

pension to Mary A. Buchanan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 7288) granting an increase of pension to Jacob Cruse—to the Committee on Invalid Pensions.

By Mr. WHEELER of Alabama: A bill (H. R. 7289) for the relief of H. C. Armistead—to the Committee on War Claims.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

My Mr. BLAND: Petition of citizens of Callaway County, Mo., for free sale of leaf tobacco—to the Committee on Ways and Means.

Also, petition for pension for Richard Blankenship—to the Committee on Invalid Pensions.

By Mr. COOPER of Indiana: Affidavit for removal of charge of desertion against Barzilia Hudson, Battery D, Fourth United States Artillery—to the Committee on Military Affairs.

By Mr. DE FOREST: Memorial of Fairfield County Association of Congregational Ministers, in aid of appropriations for pay of chaplains in the Army—to the Committee on Appropriations.

By Mr. DONOVAN: Joint resolution of General Assembly of Ohio, relative to pension of soldiers of the Union Army, adopted May 21, 1894—to the Committee on Invalid Pensions.

By Mr. HENDRIX: Petition of citizens of Brooklyn, N. Y., in favor of Government telegraph and telephone service—to the Committee on the Post-Office and Post-Roads.

By Mr. HOUK: Papers to accompany House bill 7265—to the Committee on War Claims.

By Mr. JOHNSON of Ohio: Petition of citizens of Cleveland, Ohio, favoring the passage of House bill 5246, providing for the inspection of immigrants—to the Committee on Immigration and Naturalization.

By Mr. LAYTON: Resolutions of the Manhattan Club, of New York City, asking for the prompt passage of a tariff-reform bill without the income tax—to the Committee on Ways and Means.

Also, joint resolution of the General Assembly of Ohio, favoring a service-pension law—to the Committee on Invalid Pensions.

By Mr. O'NEIL of Massachusetts: Petition of Morrison I. Swift and others, of Massachusetts, in behalf of the people of the country—to the Committee on Labor.

By Mr. OUTHWAITE: Joint resolution of Ohio General Assembly, for service pension of \$8 per month—to the Committee on Invalid Pensions.

By Mr. PIGOTT: Petition of Florence Cloberry and others, of Waterbury, Conn., in favor of awarding damages to Hugh Stewart, of said town, for personal injuries received by the said Stewart on a vessel engaged in transporting Government supplies in 1862 by a missile accidentally fired from a cannon—to the Committee on War Claims.

By Mr. POWERS: Petition of citizens of Franklin, Fairfax, Jericho, and Underhill, all of Vermont, praying for the passage of an act enabling the States to enforce State laws relating to substitutes for dairy products—to the Committee on Agriculture.

By Mr. SIPE: Resolutions by Tube City Council, No. 378, Junior Order United American Mechanics, of McKeesport, Pa., praying for the passage of House bill 5246, to regulate and restrict immigration—to the Committee on Immigration and Naturalization.

Also, memorial of policy-holders in mutual life insurance companies, residents of Pittsburgh, Pa., protesting against the accumulations of mutual insurance companies being taxed as income—to the Committee on Ways and Means.

By Mr. SPRINGER: Application that the charge of desertion may be removed and honorable discharge may be granted to Delos W. Drennan, late private Company G, Tenth Regiment Illinois Infantry, and Company C, Second Illinois Light Artillery, and Company F, Sixteenth United States Infantry (from the latter company and regiment desertion is charged)—to the Committee on Military Affairs.

By Mr. STORER: Memorial of the freight bureau of the Cincinnati Chamber of Commerce, for amendment to the interstate commerce law, to allow pooling by railways under certain restrictions—to the Committee on Interstate and Foreign Commerce.

Also, joint resolution of the General Assembly of Ohio, in favor of a general service pension law—to the Committee on Invalid Pensions.

By Mr. WAUGH: Petition of citizens of Lafayette, Ind., for passage of an act recognizing the services of military telegraph operators—to the Committee on Military Affairs.

#### SENATE.

FRIDAY, June 1, 1894.

The Senate met at 10 o'clock a.m.

Prayer by the Chaplain, Rev. W. H. MILBURN, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on motion of Mr. MANDERSON, and by unanimous consent, the further reading was dispensed with.

#### ENROLLED BILLS SIGNED.

The VICE-PRESIDENT signed the following enrolled bills, which had previously received the signature of the Speaker of the House of Representatives:

A bill (S. 123) defining and permanently fixing the northern boundary line of the Warm Springs Indian Reservation, in the State of Oregon;

A bill (S. 755) granting the right of way to the Albany and Astoria Railroad Company through the Grande Ronde Indian Reservation, in the State of Oregon;

A bill (S. 1266) to extend and amend an act entitled "An act to authorize the Kansas and Arkansas Valley Railway to construct and operate additional lines of railway through the Indian Territory, and for other purposes," approved February 24, 1891;

A bill (S. 1637) for the relief of Capt. John W. Pullman; and  
A bill (H. R. 6211) for the relief of Wesley Montgomery.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. T. O. TOWLES, its Chief Clerk, announced that the House had passed a joint resolution (H. Res. 185) authorizing the purchase or condemnation of land in the vicinity of Gettysburg, Pa., in which it requested the concurrence of the Senate.

#### CLERKS IN TREASURY AND INTERIOR DEPARTMENTS.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of the Senate of April 19, 1894, separate lists, showing the names of all clerks and employés appointed, reappointed, promoted, reduced, resigned, or removed in the Treasury Department, from the 4th day of March, 1893, to the 16th day of May, 1894, with the State to which each person is accredited, and which of such persons served in the Army or Navy; which was ordered to be printed, and, with the accompanying papers, referred to the Committee on Civil Service and Retrenchment.

#### PETITIONS AND MEMORIALS.

Mr. PETTIGREW presented a petition of sundry citizens of Lawrence County, S. Dak., and a petition of sundry citizens of Meade County, S. Dak., praying that in the passage of any law providing for the taxation of incomes, the funds of mutual life insurance companies and associations be exempted from taxation; which were ordered to lie on the table.

Mr. TELLER presented sundry petitions of citizens of Colorado, and a petition of sundry citizens of Arapahoe County, Colo., praying that mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which were ordered to lie on the table.

Mr. MORRILL (for Mr. PROCTOR) presented the petition of James K. Batchelder and 41 other citizens of Vermont, praying that the funds of mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which was ordered to lie on the table.

He also presented sundry petitions of citizens of Franklin, Fairfax, Jericho, and Underhill, all in the State of Vermont, praying for the enactment of legislation to enable the States to enforce State laws regulating the sale of substitutes for dairy products; which were referred to the Committee on Interstate Commerce.

Mr. PATTON presented a petition of sundry citizens of Eaton County, Mich., praying that the funds of mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which was ordered to lie on the table.

Mr. COCKRELL. I present the affidavits of William E. Callison, Hugh G. Callison, and John L. McFall, deputy assessor of Lawrence County, Mo., clearly showing the dependence, etc., of James Callison. I move that the affidavits be referred to the Committee on Pensions, to accompany the bill (S. 244) granting a pension to James Callison, heretofore introduced by me.

The motion was agreed to.

