick in two and declare by law that eighteen inches shall hereafter be a yard we would thereby double the value of all the property in the United States except debts."

"Before Mr. Harvey finishes his book he discloses what he really meant by bimetalism. We have it here in his own language, and it is in this book that I find the principles which I am called upon in this debate to combat. The author says: 'The objection to independent bimetalism is that the parity between the two metals cannot be maintained at our ratio of 16 to 1, that is, the gold—23.2 grains—in the gold dollar will be worth more than the silver—37 1/2 grains—in the silver dollar; we have twice begun to tell the quantity of gold in the gold dollar, each time making it less. If the commercial value of 23.2 grains of gold is worth more than the commercial value of 37 1/2

grains of pure silver then reduces to 22 grains, 21, 20 grains of less, if necessary, to put the two at a ratio where the practical effect of free coinage, when once set to working again, will demonstrate that the ratio is at its natural point and parity easily obtained."

"And then again on page 143 he says: 'With silver demonetized and a just and equitable standard of values we can, if necessary by act of congress, reduce the number of grains in a gold dollar till it is of the same value as the silver dollar. We can legislate the premium out of gold.' Now then, what becomes of his ratio of 16 to 1?"

Harvey's reply was as follows: "Mr. Horv alludes to something that I have said before and then adds, 'Cut the yard stick half in two and it will make twice as many yards of cloth in the world.' Now, Mr. Horv, let me tell you what you people did in 1873. You doubled the length of the yard stick. For instance, let me illustrate it. Suppose one-half of the gold in the world were destroyed today beyond recovery, would not the gold dollars that were left be twice as valuable as they were before? Mr. Horv is not a bad pupil and shakes his head. Let me illustrate it in another way that every farmer in this country will understand. Suppose that one-half of the wheat in the world today were destroyed beyond recovery. Mr. Horv, would not wheat on the Chicago market tomorrow be about double in value what it is today? You cannot escape that proposition, and it does not require a man to be a farmer to understand the illustration and any man who is a business man will understand the gold illustration."

"So that when you destroyed one-half the redemption money in 1873 you doubled the value of the money that was left. You doubled the yard stick. You can see no harm in destroying the price of a man's property, cutting the price of his property half in two; you shut your eyes to that. But your eyes are wide open when any man proposes to even up with you in your cutting-in-half process by proposing to cut the gold dollar half in two. We don't wish to do either. We wish to put back in the coinage system the money that you demonetized in 1873."

Then referring to the table of ratios from 1837 to 1894 he said the whole of the variation of said ratio when "the world practically had bimetalism" was made by the cost of exchange.

"It is possible," said Horv, in reply, "that my friend Harvey believes it when he says the act of 1873 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 fifty per cent. 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 what is an article that people 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."

"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. 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. 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 tolling millions. The greatest commodity ever placed on the markets of the world is labor. To know whether gold has appreciated or depreciated in real value the price paid for any human effort must never be omitted. When the laws of nature through mechanical devices are compelled to do the work formerly done by human hands, three results should follow: The product should be cheapened for the consumers' sake of the world, the wages of the men who still labor in that production should be increased, and the profits of the promoter of the enterprise, or the inventor of the improvement, should become greater."

Harvey rejoined: "Mr. Horv, we do not intend to let you before the American people cloak yourself behind the laboring man. There have been free schools in this country for many years, and you are not going to fool the laboring men of this country. Mr. Horv asks me about prices, why did they not drop suddenly 50 per cent. in 1873 when silver was demonetized. The reply to that is this: We were not then 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."

"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 safe principle, and that is that supply and demand regulate value." Referring to the table of ratios Harvey said that for 200 years there was a practical parity between the two metals.

Said Horv, when Harvey sat down: "My friend Harvey says that he is not going to permit me to stand behind the laboring man, or hide behind them, or words to that effect. How are you going to stop me from standing where I have a mind to? I say I oppose this whole scheme because it will injure every man who lives upon wages in the United States."

Horv then went into a dissertation on the origin of value, his conclusion being that when gold and silver were first used to effect exchanges the cost in human labor of producing them measured their values. The men who advocated free silver left "out of the question the great human product of 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." But, said Horv, the creditors of the country outnumbered the debtors five to one. Every man who had worked one hour of his day's work was a creditor.

