

THE SILVER QUESTION.

SPEECH

OF

HON. JAMES W. COVERT,

OF NEW YORK,

IN THE

HOUSE OF REPRESENTATIVES

AUGUST 23, 1893.

WASHINGTON.

1893.

S P E E C H
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H O N . J A M E S W . C O V E R T .

. The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. COVERT said:

Mr. SPEAKER: This debate which has been participated in so earnestly and so eloquently, is rapidly drawing toward its close. I desire to congratulate the House and the country upon the character of this discussion. It has disclosed a depth and extent of research, a close and logical reasoning, and a fairness and completeness of presentation on both sides rarely reached in the discussions of any lawmaking body on earth. It has been in the fullest sense an educational debate, and as such has been carefully watched and followed in every section of the land. While this discussion has been eminently fair in every material respect, yet gentlemen have on occasion indulged in references to the people of my own State which might call for reply did we who have been assailed believe in the sincerity of those who have indulged in these references.

No imagination, unless abnormally vivid, could in the face of established facts conceive the existence of "a gold combination" in the State of New York, powerful enough to reach its ends through any possible system of legislative action. Almost all of my colleagues who have spoken on this question, have been at great pains to explain the character and methods of our people who favor the repeal of the existing purchasing clause. My colleague [Mr. COOMBS] has spoken of the matchless generosity exhibited by New York toward other communities and States in seasons of misfortune and distress. My other colleague [Mr. WARNER] explained at length in presenting the memorial of the Chamber of Commerce, that that body was constituted not alone of bankers, but of business men generally.

My other colleague [Mr. HENDRIX] did not "boast" of his bank presidency, as stated by the gentleman from Illinois [Mr. LANE], but rather apologized for it. He intimated that he had nothing but his salary to his credit; that he was born and brought up in Missouri; and that, therefore, even though he was now a New York bank president, he was "only a little one." [Laughter.] I submit that New York has no need to be even semiapologetic in any explanation that may be given of the attitude of her people on this question.

The people of that sovereign State have in the strongest and most forceful way declared their sentiments upon all questions affecting the rights of the many as against the demands and encroachments of the few.

Upon the statute books of the Empire State stands the recorded voice of her people upon the vital question of the preservation of their interests as against corporate aggression and the excessive demands of a money power. Years ago her Legislature by formal enactment lessened the legal rate of interest on loans and advances of every character. In no one State of this Union can money be secured at so low a rate for any legitimate business or industrial enterprise.

Mr. Speaker, your own State of Georgia knows this. Alabama knows it. Florida knows it. Scarcely a Southern State whose business and industrial interests have prospered since the war but is glad to make acknowledgment of this fact. Capital for the development of mines, the building of railroads, and the furthering of internal improvements has gone to the Southland for all these desirable and beneficent purposes. Do not, I beg you, Mr. Speaker, misunderstand the spirit in which this is said. The obligation was not upon one side alone. Our business men have been glad to make these investments—as glad, perhaps, as the people of the South were to receive them. To-day the bond of union, the community of interest between the people of the New South and the people of the Empire State of New York is closer and stronger than that which exists between the South and any other one State in the whole Union. [Applause.]

What else has New York done in the interests of the many as against the few? The tax laws of New York have been characterized as drawn and enacted for the protection of poor and even delinquent taxpayers rather than for the fair protection of prosperous property owners. The drift of legislation in the State of New York during all the late years has been in the direction of the restriction of the powers of corporations and the suppression of all manner of syndicates and trusts.

Our State laws even follow the wealthy property owner beyond the grave, and compel his estate to pay a percentage of its value in the way of succession and inheritance taxes into the public treasury for the benefit of the Commonwealth.

Mr. Speaker, what State of all this grand sisterhood can point to stronger and more uniform laws against the encroachment of capital and its undue aggregation, and in the direct interests of what gentlemen on this floor sometimes refer to as the "plain, common people?"

The terms "leeches," "vampires," and "Wall street bandits" have no application to a body of people who have placed upon the statute books of their State laws of the nature of those to which I have made but brief and general reference.

Coming up from every section of the Empire State, from the body of the people who have made insistence upon the enactment of these measures—from merchants, manufacturers, mechanics, wage-earners, from Montauk to the Lakes—is the demand, peremptory and emphatic, for the unconditional repeal of the silver-purchasing enactment.

This enactment as it stands is more and very much more than

a "cowardly makeshift." It is absolutely wrong as matter of principle. It has been demonstrated by the saddest experience that it is disastrous as matter of policy.

During the debate on the free-coinage bill in the last Congress, from my place on this floor, I argued for the immediate and absolute repeal of this measure; and I do not purpose to repeat now the reasons advanced at that time in favor of its unconditional repeal.

That this measure, which has been tried in the balances and found to be so grievously wanting, should be repealed upon some proper basis, has grown to be the sentiment, the almost common sentiment, of thoughtful minds in every section of this land.

Why do the people of New York who have framed the laws I have mentioned, laws strengthening the hand of labor and the cause of the "common people"—why do they demand the unconditional repeal of this enactment?