Mr. COCKRELL. I also present resolutions of the Fennimore Association, No. 5, of St. Louis, Mo., Lithographers' International Protective and Insurance Association of the United States and Canada, signed by L. C. Cleaver, secretary, favoring

an amendment to the pending tariff bill. I move that the resolutions and the proposed amendment be referred to the Committee on Finance.

The motion was agreed to.

Mr. COCKRELL presented the petition of John L. Case and sundry other citizens of Jackson County, Mo., praying that the funds of mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which was ordered to lie on the table.

Mr. KYLE. I present resolutions adopted by the General Association of Congregational Churches of South Dakota, at a meeting held May 15-17, 1894, favoring the enactment of legislation to suppress the lottery traffic. As the bill on this subject reported by the Senator from Massachusetts [Mr. HOAR] has already passed the Senate, I ask that the resolutions lie on the table.

The VICE-PRESIDENT. It will be so ordered.

Mr. WASHBURN presented a petition of sundry citizens of Minnesota, praying that the funds of mutual life and insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which was ordered to lie on the table.

Mr. HARRIS presented a memorial of the Clarksville (Tenn.) Tobacco Board of Trade, remonstrating against the passage of the proposed amendment to the pending tariff bill, restricting the sale of leaf tobacco; which was ordered to lie on the table.

Mr. CULLOM presented the petition of E. A. Bangs and sundry other citizens of Livingston County, Ill., praying that the funds of mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which was ordered to lie on the table.

Mr. PASCO presented the petition of Hon. F. S. Morse and 148 other citizens of Dade County, Fla., praying that an appropriation be made for the survey of the entrance to Biscayne Bay, Florida, with a view to deepening the channel; which was referred to the Committee on Commerce.

Mr. HUNTON presented a petition of sundry citizens of Roanoke, Va., praying that mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which was ordered to lie on the table.

#### RELIEF OF UNEMPLOYED LABOR.

Mr. HOAR. I present the petition of Morrison I. Swift and others, who, I believe, are all citizens of Massachusetts, and who represent one of the bands or companies that have visited Washington recently for the sake of obtaining relief from the existing conditions of labor.

This petition is very respectful in its language, and very clear and able in its statement. The petitioners set forth that "this winter the working people of the United States have suffered as never before, although the country's wealth and supply of food are almost beyond the reach of figures; that the rank and file of the working people of the country, both farmers and artisans, are receiving as wages so small a part of what they produce that they are being degraded and are often without the necessities of life;" and they set forth that the country has already become a plutocracy, and that in their judgment the Republic can not stand if this injustice continues. They therefore make seven requests.

The first is that Congress shall provide farms and factories where now and hereafter unemployed persons may be able to apply their labor productively for the supply of their own wants; then, to take steps to amend the Constitution of the United States so that it shall affirm the right of every person to have work; to abolish interest-bearing bonds; to furnish immediate employment for the unemployed by beginning the construction of good roads on a large scale; to nationalize the railroad, the telegraph, and the mine; to see that all land not in actual use is thrown open to cultivation by those who are willing to cultivate it; and seventh, to establish a commission to investigate the advisability of nationalizing trusts.

None of these requests are new. They have been made to governments formerly, both in this country and in foreign countries. I believe there is not one of these requests which is not supported by what must be treated as very respectable opinions. They are theories which thoughtful persons have advanced and supported in the past. For instance, take the two requests that the Government shall provide farms and factories where the unemployed shall labor and furnish immediate employment for persons out of employ. I was bred in a community where the class of persons known as transcendentalists abounded—Bronson Alcott, Hawthorne, Margaret Fuller, the late George William Curtis in his youth, Charles Lane, the Englishman, Ellery Channing. Some of them established the Brook Farm community on precisely the theory that Mr. Swift and his associates

advocate here. Coleridge and Southey at an early day proposed to come, to use the lines of Coleridge's famous poem—

Where Susquehanna pours her untamed stream,  
And there, soothed sadly by the dirgeful wind,  
Muse on the sore ills I had left behind—

and establish what they called a Pantisocracy on the same theory. The only difference was that the men to whom I refer were scholars who wanted to get work enough to obtain a support and spend the rest of their days in study or in dreaming, while these men make the same proposition as a means of securing an immediate and unfailing supply of the necessities of life.

They also propose to nationalize the railroads, the telegraph, and the mines. Mr. Charles Francis Adams, a great railroad authority and expert, proposed years ago to the State of Massachusetts that the government should manage the railroad. Mr. Hubbard, I think the late Senator from Vermont, Mr. Edmunds, and I believe my late colleague, Mr. Dawes, were in favor of nationalizing the telegraph. With regard to nationalizing the mines, all the governments of Europe, I think, claim the right to control the mines; certainly most of them control the mines of precious metals.

I do not see that there is anything in these propositions which would be useful to relieve the immediate distress of anybody. The proposition to provide instant work for the unemployed, of course, has got to convert the people of this country; and until they are converted Congress would not enter upon that line; but all the other things are matters of a somewhat more or less remote future.

However, when these persons come, as these men have come, with a respectable petition, courteous and lawful in tone, asking Congress to consider again in the light of the present condition of this country plans for public improvement, which other people who are respected everywhere have advanced and urged—not all perhaps supported by one person or one class of persons, but all finding respectable support—it seems to me that they are entitled to a respectful and careful hearing.

I therefore move that this petition be referred to a special committee of five Senators, to be appointed by the Chair. I recognize, of course, that I am a member of the minority and not of the majority in this body, and not responsible for such things. It may be thought best that the Committee on Rules or some other committee shall first consider it. But I move that the petition be referred to a special committee of five Senators to be appointed by the Chair.

Mr. COCKRELL. I think the subject-matter of the petition and of the resolution offered by the Senator from Massachusetts are worthy of consideration and should be referred to the Committee on Rules, that they may consider and report upon the matter at an early day. That committee have also another resolution of the same character pending. I therefore move, and hope the Senator from Massachusetts will agree to it, that his resolution with the petition be referred to the Committee on Rules.

Mr. HOAR. I think that is the proper disposition. I hope the committee will report at an early day.

Mr. COCKRELL. I hope so, too.

The VICE-PRESIDENT. Without objection the petition and the motion of the Senator from Massachusetts to refer the petition to a special committee of five Senators will be referred to the Committee on Rules.

#### REPORTS OF COMMITTEES.

Mr. POWER, from the Committee on Public Lands, to whom was referred the bill (S. 1922) to extend the time for making final payments on entries under the pre-emption act, reported it without amendment.

Mr. FRYE, from the Committee on Commerce, to whom was referred the bill (S. 1852) to provide an American register for the steamer S. Oteri, reported it without amendment and submitted a report thereon.

Mr. PETTIGREW, from the Committee on Indian Affairs, to whom was referred the amendment submitted by Mr. DOLPH on the 28th ultimo, intended to be proposed to the Indian appropriation bill, reported favorably thereon, and moved that it be referred to the Committee on Appropriations and printed; which was agreed to.

#### THE BARRY HOSPITAL.

Mr. PETTIGREW. I am directed by the Committee on Public Lands, to whom was referred the bill (S. 513) granting the use of certain lands in the Hot Springs Reservation, in the State of Arkansas, to the Barry Hospital, to report it with amendments, and I ask for its immediate consideration.