Harvey would not take up this subject yet, but would prove when he got to it, he said, that Horv was wrong about the creditors outnumbering the debtors. He proceeded to show when Germany and France demonetized silver, in 1873 and 1874 he said, and called attention to the table of ratios to show that it was just then that the price of silver began to fall, his conclusion being that for 200 years under bimetalism there was parity and in 22 years under the gold standard total destruction of parity.

Another table was here produced showing the annual price at London of silver from 1833 to 1894 and the period from 1873 to 1894 when silver fell so greatly was marked on the table "Demonetization." "We have relatively now only half as much primary money in existence as in 1873 and of course silver is only worth half as much." He then asked: Has silver declined since 1873 by reason of overproduction? and presented a table giving the production of both metals each year or per. of years from 1833 to 1891 in kilos, the ratio of gold to silver in weight and in value. From this he argued that: "The varying supply of the two metals prior to 1873 never had any effect in changing their commercial parity from the legal ratio fixed."

Horv said: "Brother Harvey omits this one important thing. You may make two standards by law, but the people will discard one and use the other. We necessary are compelled to do business with one or the other unless the value happens to be precisely the same, so that the measure becomes one and identical."

Harvey referred to the table of production of gold and silver to prove that in the time it covers, 22 years, the ratio between the quantity of the two metals produced fluctuated from 55 to 1 to 4 to 1, while the "commercial ratio hung tenaciously to the legal ratio."

Horv declared that gold had depreciated in value—50 per cent.—in less than 100 years. "How do I know that gold is cheaper than it was in 1873? I will tell you. The rate of wages, the amount of gold that a man can get for a certain number of hours' work, tells us whether gold has decreased in price or not. I can get today twice as much gold for a day's work following the plow as I did in 1849? Wages are 70 per cent. higher, paid in gold, for the same amount of work than in 1849. Has not gold depreciated then when you measure it with the great commodity of human toil?"

Harvey replied: "Mr. Horv says that everything has been cheapened, including gold. To say that gold and products cheapen simultaneously is a financial contradiction. You buy gold by exchanging other property for it. When it takes more property to buy gold than formerly, gold has risen."

"With us now the price of services or property means the gold dollar or its equivalent. Price has a definite meaning. It is gold that property and labor is being priced in, it is not priced in labor, and the average human intellect will have to be raised a little lower than it is now, before Mr. Horv can tell the people out on a limb and chop the limb off and mangle them any more than they are now mangled. He is trying to lead you off on a theory that has no practical application as a monetary unit."

SIXTH DAY.

The sixth session of the money debate began with Harvey on the floor, and he proceeded to make a statement reviewing from his standpoint the value of the fifth day's debate. He claimed that every material proposition he was contending for had been strengthened by what had been brought out. Horv then proceeded with the discussion. He said: "On yesterday Mr. Harvey stated that I had found but one error in the statements in his book, and he defied me to call attention to any other mistake that he had made. The mistakes that are made in Mr. Harvey's book are, many of them, not mistakes as to the words that he uses, but misleading inferences from positions which he takes. I will now in my opening remarks call some attention to what I mean. In your book, Mr. Harvey, you say: 'It is estimated by all men of judgment who have given practical attention to mining that the silver now in existence has cost not less than 88 per ounce, and many put it much higher.' You will find that in 'Coin's' book, page 74 I assert that silver has not cost that much for production because, silver has been constantly increasing in production at a low price, running from \$1.25 an ounce down to 87 cents an ounce, and the people of the world never kept constantly producing an article at so much less than it costs them to produce it."

Horv said that if "Coin" was correct the silver man in three years lost \$235,000,000. He didn't believe that men would continue at a business in which they lost nearly \$30,000,000 a year. He then proceeded: "Again, Mr. Harvey says on page 89 of his book: 'There is in the world now, according to the report of the director of our mint, \$3,770,018,869 in gold and \$3,829,571,948 in silver.' The mint director didn't give that as the amount of silver and gold in the world at all. The director of the mint gave simply the amount of coin supposed to be then in existence. Mulhall, whom you refer to as good authority, gives the stock of gold coin and bullion in 1890 at six thousand million dollars, and the amount of silver at about six thousand million dollars."

