Fifty years ago this month William Jennings Bryan stood before the Democratic National Convention at Chicago, Illinois and made a speech which came ringing down the years and was familiarly known as the "Cross of Gold" speech. To be exact the date was July 9, 1896 and the speech got its name from the concluding paragraph which read: "You shall not press upon the brow of labor this crown of thorns; you shall not crucify mankind upon a cross of gold." This was the speech which climaxed the efforts of Bryan to place his country upon a monetary basis calling for the free and unlimited coinage of silver for money purposes at a fixed ratio of 16 to 1—namely that sixteen ounces of silver should have the same value as one ounce of gold. That was an interesting era. Free silver remained a major political issue for many years. Mass meetings were held everywhere to discuss the subject. Treatises on money were written, one of the most notable of which was the "Financial School" written by a homespun money expert in Missouri known as Coin Harvey. All our troubles were said to spring from a faulty money system and that there was no hope for continued and unlimited prosperity unless we adopted bimetallism—that is, a money system based upon two metals, namely silver and gold, with a fixed ratio to each other. Bryan received the presidential nomination and went down with the silver issue. It gradually disappeared from public discussion.

BUT IT DID NOT DISAPPEAR ENTIRELY

There are still many ardent silver advocates. Scarcely a week goes by in Congress that some Senator or Representative from a state where silver is produced does not make a silver speech. In 1934 the silver advocates were successful in bringing about the passage of the Silver Purchase Act under which the Treasury Department was required by law to continue to buy silver (even though we had no need for it) until the ratio of silver to gold in our money system was as 1 to 4. The Secretary of the Treasury repeatedly urged that this law be repealed but it is still on the books. Under that program we purchased an estimated 1½ billion ounces of silver but so long as gold kept coming into the country we did not and could not reach that ratio of 1 to 4.

THE SILVER ISSUE IS BACK AGAIN

On the 14th of February the House passed a bill making appropriations for the Treasury and Post Office Departments for the fiscal year 1947. The Treasury portion of the bill contained funds for many purposes including the administration of the public debt, the Bureau of Internal Revenue, the Customs Service, the Mint, etc., while the Post Office portion contained funds for the salaries of postmasters, mail carriers and the operation of the entire Department. That bill was not passed by the Senate until June 21—nearly 17 weeks later. As the bill passed the House it contained a provision permitting the Treasury to sell off its stock of silver at a price not less than 71.112 per ounce so that the manufacturers of jewelry and silverware as well as the manufacturers of electrical equipment and other items in which silver is used could obtain a supply of this metal to continue production. When the Senate finished with this bill they completely rewrote the silver proviso.
Among other things they took from the Secretary of the Treasury all control of silver imports and exports, removed the transaction tax on silver which had been enacted to prevent speculation, took all ceiling prices off of silver, then provided that the Treasury could sell silver for bona fide certified industrial and artistic purposes at a rate of $0.34 per ounce until June 30, 1948 and at a price of $1.29 per ounce after that date. Remembering that a year ago the ceiling price on silver was $0.34 per ounce and that only a few years ago the world price in a free market was only $0.34 per ounce it is easy to see what a controversy developed between the silver producers and silver users, such as dentists, jewelers and manufacturers. This effort on the part of the Senate to virtually rewrite our monetary system into an appropriation bill stirred up a real controversy between the House and Senate with each body refusing to budge from its position.

CHAPTER TWO.

If the Senate proposal were adopted chapter two in this silver controversy might be an interesting development. Here is how the price of $1.29 per ounce for silver is derived. Long ago Congress by law fixed the price of gold at $20.67 per fine ounce. One-sixteenth of $20.67 is $1.29. There you have the 16 to 1 ratio. Today, however, gold no longer sells at that price. It is bought and sold at $35.00 per ounce. That price was established by the President by Executive Order in 1934. The theory was that if the price of gold was substantially increased it would serve to devalue the currency which we use and by reducing the value of the currency it was the same as increasing prices. Now one-sixteenth of $35.00 is $2.19. Will the next chapter in the effort to get the price of silver raised consist of fixing the price at one-sixteenth of $35.00 or $2.19 to preserve the 16 to 1 value ratio. This would virtually put the silver users out of business. In any event, exactly 50 years to the day after Bryan proclaimed the silver issue, here it is again, as lusty as ever.