Mr. COCKRELL. Let it be read for information.

The Secretary read the bill, and by unanimous consent the Senate, as in Committee of the Whole, proceeded to its consideration.

**THE VICE-PRESIDENT.** The amendments of the Committee on Public Lands will be stated in their order.

The first amendment was, in line 9, after the word "whatever," to strike out "the following-described" and insert "any of the lots;" so as to read:

That there is hereby granted to the Barry Hospital, of the city of Hot Springs, in the State of Arkansas, a charity hospital duly organized and chartered under the laws of the State of Arkansas, the right to occupy, improve, and control, for the purpose of erecting thereon a hospital for the use and benefit of the indigent poor who visit the city of Hot Springs, and for no other purpose whatever, any of the lots, pieces, or parcels of land situate in the county of Garland and State of Arkansas.

The amendment was agreed to.

The next amendment was, after the word "Arkansas," in line 11, to strike out all down to and including the word "Commissioners," in line 28, in the following words:

And described as follows: Commencing at a stone monument set by the United States Hot Springs Commissioners to mark an angle on the south boundary of the United States Hot Springs Mountain Reservation, and numbered 26; run thence in a southwesterly direction along the south boundary of said Hot Springs Mountain Reservation, being also the north boundary of Reserve avenue, for a distance of 500.1 feet, to stone monument numbered 27; thence by angle to the right, making the included angle 90° for a distance of 400 feet; thence angle to the right, making included angle of 90° and parallel to first described line, for a distance of 500.1 feet; thence to place of beginning at stone monument numbered 26, a distance of 400 feet, being a part of the United States Hot Springs Mountain Reservation in the State of Arkansas, as surveyed and platted by the United States Hot Springs Commissioners:

And to insert:

Now owned by the Government of the United States, to be selected by the Secretary of the Interior, provided said hospital shall not be located on the reservation which embraces the Hot Springs.

The amendment was agreed to.

The next amendment was, in line 33, after the word "determine," to strike out the remainder of the bill, in the following words:

Without any claim for compensation to said hospital for improvements thereon or damages on account thereof.

The amendment was agreed to.

**MR. WASHBURN.** I did not catch fully the force of the amendments. I should like to inquire of the Senator from South Dakota whether, under the bill as amended, it is left entirely to the Secretary of the Interior to select the site?

**MR. PETTIGREW.** It is left to the Secretary of the Interior, except that he can not locate the site on what is called the Hot Mountain, where the Hot Springs are.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### BILLS INTRODUCED.

**MR. TURPIE** introduced a bill (S. 2071) to establish postal savings depositories and subdepositories, and for other purposes; which was read twice by its title.

**MR. TURPIE.** The passage of this bill is recommended by the committee on postal savings banks of the Central Labor Union of Indianapolis, Ind., approved by that union May 14, 1894, approved by the Indiana Legislative Council, and also adopted by the Marion County Labor Legislative Board of Indiana May 22, 1894. I move that the bill, with the accompanying petition, be referred to the Committee on Post-Offices and Post-Roads.

The motion was agreed to.

**MR. POWER** introduced a bill (S. 2072) to extend the time for making final proof and payment on lands claimed under the public land laws of the United States; which was read twice by its title, and referred to the Committee on Public Lands.

He also (by request) introduced a bill (S. 2073) fixing the times when, regulating the manner in which, and declaring the character of the accounts which shall be hereafter stated to the Treasury Department for settlement between the United States and the several public-land States relative to the net proceeds of the sales of the public lands made and to be made therein by the United States, and for other purposes; which was read twice by its title, and referred to the Committee on Public Lands.

**MR. GEORGE** introduced a bill (S. 2074) for the relief of T. P. Leathers; which was read twice by its title, and referred to the Committee on Claims.

He also introduced a bill (S. 2075) for the relief of Joseph Edward Montgomery and Thomas Paul Leathers; which was read twice by its title, and referred to the Committee on Claims.

**MR. BUTLER** introduced a bill (S. 2076) for the relief of John M. Guyton; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Post-Offices and Post-Roads.

**MR. ALDRICH** introduced a bill (S. 2077) to incorporate the American College of Musicians; which was read twice by its title.

**MR. ALDRICH.** Accompanying the bill is a petition signed by the principal musicians of the country, praying for the early

consideration and passage of the measure. I move that the bill and accompanying petition be referred to the Committee on Education and Labor.

The motion was agreed to.

#### AMENDMENTS TO APPROPRIATION BILLS.

**MR. TURPIE** submitted an amendment intended to be proposed by him to the diplomatic and consular appropriation bill; which was referred to the Committee on Foreign Relations, and ordered to be printed.

**MR. POWER** submitted two amendments intended to be proposed by him to the river and harbor appropriation bill; which were referred to the Committee on Commerce, and ordered to be printed.

#### INDEFINITE POSTPONEMENTS.

**MR. HILL.** During the extraordinary session last autumn I introduced a bill (S. 412) to repeal Title XXVI of the Revised Statutes of the United States, known as the Federal election law, and also a resolution proposing to express the sense of the Senate that no legislation other than legislation pertaining to the finances should be considered at the extraordinary session of Congress. The bill was reported favorably and the resolution is on the table. For the mere purpose of clearing the Calendar, I move that those two measures be indefinitely postponed.

The motion was agreed to.

**MR. FRYE.** I ask that Order of Business No. 25, which is a resolution on the table relative to the relations to be maintained by the United States with Hawaii pending the investigation being made by the Committee on Foreign Relations, be indefinitely postponed.

**THE VICE-PRESIDENT.** Without objection it is so ordered.

#### CORPORATE INTERFERENCE IN CONGRESSIONAL ELECTIONS.

**MR. CALL.** I submit a resolution which I ask to have read, printed, and lie over until to-morrow morning.

The resolution was read, as follows:

*Resolved*, That a special committee of five Senators be appointed by the President of the Senate, who shall be charged with the duty of investigating the subject of organized efforts of corporations to control the elections of members of the State Legislatures and of members of Congress, and to influence the legislation of Congress; also to investigate and report to the Senate whether corrupt means, such as bribery, free transportation, the subsidizing of newspapers, or the establishment of newspapers to be published in their interest and distributed gratuitously through the mails for the purpose of affecting public opinion in respect to the official action of Senators and Representatives, also to inquire and report to the Senate whether the existence of corporate organizations for the purpose of influencing and controlling the election of members of the Senate and House of Representatives is consistent with the preservation of the Republic of the United States and the rights and liberties of the people.

**THE VICE-PRESIDENT.** The resolution will go over under the rule and be printed.

#### SENATORIAL INVESTIGATING COMMITTEE.

**MR. HILL.** I call from the table the resolution which I submitted yesterday in reference to open sessions of the special committee.

**THE VICE-PRESIDENT.** If there are no further resolutions, concurrent or other, the Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Secretary read the resolution submitted yesterday by Mr. HILL, as follows:

*Resolved*, That the proceedings of the special committee recently appointed to investigate the charges of bribery and other matters contained in certain newspapers be open to the public during the taking of evidence by such committee.

**THE VICE-PRESIDENT.** The question is on agreeing to the resolution.

**MR. HILL.** As there remain only about five minutes to discuss the question, I ask that the resolution may go over until to-morrow with the like effect as though it were taken up today.