"Coin tells us on page 53: 'We have in the United States in round figures \$1,600,000,000 of all kinds of money.' The Statistical Abstract of the United States, page 80, says: 'The total amount is \$2,420,000,000.' That gives one amount, you give another. You tell us, page 63: 'We are paying England \$200,000,000 annually in gold in the payment of interest on our bonds, national and private bonds owned by her people.' I deny it and defy any proof that will show that we owe all the countries of Europe counted that much; that is, bonds that would require that much of interest to be sent abroad. You state that the indebtedness of the United States is forty thousand million dollars; that is, the people of this country, if that be true, owe nearly two-thirds as much as all the property in the United States is worth. I brand such a statement simply as false."

Harvey on taking the floor again said he would prove in the proper place that silver cost what he said it cost and fore-shadowed that he was going to count in its cost all that had ever been spent prospecting or digging for it, whether profitably or not. Replying to Horv's comments as to the quantity of gold and silver in the world he said: "When he refers to the amount of gold and silver in the world he omits to say that my statistics gave the amount of gold and silver available for use as money. Its quantity for use as money is the subject we are interested in." He then produced a table showing the world's production of gold and silver for each year from 1849 to 1892, and for groups of years including the period from 1794 to 1843 inclusive. The grand total was, gold, \$5,693,216,000; silver (coining value) \$5,977,529,000. It showed that the silver produced in 1873 was (coining value) \$65,250,000; that in 1873 it was \$81,800,000, and that, generally increasing each year, it went on until the production for 1892 was \$196,459,000. The figures are for the whole world, and are official.

The argument Harvey made on this table was: "Here we see that from 1793 to 1800 there was \$3.25 in silver produced to \$1 in gold, or a quantity ratio—once for one—of about fifty of silver to one of gold. And yet there was no fluctuation

tion of the commercial with the legal ratio. For 228 years prior to 1873, as far back as we have statistics that are undisputed, the change in the relative quantity of relative production had no effect on their relative commercial value. But in twenty-two years demonetization has revolutionized the metallic currency of the world."

Harvey then challenged Horv to assign any other reason than overproduction for the break in the commercial parity of the two metals.

Referring to "scientific bimetalism" he recapitulated his statement of the fifth session, and added: "Excepting in the unit, there should be no discrimination between the two metals as they stand before the law. The right to make a contract to be liquidated in any specific property should not apply to money. All such contracts, when made payable in money, should call for 'lawful money.' To permit a raid to be made upon either gold or silver is to permit individuals or combinations of men to dictate to the government what should be legal tender money. The government is the creator of money, and the creator should regulate that which it creates. To make debts payable in one to the exclusion of the other is to make a greater demand for the one and to discredit the other; it is giving the individual a right to promote his selfish interests at the expense of the common good; to interfere with that which the law creates for the benefit of society."

Horv, in reply, resumed his comments on the "school." He said: "While discussing your visionary 'law of unlimited demand for silver by free coinage,' on pages 47 and 48 of your book, you make Mr. John B. Walsh, whom you represent as present in your school which never existed, ask 'How can the government by passing a law add a cent to the commercial value of any commodity?' You answer: 'Suppose,' said Coin, 'that congress should pass a law tomorrow authorizing the purchase by the government of 100,000 horses, cavalry horses, certain sizes and qualities. And the government entered the market to get these horses. Horses should advance in value. Not only the kind of horses desired but also other horses upon which there would be a demand to take the place of horses sold to the government. The government can create a demand for a commodity.' Now that answer has misled thousands of honest and unthinking people."

"You used this illustration to teach that free coinage would create an unlimited demand for silver and increase its value in the markets of the world. The horses would be bought, kept, and used by the government; and the price of them would be paid to those who sold them, in money. Under such coinage as you advocate silver would be received by the government, coined, and then, in effect, returned to the owner again. He might not get the same dollars made from the identical silver which he took to the mint, but he would get those coined from silver received and treated precisely as his was, so that he would practically get back the same thing. The only honest connection possible between your illustration and the truth would depend upon the government's branding each horse and returning him, or another horse of the same class which had been treated and branded in the same way, to the man who presented the horse for branding. Now, what influence would that have on the price of the horses? It would not increase the consumption nor would it affect the supply."