Frequent reference has been made during this discussion to the "debtor class" of our people. The gentleman from Missouri [Mr. HART] has devoted the greater part of his speech to a defense of this body as against the creditor class of the community, and has argued that unconditional repeal would weigh heavily against their interests.

Mr. Speaker, I do not like the term "the debtor class," as applied to the great bulk of the people of this Republic. If I am employed to try a law suit or to examine a legal question for a client, and am to receive my pay when the work is done, from the very moment that work is completed my client is my debtor, though his possessions are ten times more than mine. The man who sells a ton of coal or a barrel of flour on credit to a customer, though the latter be a modern Croesus, holds him as his debtor until the obligation is discharged.

The great bulk of the people of this land are wage-earners, getting their pay at the end of the week or the month, as the case may be.

Until the end of the week or of the month, until the stipulated pay day, though the one may live in a palace and the other in a hovel, the employer is the debtor, the employe the creditor.

I submit, sir, that the legislation we frame shall be in the interest not alone of the debtor class, as that term is applied by many gentlemen on this floor, but that it shall have a wider, broader scope, and shall be in the interest of the wage-earners, for this class, happily, makes up by far the greater number of the people of this Republic.

These wage-earners, and large numbers of them are wage-savers, are entitled to the very best and soundest money in existence anywhere as the fruit of their labors. It should be the aim of Federal legislation to secure for them this kind of money and absolutely nothing short of it. [Applause.]

And now, Mr. Speaker, can there be any definite assurance of safety in this regard, if any one of the pending amendments shall be adopted as a condition of the repeal of the existing law? Suppose that any one of the various and varying propositions seeking to establish a ratio of value between gold and silver upon the basis of 1 to 16 or 1 to 20, shall be adopted, can there be any

definite assurance that the great bulk of our people who are wage-earners, and those among them who are wage-savers, will be protected in their right to receive the best kind of money that can be paid to them?

The financial history of the world has shown us that the value of silver has been gradually but surely decreasing. Time was when 1 ounce of gold would buy only 8 or 9 ounces of silver. To-day, in the markets of the world, it requires about 25 ounces of silver to obtain 1 ounce of gold. And this condition has not been brought about alone by legislative action. The opening and development of extensive silver mines, and the labor-saving processes by which the cost of production has been lessened, have been most potential agencies in bringing about this result.

What assurance can any man give, expert though he may be in all questions of finance, that the variance in value between the two metals may not be still further increased in the immediate future?

Will legislation sustain the value of silver? Why, it was imagined that the very act which we are now called upon to repeal would at once send up the price of silver and sustain its increased value.

Here was the Government of the United States a regular purchaser of the metal to the extent of 4,500,000 ounces each month. These conditions have been in operation for the past three years, and yet the value of silver as compared with gold stands to-day at about 25 to 1 in the markets of the world.

Mr. Speaker, the people of the State of New York, and I, as one of their representatives here, believe in the coinage of silver.

I believe in the declaration made in this regard in the last Democratic platform. I believe there can be no uncertainty in the construction to be given to that declaration. If there was any doubt or any ambiguity about it, that doubt or uncertainty was removed, and the platform was revised and corrected when the same men who adopted it made Grover Cleveland their nominee for the Presidency. Early in 1892 he had hazarded his chances for the nomination by a bold, manly, and courageous declaration of his position on the financial question. His views, clearly and emphatically stated, were known and understood by all men. His views then, are his conclusions now. The people who were his advocates then should be his strongest and staunchest supporters at this juncture, when legislation is invoked in affirmance of these conclusions.

Neither the President nor any considerable number of the American people stand to-day opposed to the coinage of silver. The American people as a whole have an affection that can not be alienated for the metal that has served them so faithfully and so well. If, by international agreement, or by any other plan that can be devised, we can safely continue the free coinage of silver the whole people will say, "Let the work go on." It is the money to which we have for long years been accustomed, and we have for it all the affection we entertain for an old friend and faithful servitor.

But we must face conditions as they are, and not as we might wish them to be. Silver has become like an old and faithful

servitor who has fallen unfortunately into unsteady habits. It has been abandoned for this reason by many of its former friends among the nations of the earth, and its usefulness has been largely diminished. The duty on our part is to reform it, if we can, and to restore its former usefulness if this restoration can be accomplished. Heroic measures are invoked in extreme cases, and in the existing emergency nothing, in my judgment, will accomplish the desired reform except a resort to the "gold cure." [Laughter and applause.]

I believe fully, Mr. Speaker, in the maintenance of the independence of this Republic in all material ways. I believe in its being, so far as possible, self-sustaining, just as I believe in its being in all ways self-respecting. And yet no man can doubt that we would lose in power and prosperity if through the use of a debased currency our credit as a nation should in any way be impaired. The American people are not to be persuaded to a wrong course through any cry of subserviency to the practices of European powers. They believe in the widest and freest trade with the nations of the earth by the honest and honorable methods which, being best alike in principle and in policy, will best subserve the interests of the whole people.

Reference has very ingeniously been made to the fact that Great Britain having, so far back as 1816, adopted the single gold standard as her measure of value, thereafter for years carried on trade with foreign nations using a double or even a single silver standard without friction or embarrassment.