**THE VICE-PRESIDENT.** Is there objection? The Chair hears none, and it is so ordered.

#### CONTUMACIOUS WITNESSES.

**THE VICE-PRESIDENT.** The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Secretary read the resolution submitted yesterday by Mr. DOLPH, as follows:

Whereas Elisha J. Edwards, a witness heretofore duly summoned by a select committee of the Senate, and being lawfully required to testify before said committee, has, as appears by the report of said committee, refused to answer questions propounded to him by said committee: Therefore,

*Resolved*, That the President of the Senate issue his warrant, in due form, under his hand and the seal of the Senate, directing him forthwith to arrest and bring to the bar of the Senate the body of said Edwards, to show cause why he should not be punished for contempt, and in the meantime to keep the said Edwards in custody to await the further order of the Senate.

**MR. DOLPH.** I suggest that while this is, I think, a privileged question, probably the resolution had better take the

same course as the one submitted yesterday by the Senator from New York [Mr. HILL]. I was unable to get my remarks in time or at all last night to look over them, so they are not in the RECORD this morning. As I cited some authorities on this subject, I will try and have my remarks in the RECORD to-morrow morning, and then, if the resolution is to be discussed, Senators will be able to refer to what I have said and the authorities submitted.

The VICE-PRESIDENT. Does the Senator from Oregon ask unanimous consent that the resolution may go over without prejudice?

Mr. HOAR. Before the resolution goes over, I should like to express the hope that the action the other day (which was taken partly when some one else than the Vice-President was in the chair and partly after the Vice-President returned), holding that though the report be privileged, the action upon it is not of the highest privilege, will be considered as still an open question. Of course the introduction of a resolution of this kind would not compel the Senate to lay aside a special order like the tariff bill against its consent, even if it is treated as a question of the highest privilege, because undoubtedly the question of consideration, which is open always without debate, can be raised upon such a matter as on any other. But it seems to me that the Senate can not get along without holding the question of interrupting the lawful authority to discharge its duties by the Senate or by one of its committees from being a question of the highest privilege, and that it is also of the highest privilege to deal with it and take the necessary steps for removing the obstruction.

To put an extreme case, suppose somebody were to come in here now and say that half a dozen Senators had been seized on their way to the Senate, and that someone had taken possession by force of their persons to prevent them from coming here and taking part in an important vote, would anybody doubt that not only the statement of that fact was a matter which superseded all others, but that taking steps to remove the difficulty and liberate the persons so impeded was also a question of the highest privilege? This resolution, I understand, stands on the same theory. So I merely make this observation now. It does not tie up the Senate at all, and the practice may at some time be essential for the preservation of the dignity and authority of the Senate itself. I hope, therefore, that the ruling the other day will be held by the highly respected occupant of the chair as keeping open the question for his further consideration, if it should come up again.

The VICE-PRESIDENT. When the question arises again the Chair of course desires to hear discussion upon it.

Mr. FRYE. I do not know that I have the right to make the inquiry, but as the answer would have a very decided bearing upon the resolution which is now pending, I would, if the President of the Senate has no objection, like to be informed as to whether the proceedings have been certified to the district attorney under the law.

The VICE-PRESIDENT. They have been so certified, the Chair will inform the Senator from Maine.

Mr. DOLPH. Let the request be disposed of as to the status of this resolution; if there is no objection, I ask that it may go over until to-morrow morning, being in the same condition to-morrow morning that it is at this moment.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

#### LAND AT GETTYSBURG.

The joint resolution (H. Res. 185) authorizing the purchase or condemnation of land in the vicinity of Gettysburg, Pa., was read twice by its title.

The VICE-PRESIDENT. The joint resolution will be referred to the Committee on Military Affairs, if there be no objection.

Mr. HILL. I ask the Vice-President to withhold the reference for a moment, and I ask the indulgence of the Senate to make a very brief statement.

The VICE-PRESIDENT. Is there objection? The Chair hears none, and the Senator from New York will proceed.

Mr. HILL. In the last sundry civil appropriation act there was contained an appropriation of \$25,000 for the purchase of certain land near the Gettysburg battle field under the policy which has been pursued by the Government in acquiring such lands for the uses of the Government. The language accompanying the appropriation was somewhat indefinite and uncertain, or at least it seems it was not broad enough to cover authority upon the part of the Secretary of War to institute legal proceedings in court for the condemnation. The act was believed to be sufficient, the appropriation was all right and regular, and there was no objection so far as that was concerned.

The Secretary of War, in pursuance of that authority, or supposed authority, and appropriation, instituted proceedings in the United States court at Philadelphia for the purpose of condemnation. It has just been held by Judge Dallas that the language of the act, while authorizing the purchase, is not broad enough to authorize the legal condemnation of the land in court.

There is a certain trolley railroad company trying to put down a railroad through the very land which the United States wishes to acquire for the purposes desired.

Mr. HAWLEY. And through the most interesting part of it.

Mr. HILL. And, as the Senator from Connecticut says, through the most interesting part of it.

The joint resolution which the House of Representatives yesterday passed unanimously, and which is now before the Senate, simply covers this defect and gives complete authority to accomplish the object desired. I shall read that part of the joint resolution:

*Resolved, etc.*, That the Secretary of War is authorized to acquire by purchase (or by condemnation), pursuant to the act of August 1, 1888, such lands or interests in lands, upon, or in the vicinity of said battle field, as, in the judgment of the Secretary of War, may be necessary for the complete execution of the act of March 3, 1893.

That is all the purpose of the joint resolution; and as the matter of time is very important, I simply ask that the joint resolution may now be considered and passed.

Mr. HAWLEY. I hope the joint resolution will be passed.

The VICE-PRESIDENT. Is there objection?

Mr. HARRIS. If it leads to no debate, I shall not object.

Mr. COCKRELL. I will say to the Senator that that matter is before the Committee on Military Affairs, and this joint resolution should be referred to that committee. They will report it back promptly. That committee is the proper place for the joint resolution to go, and there are other matters of a similar kind there. I therefore ask that the joint resolution be referred to the Committee on Military Affairs.

Mr. HILL. I only say to the Senator that the joint resolution refers to the matter of condemnation. There is no appropriation involved in it.

Mr. COCKRELL. Bills and joint resolutions providing for such condemnation proceedings belong to the Committee on Military Affairs, where applications for similar condemnations are pending. The joint resolution ought to go to that committee, so that they may consider it. I will say to the Senator that I am not referring to appropriations for such a purpose.

Mr. HILL. There probably is not as much urgency in the other case as in this.

Mr. COCKRELL. I think there is as much urgency in one case as another, and there are a number of these matters. The committee will act upon the joint resolution promptly, and report it back. In the absence of the chairman of the committee, the Senator from Tennessee [Mr. BATE], I think the resolution ought to be referred to the Committee on Military Affairs.

Mr. HILL. Would the Senator from Missouri have any objection to allowing the joint resolution to lie on the table until to-morrow morning?

Mr. COCKRELL. I have no objection to that. Let it be printed.