"Another item: The average price of wheat, as given on page 118 of 'Coin's' School, was 83 cents in 1881. The Statistical Abstract gives the New York price \$1.09 in 1891, and the average price in Chicago in 1891 was 97 cents. If you are teaching the people the truth, explain this discrepancy. Again: In 1893, you state, the corn crop of Illinois was 161,000,000, which you teach to the people governed the price of corn in the United States that year, whereas the product of corn that year in the United States was 1,619,000,000 of bushels. Now what I want is, Brother Harvey, that you should tell us how that little tail in Illinois corn crop wagged the whole dog in the United States. In another portion of your book you state, at least by implication, that the farmer's products will not buy as much of all kinds of commodities, except labor, as in 1873. You do this on page 121 and 122 of Coin's School. That statement is misleading and untrue. The farmer's products taken as a whole will buy as many things that the farmers need and use as the same products, all taken together, would have bought in 1873."

In reply Harvey said: "When he called your attention to the illustration in the 'School' of the government entering the market for horses Mr. Horv should have thought how the government fixes the price on gold. You take a certain quantity of gold to the United States mint and it is coined and given back to you in so much money. The price of gold as money is fixed. Now, we ask the same thing for silver, that's all. Now I proceed with the argument of what is scientific bimetalism. The option of the debtor to pay in either metal is a vital principle. Unlimited free coinage at the mints guarantees a substantial parity. But if, by reason of supply or a corner on one of the metals or from any other reason one of the metals is enhanced in value, the debtor exercises his option to pay in the other metal and this transfers the demand from the dearer metal to the cheaper metal."

Here Harvey quoted the Chicago Tribune of January, 1878, in which an editorial takes direct ground against a single standard for the reason that the debtor should be provided with an option as explained by Harvey. Harvey enumerated two kinds of money in use—one was "primary," the other "representative." Primary money was the measure of values. He proceeded: "When we have gold as real money, as we have now, our representative money is tied to it as the tail of a kite is fastened to a kite. We make it as good as gold only by fastening it to gold. Hence we now hear of a 50-cent silver dollar. Why? Because silver is being measured in gold, and so is all your property. We have 50-cent wheat and 50-cent cotton, and this relative decline is the same with all other property where its value is measured in the gold markets of the world, not affected by trust causes or a new use that has increased its demand. What reduced the prices was taking away one-half the real money. What will put it back is to restore that half of the money. Bear in mind one thing through this whole argument: that supply and demand regulate the value of money, the same as of all other property."

Horv proceeded "to take up the question as to why the people of the civilized world refuse to adopt Mr. Harvey's plan. I admit it, that the nations that first demonetized silver did so because they considered the mineral unstable, the variable in price, and that afterwar the element of cheapness came in. The nations which acted later did so because silver was cheapening all the time, as an additional reason

son. In your book and yesterday in every statement you made you used the term that if 'the mints of the world' would give free and unlimited coinage to silver on a certain ratio, it could be maintained. I have not denied that. The question we are discussing is after the entire civilized world has refused to use silver as money of final redemption, and still refuses to use it, can the United States single-handed and alone afford to put itself upon a silver basis?"

Horv then adopted in his remarks "Coin's" table of the gold and silver production of the world, but only that part from 1874 to 1892 inclusive, and with the mint report of the production for 1893 and 1894 added, showing a pretty steady increase of production of gold and a production of silver (coining value) of \$71,510,000 in 1874, increasing steadily to \$214,381,000 in 1894. The gold production begins at \$90,700,000 in 1874 and rises to \$181,510,000 in 1894. Horv remarked: "Now this table shows that since 1874 the production of silver has been constantly on the increase. Gold has increased since 1873 from \$90,700,000 worth in one year to \$181,510,000—just about double. Silver in those same years has increased from \$71,500,000 up to \$214,381,000. While gold increased only twice, silver has increased just about three times."

Harvey began on taking the floor again, by stating that all our forms of money have their value fixed by gold, and in reply to a question Horv said: "That is right," and Harvey proceeded: "Paper and token money, representing gold, do not affect the value of gold or property, except in the sense of facilitating exchange. They are each a medium of exchange but not a measure of value. There was no paper money in circulation in California between 1830 and 1873, and very little between 1873 and 1880. And yet between these years, gold and silver prices were as high in California as they were with us. Mexico has no paper money, and yet wheat is worth there \$1.30 per bushel in silver, and the equivalent of our gold price for wheat here, where we have paper money representing gold."

"Any one who denies the proposition that primary or real money alone is the measure of values is asked to consider this: With relative production of silver to gold since 1873 not accounting for the decline in silver since that year, why is it that silver is worth only 50 cents now as compared with 100 cents in 1873? And if a change of our money measure to the gold standard has reduced the price of silver 50 per cent., what reason is there that it would not exert a similar influence on other property?"