I have no doubt that there was perfect freedom from either, so far as Great Britain, with her single standard, was concerned. Statistics have not been given, but that Great Britain profited by the transactions thus conducted may very readily be assumed when we know that the most potential of the civilized nations abroad with whom she thus traded, one after the other abolished all other systems and adopted the single gold standard as the only measure of value.

Every pound of English money, every French franc, every German mark which comes to this country adds to the wealth of the nation. Every foreign investment here brings us into closer contact and communion with our sister nations across the seas. Every investment of foreign money here, every business transaction with foreign nations, is in the direction of the casting away of the sword, and the invocation of the gentler mediation of the pen in the adjustment of all international complications.

We have heard very much during this discussion as to the dangers and difficulties which would follow a contraction of the currency; and this, in the face of the known fact that over 90 per cent of the entire business of the country is conducted upon a credit system. Whatever evils might follow currency contraction, I insist they would be but slight in comparison with those which would come to us from loss of national credit, as a resultant of a debased currency.

One of the most able and distinguished of the advocates of free coinage, the Senator from Nevada [Mr. STEWART], has said that the credit of the world is based on standard money, and the same statement is repeated by those who stand with him for free coinage.

It is with nations as with individuals. Credit is a complex quantity, constituted of various elements. Knowledge of the abstract honesty of the debtor and the desire to repay the creditor, faith in the debtor's integrity, these are elements entering into the composition of what the world calls "credit." Senator STEWART himself gives denial to his own theory that credit is based on money alone by a sketch of his own life as found in the Congressional Directory. I read only a line or two from page 72:

He attended Lyons Union School and Farmington Academy. Was teacher of Mathematics in the former school while yet a pupil. With the little money thus earned, and the assistance of James C. Smith, one of the judges of the supreme court of New York, he entered Yale College.

This bright and brainy young man had not money enough, "standard" or otherwise, to enter college, but he had what was better—he had credit—which secured him what he most desired—a liberal education; and the distinguished Senator makes manly and grateful acknowledgment of the fact even after more than forty years of time.

As with individuals, so with nations. The same elements enter into the formation of what individuals and nations alike call credit—the preservation of which is and always should be the primal obligation resting upon this Republic.

Mr. Speaker, I have said that the debate upon the pending measure has been close and logical, and eminently educational in its character. It has had its other distinguishing features, which have given it more than ordinary interest. Heroism is by no means confined to the tented field, where devoted patriots have bared their breasts to receive the shock of battle.

There have been exhibitions of the highest order of heroism on the floor of this House during discussion and attempted legislation on this silver question. I remember, and those who served here during the last Congress will readily recall the intense excitement which prevailed while the consideration of the free-coinage bill was under discussion—excitement which reached its climax when the final vote was taken. There was a district in the State of West Virginia where the sentiment at the time was strongly in favor of free coinage.

The member who represented that district had given careful and studious consideration to the proposition, and could not conscientiously bring himself to its support. He had attained a high, a very high, measure of distinction in national politics, and an adverse vote might mean for him political destruction, swift and absolute and certain. With all of his political future thus in possible jeopardy, firm and loyal to his convictions of duty as a member of the American Congress, the cause of free coinage received a negative vote when response was made to the name of WILLIAM L. WILSON of West Virginia. [Applause.] That he has since been returned to this Congress is to the infinite credit of his home district, and it is to the credit of my friend from Tennessee [Mr. PATTERSON], and a number of other gentlemen on this floor, that they have, in a brave and manly way, during this discussion, announced that while they favored free-silver coinage in the last Congress they stand opposed to it as conditions present themselves to-day. [Applause.]

Mr. Speaker, with all the American affection for silver as cur-

rency, there is yet a deeper American feeling for abstract honesty in governmental and business affairs. The people of this country are honest people. They will never consent to coin silver upon any other basis than that of its actual, commercial, and intrinsic value.

They will make insistence that all metal money, be it gold or be it silver, shall be worth as much when uncoined as it is when coined. The American people have a proper national pride as well as a proper national honesty. They will make insistence that every dollar, whether of gold or silver, coined in this country, and having upon it the stamp of the American Government, shall be received, without demur and without suspicion, at its full face value, in whatever country across the seas an American citizen may make a tender of an American dollar. [Loud applause.]

Meanwhile, with the conditions which confront us—conditions, in my judgment, based rather upon existing fears than existing facts—it seems to me, sir, that we have but one duty to perform. One of the most philosophical of modern writers has said that the most useful and important of all legislation in the world's history has been legislation in repeal of existing obnoxious law. The prompt and unconditional repeal of the silver-purchasing enactment will add another illustration to the truth of this statement. [Applause.] Let us leave for further and more deliberate consideration affirmative legislation for the strengthening and building up of silver as currency.

I repeat, in conclusion, Mr. Speaker, that the first, the greatest, the most imperative duty on our part as a self-respecting people, is to preserve at all hazards our national credit at home and abroad, and to maintain now and for all time our national honor unspotted and unstained. [Applause.]