The VICE-PRESIDENT. In the absence of objection, it will be so ordered.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. T. O. TOWLES, its Chief Clerk, announced that the House had passed the following bills:

A bill (S. 1325) for the relief of A. H. P. Stewart;

A bill (S. 1886) to facilitate the entry of steamships; and

A bill (S. 2020) supplementary to an act approved April 6, 1894, for the execution of the award rendered at Paris, August 15, 1893, by the Tribunal of Arbitration constituted under the treaty between the United States and Great Britain, concluded at Washington, February 29, 1892, in relation to the preservation of the fur seal.

The message also announced that the House had agreed to the concurrent resolution of the Senate calling for reports relating to the construction of locks and dams in the Mississippi River between the Chicago, St. Paul, Minneapolis and Omaha Railway bridge, at the city of St. Paul and the Falls of St. Anthony, Minnesota.

The message further announced that the House had passed a bill (H. R. 5649) providing an additional district judge in the northern district of Illinois; in which it requested the concurrence of the Senate.

The message also announced that the House had passed a concurrent resolution to print 8,000 copies of the annual report of the Commissioner of Fish and Fisheries for the fiscal year ending June 30, 1894.

## HOUSE BILL REFERRED.

The bill (H. R. 5649) providing an additional district judge in the northern district of Illinois was read twice by its title, and referred to the Committee on the Judiciary.

## REPORT OF COMMISSIONER OF FISH AND FISHERIES.

The VICE-PRESIDENT laid before the Senate the following concurrent resolution of the House of Representatives; which was referred to the Committee on Printing:

*Resolved by the House of Representatives (the Senate concurring), That the annual report of the Commissioner of Fish and Fisheries for the fiscal year ending June 30, 1894, be printed; and that there be printed 8,000 extra copies, of which 2,000 shall be for the use of the Senate, 4,000 for the use of the House of Representatives, and 2,000 for the use of the Commissioner of Fish and Fisheries, the illustrations to be obtained by the Public Printer under the direction of the Joint Committee on Printing.*

## THE REVENUE BILL.

Mr. HARRIS. Regular order, Mr. President.

The VICE-PRESIDENT. The hour of half past 10 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4864) to reduce taxation, to provide revenue for the Government, and for other purposes.

The VICE-PRESIDENT. The reading of the bill will be resumed.

The Secretary read as follows:

## Schedule E.—Sugar.

182. That so much of the act entitled "An act to reduce revenue, equalize duties, and for other purposes," approved October 1, 1890, as provides for and authorizes the issue of licenses to produce sugar, and for the payment of a bounty to the producers of sugar from beets, sorghum, or sugar cane, grown in the United States, or from maple sap produced within the United States, be, and the same is hereby repealed, to take effect July 1, 1894, and thereafter it shall be unlawful to issue any license to produce sugar or to pay any bounty for the production of sugar of any kind under the said act.

Mr. MANDERSON. Mr. President, the first paragraph of the sugar schedule of this important bill provides, as it came from the House of Representatives and as reported by the Committee on Finance, for the repeal of the bounty provision of the McKinley act—its absolute and unconditional repeal. The amendment proposed by the Democratic subcommittee to be offered by the Senator now, partly at least, in charge of the bill [Mr. JONES of Arkansas], is that that bounty shall be continued, and be paid until the 1st of January, 1895, and that after that date, instead of a bounty, there shall be paid a duty, said by our friends the enemy, to be a revenue duty with incidental protection.

Great as the temptation is to venture into a general discussion of the tariff question and enlarge upon the beneficent provisions of the McKinley act protecting industries, and contrast them with the iniquitous sections of this bill for the destruction of American interests, I propose to abstain from remarks in that direction. During the two months that this bill has been under consideration, I have occupied but very little of the time of the Senate, speaking only upon specific items. I do not wish to be betrayed into any unnecessary expenditure of time to-day.

I believe, Mr. President, as firmly as I believe in my own existence, that this country has advanced and progressed to its present enviable position among the nations of the earth because of the American doctrine of protection. It has been frequently attacked, but never in a more subtle and more dangerous way than in the bill which is before us for consideration and action.

This bill has had so many changes, and has been so kaleidoscopic in its appearances and reappearances that it is hard to tell where we may eventually find it and ourselves when the bill shall come out from Committee of the Whole and be presented for consideration in the Senate. The man who ventured to make a speech upon this bill during the month of April found that his remarks did not apply to the condition during the month of May, and he who speaks on the bill this June day may have occasion to revise his remarks and take entirely new and different ground in July. It has changed its form, and, like the little joker of the three-card monte dealer, "Now you see it, and now you don't see it."

There set sail sometime ago a ship known as "Tariff Reform." At a distance she was fair to look upon, and "walked the water like a thing of life," but closer inspection and nearer view showed the suspicious character of the craft. Her sharp bow, with low hull and sloping masts, raking aft, and rakish appearance, proclaimed the dreadful traffic in which she was engaged. Her destination was the port of free trade; her cargo was concealed under her hatches. American interests were in her hold; the very life of American manufacture was there; the best interests of the farmer and almost the very existence of the laborer in this country were under her decks, for sale abroad.

Her crew—I will not say "a motley crew," although it seemed to be composed of "many men of many minds"—were constantly on watch for fear that disaster might come to them by reason of uprisings in the hold of the ship, but the hatches were battened down. In the lockers of her quartermaster was a great supply

of bunting, but the favorite flag most frequently run to the peak was the union jack of Great Britain; not the American flag, although she had sailed from an American port with an American manifest.

When under full sail, and apparently about to reach the port of free trade without difficulty, there came trouble among the crew, a kind of mutiny, and yet a strange sort of mutiny, for it was the outbreak of those who had become disgusted with the traffic upon which they had entered, with the mission which they were about to accomplish, and rising against the more desperate of the crew, they took partial command of the ship. At what port she may finally enter who can tell?

Mr. PLATT. She may be sunk.

Mr. MANDERSON. Yes; she may be sunk in her voyage. If she shall go down, I am sure that while the loss will be a great one to the underwriters, it will be a most valuable gain to the country at large.

So, if I were tempted to make a speech upon the general questions contained in the tariff bill, I should withhold my voice until we should know with some degree of certainty what is to be finally the nature of this bill; but at this time I wish to talk upon this sugar schedule, and confine myself, as nearly as I can, to it and to its first section.

This is the interesting schedule of this bill. There is both sweetness and light in it. It seems to pervade the whole bill and this whole controversy. You can not touch the bill without striking sugar in some form, and we have departed to a certain extent from the consideration of the bill to make explorations by an investigating committee with reference to sugar, not in the cane or the beet fields; not in the sugar plant or the sugar factories, but in the committee rooms of the Senate.

Mr. President, the saccharine principle pervades all nature. I recall that when a boy at school the professor of chemistry announced this fact, exclaimed with great exultation: "Why, young gentlemen, I could take the shirts from off your backs and extract sugar from them." There is no element in nature which seems to be so widespread and so abundant as this saccharine principle. It is found in all vegetable matter, and there does not seem to be any animal matter entirely devoid of it.

The reduction of saccharine to the form of sugar was one of the first triumphs of civilization, and I think it can be said with truth that the percentage of its consumption is in the ratio of the advancement in civilization. Barbarous tribes use none of it in concentrated form. The Indian knows not sugar, except as he gathers it in the natural state from the fruits or vegetables which he devours. Apparently the higher the civilization, the greater the individual and aggregate consumption of sugar.