Horv's rejoinder was: "Any business man will only need to look at the table of production of silver and gold since 1873 to be able to ascertain that the law which I partially illustrated yesterday operates in reference to silver as well as in reference to every other commodity. It is cheaper because the demand and the supply are in such relations to each other that it makes it cheaper, just as wheat has been cheaper, and for the same reason."

"Prices are not governed or controlled by the amount of primary money in any country or in the world, so far as I know. Why, when we passed the law of 1873 there was at that time only about one hundred thirty-five millions of gold in the country—all the primary money we had. I his doctrine is true prices should have been doubled instantly. Ah, but here is the trouble with your mathematics. If your doctrine is true every product in this country should have been reduced in price by this cheapening of silver."

Harvey said: "Silver is not now primary money," and Horv went on: "Silver is not primary money, and under his doctrine, because primary money has been reduced in that way one-half, all prices should be reduced one-half. Have they? Has pork depreciated? Has cattle depreciated that way? Over one-half of the farm products of the United States are as high now as they were in 1873, a fact which could not be true if his doctrine as to the appreciation of the measure of value is true; prices would necessarily be split in two. Now the difficulty is, articles are cheapened by the processes of production. The price of an article is always fixed by the absolute cost of production—the concern producing it, which does it at the highest price at which it can stay in the business after the price is fixed."

"For instance, we had been paying years ago \$1 a pound, and a good deal more, for aluminum. It used to cost that in actual work in expense to get a pound of it. Now aluminum is without limit in the crust of the earth almost. It used to cost so much to separate it that it was worth more than gold. Now we have been cheapening the production of aluminum until it is down to perhaps 40 or 45 cents a pound. Now mark—when some person (and it will be done) shall discover a method of reducing aluminum so that it can be made for 10 cents a pound the price of aluminum will not go down to 10 cents a pound at first, or anywhere near it. The man making the discovery will hold the price up as high as he can keep it, and that is always at the highest point that it costs any of the men who still stay in the business to make it."

In reply Harvey said he would fully debate this question later "in its proper place," but "just give you this to think about meantime: Between 1850 and 1873 we had a great era of improved facilities. Even the harvesters were all invented and in use before 1873, and yet prices were rising. Improved facilities increased constantly and at the same time prices were rising. If 37 1/2 grains of silver is now only worth 50 cents why is not the gold in the gold dollar only worth 50 cents, if you are right about your cheap cost of production."

"In 1867 all the money in circulation was per capita \$18.23. At that time all money was primary money—the measure of values was paper money itself. In 1873 the per capita of all money in circulation, was \$18.19, and all of it was primary money. In 1894 we had a per capita circulation of primary and credit money combined of \$24.23." The reason why prices were not higher, as they should have been in 1894 than in 1873, was that of the \$24 per capita only \$8 was primary money, said Harvey.

Horv rejoined: "I am very much surprised to hear my friend say that we were getting along well during the years of suspension of specie payment when we used entirely money that on its face had to be redeemed. His definition of primary money was money of redemption. Every greenback has to be redeemed to make it good. It is not primary money."

Horv went on to say that it was the old greenback cry that the whole business hung on the amount per capita in circulation, and intimated that Harvey would have been a Greenbacker. Horv did not believe this doctrine; he believed the quality of the money had much to do with the matter. "This country was

never more prosperous than from 1879, as I told you yesterday, up to 1892. There is not a man living who can take the statistics and prove that we were not doing well as a nation during all those years."

Horv then asked Harvey who were, among the peoples of the earth, followers of the silver idea, and enumerated China, Mexico, the South American States, etc., saying that the most progressive of those peoples were adopting the gold standard.

Harvey denied the greenback imputation and declared he had never written anything to justify such an imputation. The reason the civilized nations were adopting gold was that they were being tricked. That was the way the money power had destroyed the Roman empire.

He then proceeded with the "scientific bimetalism" argument and said: "Credit money represents primary money. If a bank issues it, it is expected to redeem it in primary money, if the government issues it, it is expected in like manner to redeem it."

The government, however, should not issue it to an extent greater than it was possessed of primary money to redeem it with. He declared that a nation that borrowed from foreign nations was in process of decay and only exceptional statesmanship and vigorous action could save such a nation from financial revolution and disaster.

SEVENTH DAY.