In one of those interesting tables presented, I think, in the able speech of the Senator from Kansas [Mr. PEPPER], as well as in that of the Senator from Pennsylvania [Mr. QUAY], there was one showing the consumption of sugar by the different nations of the world, and it is a most interesting table. The statistics are well worthy of thought. In Finland, for instance, with a low grade of civilization as compared with some other countries, the per capita consumption of sugar is 1.32 pounds; in Servia, 4.41; in Spain, 5.11 pounds; in the German Empire, 18.92 pounds; in France, 27.06 pounds; in Great Britain, 70.40 pounds. How is it in the United States? In 1889 every man, woman, and child in this country consumed 52.06 pounds of sugar; in 1890, 54.05; in 1891, 67.04; in 1892, 64.3 pounds, and in 1893, 65.5 pounds. The consumption of sugar in this country, in the aggregate, is something which almost startles belief, and the figures connected with its consumption and with its cost are so enormous that the human mind can hardly grasp their magnitude.

In 1890 we consumed one million five hundred and twenty-two odd thousand tons; in 1891, 1,872,000 tons; in 1892, 1,853,000 tons, and in 1893, 1,891,911 tons. Look at this enormous amount in pounds—4,237,880,000 pounds of sugar consumed in the United States in the year 1893; or, according to some authorities, and I think the better authorities, 4,296,000,000 pounds were consumed in this country during last year. Of this we imported in 1893 about 3,651,000,000 pounds and we produced 645,000,000 pounds.

Mr. President, let us look for a moment at what this has cost the consumers of this country. That which we procure from abroad, taken on the basis of 5 cents a pound, which has been about the lowest cost to the consumer, means that to foreigners and the middlemen, directly or indirectly, have been paid the enormous sum in 1893 of \$182,550,000. Of course I do not mean to be understood that all of this sum has gone abroad, for most of this sugar, being imported in the raw state, comes to us at less than 5 cents a pound; but taking the cost of consumption of foreign sugar in this country to the people; taking the cost as it is paid by the consumers of sugar, it is the enormous sum of \$182,000,000 in one year; and to domestic producers, on the same basis of 5 cents a pound, \$32,250,000, making a total expenditure of \$214,800,000 paid by the consumers of this country in the year 1893 for sugar at a cost of 5 cents a pound.

What does this mean, Mr. President, in the future? And by "the future," I do not mean the dim and distant, but the near at hand, the immediate future. What does it mean up to 1905, the period at which the bounty provided for in the McKinley act shall cease?

Let us take the ratio of increase in population and the ratio in the increase of the consumption of sugar to see where we shall land. In 1880 the population of the United States was 50,000,000, in round numbers; in 1890, 63,000,000. It is a conservative estimate to say that the population in this country in 1900 will be 78,000,000, and in 1905, 90,000,000.

The consumption of sugar by 1905, if its increased use in the late past is any criterion, will probably be 70 pounds to every man, woman, and child. So in 1905 we shall consume 6,300,000,000 pounds of sugar in this country, and if we are to take the cost of sugar at 5 cents, if it will be that at that date, the cost to the consumers will be the enormous sum of \$315,000,000 in one year.

Mr. President, with these enormous figures staring us in the face, what is the problem that is presented by the pending bill? Shall we keep this vast sum of money at home or shall we send it abroad? Shall we benefit our own people, or shall we benefit the people of the tropics and of the semitropical lands who produce cane, and the people of Europe who are producing beet sugar in such enormous quantities?

Free sugar, without protection either by an adequate bounty or a compensating duty, means, as sure as the sun shines in the heavens, the immediate destruction of the beet-sugar industry and the gradual extinction of the cane-sugar product of the Southern States. This can not be gainsaid; and I do not see how any man, looking to the interests of this great Republic, believing in its advancement, can strike the blow at these industries, either by the repeal of the present bounty provision or the failure to enact some fair compensating duty which means so much in the future to the United States.

What does a fair bounty or compensating duty mean to this country? It means the gradual development of the sugar production until, from the present comparatively small amount, we shall increase to the full extent of our demand.

In 1893 we produced of cane sugar in this country 270,000 long tons, of beet sugar 24,550 tons, making a total of 294,550 tons, which, being reduced to pounds, is 650,000,000 pounds or thereabouts. If we make the same ratio of increase to 1905 there is no question in my mind that with the capital in this country ready for investment accumulating in enormous sums, with the opportunity for the cultivation of the beet in every Northern State, with the chance for further development of the cane-sugar industry in Southern States, we can reach by 1905 to the full production of the enormous amount of our then needs, probably amounting to 6,300,000,000 pounds of sugar.

A continuance of bounty or the establishment of fair duty means the keeping of our gold at home. We shall pay out this year to countries abroad for cane sugar and beet sugar probably nearly \$120,000,000; taking that which comes from the Sandwich Islands, from the cane-sugar producing countries, and from the beet-sugar producing countries of Europe, the latter to greatly increase if we abandon our industry. If we do destroy our capacity it will amount to a yearly expenditure at the end of ten years of probably \$250,000,000 a year, payable in gold, the medium of exchange among nations.

Mr. President, I need not enlarge upon, but merely suggest this most important consideration. But what further does it mean? It means a most important industry to the farmers of this country. I was very glad to have the Senator from Kansas [Mr. PEFFER], who has given so much thought to considerations affecting the agriculturists of this country, go into such detail of statement as to the advantages to be derived to the agriculturists by the fostering of the great industry of the production of beet sugar. It affords to them a profit not now to be had by the growth of wheat or the production of corn.

The State that I have the honor in part to represent is one of the great corn-producing States of the United States, with most fertile soil, a climate that is unsurpassed, apparently affording every possible advantage to the farmers, and yet there are times when the farmer of that State feels that his lot is indeed a hard one. He looks over his fields of waving corn; he sees that nature has been abundant; that his crop is enormous, and yet the price is so low that disappointment and sometimes suffering come to him instead of plenty. The growth of the beet-sugar industry to the full extent of the present demand of this country would mean that 2,000,000 acres of land would be required to be cultivated to produce the beets to make the sugar. What an enormous relief this would be to the farmer suffering now from the low price of the cereals and of corn?

Is there profit in the growing of beets? I wish every member of the Senate could personally investigate, as I have investigated and as the Senator from Kansas has investigated, the substantial profits, the great pecuniary advantage that comes to

the farmer from the growth of beets. I have here a statement showing the profit of beet farming in the year 1892 in California. This is a statement made by Mr. Gird, who found himself some years ago the owner of some 30,000 acres of land in Southern California. It was land that should have been productive and advantageous to own. He found its ownership was a burden to him. Some grass grew upon it, and he had leased it out to small grazers. But that source of profit, small as it was, seemed about to disappear, and at last he conceived the idea, having had some knowledge of the subject from observation abroad, that here was a tract of land well adapted to the cultivation of the sugar beet. He did not propose to start a beet-sugar factory. He wished that some one of experience would in that immediate vicinity start such an enterprise, that he might grow the beets which should be converted into sugar. He corresponded with those who were experts and had knowledge upon the subject. The result was that in his neighborhood a beet-sugar factory was built, and now almost every acre of that 30,000 acres of land is under cultivation by small farmers who have leased, and I believe in some instances bought, small tracts of land, and have devoted themselves to the cultivation of the beet.

I have here the testimony of several of these farmers who have cultivated this vegetable. Among them is E. Robertson, who cultivated 10 acres. Ten acres of land in Nebraska, Kansas, or the Dakotas, devoted to the cultivation of wheat or corn or potatoes, would lead to starvation rather than life. But here this man with 10 acres sold 222½ tons of beets at \$1.05 a ton, amounting to \$901.12. I will not give the detail of the expenditures for the seed, for hoeing, thinning, cultivating, and gathering the crop, but his total expenditure was \$287.20, leaving a net profit to him of \$613.92; a net profit per acre of \$61.30. Mr. A. F. Keyes gives testimony that he cultivated 4½ acres of land, and he received for his beets, 117½ tons, \$453.91. He paid out for the cultivation of his crop \$192.32, making a net profit of \$261.59, or \$51.07 per acre of net profit. Gustafson Brothers, who I understand are Swedes, say they came to that section of the country without money, but were helped to buy the seed with which to plant the little place which they had rented, and they put out 10 acres of beets, getting for it \$4.03 per ton.

Let me say, while it is in my mind, that the old method of the purchase of beets from the farmers, prevailing in some sections even until this day, was that the price per ton of beets depended upon the extent of the saccharine matter in the beets upon test. Therefore it was that one man got \$4.03 and another \$4.05, but by the careful cultivation of the beet, by a plan of selecting, a method of the survival of the fittest beet, there is such an extent of saccharine matter in the beet of Nebraska, Utah, and California, that it is safe for the beet-sugar factor to make his contract at a fixed price in advance of the crop. In Nebraska all the contracts for the coming year are made at \$5 per ton of beets.

I might say in passing that this method of purchase is a most important consideration to the farmer. He grows his wheat or his corn, and he is subject to the vagaries and the whims of the market. He is the victim of the speculator, of the man upon the board of trade, but with this crop he has the assurance that he will receive \$5 a ton for whatever he gathers. His crop is sold in advance, and he is not troubled about the market or the rise and fall in sugar.

But I was speaking of Gustafson Brothers, who cultivated 10 acres. They got \$910.78. They paid out \$323.42, making a net profit of \$587.36, being a net profit of \$58.75 per acre. I will, with the leave of the Senate, put in the details of these reports.

To show the statistical results of the individual farmers, and as a matter of reference, I append the following data sent into my office by some of the farmers during the season 1892, showing the results of the second year's cultivation of the sugar beet on the Chino ranch:

E. Robertson, 10 acres:		
222½ tons sold, at \$1.05		\$901.12
Plowing and harrowing		\$20.00
Seed, 14 pounds per acre		15.00
Thinning		44.00
Hoeing		18.00
Cultivating		6.00
Topping		78.00
Hauling		106.20
Total		287.20
Net profit		613.92
Net profit per acre, \$61.30		
A. F. Keyes, 4½ acres:		
117½ tons of beets		453.91
Plowing and planting		\$14.25
Seed		5.95
Thinning		21.37
Cultivating		4.75
Harvesting		146.00
Total		192.32
Net profit		261.59
Net profit per acre, \$51.07		

Gustafson Brothers, 10 acres:		
230 tons of beets at \$4.03 per ton.	.....	\$910.78
Plowing, planting, and cultivating	.....	633.22
Seed	.....	12.00
Thinning	.....	57.15
Weeding	.....	20.00
Topping	.....	75.15
Plowing out and hauling	.....	125.50
Total	.....	223.42
Net profit	.....	587.36
Net profit per acre, \$58.75.		

In Nebraska, where I have some personal knowledge of the conditions, the cost of producing beets per acre—and that means the plowing, the harrowing, the rolling, the planting, the cost of the seed, the thinning out of the crop, the hoeing of it, the pulling of it, the topping of it, and the hauling to the factory—is about \$24 per acre. This is a peculiar crop. It can not be raised in a slovenly fashion. It means work; it means intelligent, painstaking labor. It requires a much higher order of intelligence to grow beets than it does to grow wheat or corn or potatoes.

The man must understand the nature of the soil; he must see that he has obtained the best seed that can be procured, and that will give him the most saccharine matter. Through all the process of its cultivation until the time when he takes his beets from the ground and carries them to the factory, he must be alert, he must be industrious, and above all he must work with his head as well as with his hands. The cost, then, is \$24 an acre. Beets carefully cultivated in Nebraska—and the same fact would obtain where any grain crop can be grown in the Northern States—will produce 15 tons to the acre. At the experimental stations, as I recall it, it has gone as high as nearly 30 tons to the acre.

Many acres produce 20 tons to the acre, but on the basis of 15 tons to the acre, at \$5 per ton, there is a gross receipt of \$75, and deducting the cost of the crop, \$24, it leaves a net profit of \$51 to the acre. This, of course, may vary even under good conditions and be much less or even more. Is it any wonder, Mr. President, that the farmers of the West want a continuance of this bounty, for the bounty goes to them by maintaining the price they get for that which they produce as much as it goes to the sugar factory. They are enthusiastic over the prospect of this industry. It is the one great boon which they ask from the Congress of the United States, that there shall be saved to them this new and most important production.

What else does it mean to the farmers? You can not cultivate beets with profit in sparsely settled communities. You must have at certain seasons of the year a good deal of labor in the fields, and the establishment of the beet-sugar factory brings to the vicinity that increased population which gives a better local market to the farmer. I have seen in my own State villages grow within three years to good sized towns with street cars, electric lighting, and all the appurtenances of the best civilization simply because of the establishment in their midst of a beet-sugar factory. You can not carry beets very far to find a market. If the farmer has to haul by wagon his haul must be but a few miles. If the railroads are to transport, the beets can not with profit be transported a great many miles. Therefore it is thatas we advance—if we are permitted to advance—to the full consummation of our hopes with reference to this production, all over the land where beet sugar can be produced there will be the local beet-sugar factory.

Every acre planted in beets means twenty days' labor for one man. How important is this consideration. If 2,000,000 acres of land are needed to supply this country with the sugar it consumes, it means, if we can foster and bring this industry to its full capability, that we will give forty million days' labor to the laborers of this country.

Now, what else, Mr. President? Is it only for the benefit of the farmer that we plead for this industry? It means increased labor in the shops that make the machinery, the wonderful machinery which converts the beet into the sugar and extracts the saccharine from the cane.

Mr. PLATT. From the beet.

Mr. MANDERSON. From the cane as well. It means work to the miner in the production of coal that shall feed the fires to give the heat, in the bringing of the limestone that is to be converted into lime, that it may exercise its great power, its mysterious force of extracting from the sugar water those salts foreign to it that would prevent its crystallization. It means increased transportation for the railroads of this country.

All over this land we hear the story of stagnation among the railroads, of thousands of empty cars side-tracked, of hundreds of locomotives in their roundhouses standing silent and dead, their fires extinguished, because there is not work for them to do. In one of the speeches made upon this subject early in the

session there was a calculation made of the enormous amount of transportation incident to the growth and the full development of this industry. It was immense, and, as I recall it, meant the movement of 26,000,000 pounds of freight. It means work to the factories in the making of the filter cloths that are used and the bags which contain the sugar; it means work to the storekeepers, wholesale and retail, in handling and marketing the production; it means an impetus to every branch of industry which I believe, if we could be assured that this industry would be permitted to live, would bring this country up out of the mire and slough of despond and place it again on the high road of further prosperity.