In opening the seventh day's debate on silver Horv referred to a statement made by Harvey that silver dollars of 41 1/2 grains standard silver were coined in 1871 and 1872 for the people of Nevada, Colorado and perhaps California out of silver produced in the United States and under the free coinage law. Horv said he could not understand how it could be as 41 1/2 grains of silver were worth more uncoined than coined at that time. Horv added that he had hunted the matter up and found that the truth was this: "Congress had previously provided that certain foreign silver coins should be redeemable at the treasury and the several postoffices and land offices of the government, at a certain fixed valuation. In the second section of the act of February 21, 1857, congress provided: 'And be it further enacted that the said coins when so received shall not again be paid out or put into circulation, but shall be recoined at the mint. And then the director of the mint also tells us that over 45,000,000 of silver had accumulated in the mints found in the gold during the process of assaying it. The silver dollars which you tried to account for were all coined at the mint in Philadelphia, and not from the silver taken to the mint by our producers at all. I give my authority as the report of the mints of the United States. And I defy my friend Harvey to show any instance from the report of the entire mints where after 1853 a dollar of our American product was ever received for free coinage in any mint in the United States."

Harvey replied: "Mr. Horv has persistently quoted in this debate authorities which he has not produced here in this room. I want that impressed on the mind of the public. He has just made a statement with reference to the coinage of silver dollars that I deny, and he cannot produce the authority here to prove what he has said. I will only answer it incidentally, but sufficiently. I hand Mr. Horv the report of the director of the mint for 1892, and call his attention to 412,462 silver dollars coined at the mint at Carson City, Nev., in the year 1870." He then proceeded with the argument in relation to primary and credit money, praising his remarks with the statements that the change to gold standard."

(It should be stated that Harvey has his whole argument prepared—written—and at hand. Each chapter of his book is taken up in its order and discussed. All this matter was gotten up before the debate began and the authorities he depends on are placed in their order among his manuscript. Horv speaks without notes and jumps from one part of the "School" to another as he finds something he takes issue with.)

Harvey then proceeded with his argument in order, taking it up where he dropped it Tuesday afternoon. He said: "An over-issue of credit money creates a lack of confidence in the ability of the government to redeem it, and a strain on its primary money begins. In other words, it causes a run on the government for the redemption of its credit money. This forces the government to issue bonds to borrow primary money. So long as this unhealthy relative proportion of credit money to primary money continues the run on the treasury will continue and the borrowing by the government must continue. And the more it borrows the greater the strain, as the interest on bonds demanded in primary money will be an additional strain. This is what Mr. Cleveland calls 'an endless chain.' If at a period like the present, when gold only is by law primary money, we increase the stock of credit money by issuing more paper money, or by coining more silver as credit money (the way in which it is now treated), we increase the strain on gold and hasten the financial chaos that must come. The quantity of gold now in the United States is variously estimated at from \$400,000,000 to \$600,000,000. The quantity of credit money outstanding is about \$1,000,000,000. Hence a surplus of from \$400,000,000 to \$600,000,000 of credit money is now in circulation, and the run on the United States treasury must continue till the credit money is reduced to the quantity of gold in the country, or the stock of primary money is increased."

"Each time a government gold loan is made with, say, the Rothschilds behind the treasury, temporary confidence will be restored and prices will advance. The government supplying itself with gold causes the gold holders in the United States to let their gold out. But as the golden sand in the hour glass at Washington runs out again, as it must, a scare returns, gold hoarding begins again, the demand for gold increases, and prices correspondingly fall. The end is national bankruptcy. To correct this system is national prosperity."

Horv then showed that Harvey had mistated the facts when he said 412,462 in silver dollars had been coined in the Carson mint in 1870, and that it was 12,462, Harvey having read the dollar mark as a figure "4." Harvey admitted this, and Horv went on: "Now this mint report which he handed me shows that after 1870 up to 1874, in the entire mint in Carson City there were only coined 19,288 of the old silver dollars. The mint report will show that those were coined from the silver accumulated in assaying the gold taken to that mint. I now proceed to state that up to this moment Mr. Harvey has not said one word upon the real question in debate. He spent hours to prove that the law of 1873 was conceived in sin and brought forth in iniquity. I gave a short succinct history of the origin of the bill and the steps taken in its passage. He has not successfully controverted a single statement of mine. He has nowhere proven any act of bribery or the influence of money in a single step taken during the progress of that bill