Mr. President, I will not say the threat, but the fear that this industry might not be protected has had most severe and dread results throughout this country. I know that in my own State, could there have been assurance since 1892 that proper protection would be given to the industry, there would have been a beet-sugar factory now in operation near the city of Omaha, another near the city of Lincoln, and another up the Republican Valley somewhere near the border of our neighboring State, Colorado.

I know that in the adjoining States, in the Dakotas, in Iowa and in Kansas, in Minnesota and in Colorado, companies were formed, and what has prevented the building of great factories and putting to work of numerous men? All this has been stopped by reason of the fear that either by the abandonment of the bounty of the McKinley act or else by a refusal or failure to give ample protective duty this industry could not exist.

In 1888, six years ago, business called me to Grand Island, in Nebraska. After completing the matter in hand, I was called upon by a prominent citizen, now one of the supreme judges of the State, who said to me that he would like me to take a ride with him. Grand Island was a flourishing little town at that time, and we rode through its pleasant streets; and on the outskirts of the town I was taken into a cottage where I found, surrounded by the tools, implements, and paraphernalia of the chemist, a German. I could only talk to him through an interpreter, for he spoke no English. He evidently was one of those close, hard students who delved into the mysterious and that which was but little known.

By the procurement of some gentlemen who knew of the beet-sugar industry in Germany he had for some years been engaged in planting or procuring to be planted the beet seed, growing the beets, and taking out the little button from each beet to ascertain the extent of the saccharine matter in it. He found so great an increase over the average of saccharine in Germany that when he proclaimed it to the gentlemen who had procured him to come here they were inclined to disbelieve him. But further investigation showed to them the truth of his exploration and reports. A number of gentlemen concluded that it was well to embark in this industry. They leased or bought several thousand acres of land. They did not appreciate what the establishment of the industry in that community meant in expenditure.

Luckily for them they did not repeat the experiment leading to failure that had been had in Illinois and in some other sections, where with too limited means there had been an effort to start beet-sugar factories. They learned wisdom, fortunately, before it was too late. They entered into correspondence with parties abroad and with Americans who had gone abroad to investigate this matter. The result was that they found that not only must they have the assurance that from 3,000 to 5,000 acres of land must be planted annually in beets, but that an investment of \$500,000 must be made in the building of the factory itself. So far as they were concerned as a corporation they abandoned their proposition of building a factory. I was so struck with the important matters involved in this experiment, that in 1889, before the passage of the McKinley bill, in an address made by me to the Legislature of Nebraska, I urged action with reference to beet sugar. If I may be permitted to quote from myself I will present the matter as it then appeared to me and as suggested in this address made in February, 1889:

The sugar question is one of great importance to those of us who live upon the rich black loam and under the vivifying sun of Nebraska. No soil on the earth is better adapted to the growth of sorghum and beets than ours. As "corn" tore the scepter and crown from "King Cotton," so are these sugar-producing plants destined to usurp the province of the cane sugar of the South. The percentage of sucrose or crystallizable sugar is 13 per cent, and of glucose, or uncrystallizable sugar, 1 per cent in the cane sugar of the Gulf States. In sorghum the saccharine quality is not so abundant, showing on analysis about 9½ per cent of sucrose and about 4 per cent of glucose. In beets there is little or no glucose, and the sucrose in Germany is about 19 per cent, in California nearly 15 per cent, and ("season your admiration for a while" as I tell you that) experiments with imported beet seed planted near Grand Island, in this State, show a product containing from 15 to 19 per cent of crystallizable sugar.

This has increased since that time. I heard of one instance in California, a plant I think near Chino, where an examination of a lot of beets showed that 26 per cent—over one-fourth—of crystallizable sugar was contained in them. France, Germany, Aus-

tria-Hungary have none of them at any time met with such exceptional development as this.

There is no country in the world so well adapted to beet culture as our own State, and I believe that before many years, with proper safeguards thrown around the infant industry, it will become one of our chief staples. Germany, France, and Austria, by a wise system of protection, have built up the beet-root industry and doubled its production in less than seven years. These countries now—

That was in 1888—

turn out about 2,800,000 tons of sugar annually, exceeding in amount that produced from tropical sugar cane. From importers of sugar they have become exporters. To-day Germany not only supplies her people with sugar, at one-half the price of the former period of importation, but last year she exported more sugar to Great Britain and to the United States than was produced altogether in Cuba, Barbadoes, Java, and Jamaica. In 1887 we imported of sugar 3,000,000,000 pounds, of the value of \$78,000,000, paying a duty of \$56,000,000. I submit to you that it is about time that we were turning the tables. We want "some of this in ours." Mr. Claus Spreckles has issued a circular offering \$4 per ton for beets delivered at his factories in California. It is stated that 20 tons can be produced to the acre, and that \$15 per acre will cover the cost of cultivation. We are the greatest sugar eaters in the world. We consume 50 pounds per capita, which, on a population of 60,000,000, means a consumption of 1,300,000 tons annually.

Of this vast quantity we produce less than 150,000 tons and depend upon foreign countries to supply us with about 1,150,000 tons. In other words, with a capacity to produce all we use and more, we actually produce but one-tenth. It was these considerations that induced me, while recognizing the fairness under existing conditions of reducing the import duty on this necessity of everyday life, practically not now produced in this country, to try to stimulate the industry and induce production by voting for and advocating the bounty of 2 cents per pound for sugar obtained from either cane or beets. In furtherance of the same desire, on the 8th day of the present month, I introduced an amendment to an appropriation bill granting to the new Cabinet officer, the Secretary of Agriculture, \$100,000 to continue experiments in the manufacture of sugar from sorghum and beets. I believe the wisdom of such fostering legislation will commend itself to you.

As the result of the investigation of others besides myself, the State of Nebraska passed an act offering a bounty of 1 cent a pound for the production of sugar. Unfortunately, I think, and misguidedly, in a year or two the bounty was repealed by an after Legislature, but pending its provisions, and after the act of Congress giving bounty to beet sugar and admitting beet-sugar machinery free for a short period, the Oxnard Brothers started the Grand Island factory, and in a very short time, on the demand and inducement of a locality remarkably rich and fertile, it established another beet-sugar factory at Norfolk, Nebr., which is now in full operation.

The requirements of a beet-sugar factory are very great. As I have said, for successful operation they must have the product of from 3,000 to 5,000 acres of land. The investment in money is large. In the factory itself it means an investment of half a million dollars. It requires a knowledge of chemistry on the part of those who are to operate the factory. It means experience as business men, for the competition at home and abroad is great. The competition at home is with the refiners; for, let me say right here, there is no unity of interests between those who produce sugar from the soil and the odious trust that takes the raw sugar thus produced and simply puts it through the process of refining.

I care absolutely nothing for the one. I care everything in the world for the other. Not only have they to meet with opposition at home, but they must compete with the cheaper labor abroad, the fostered production in the way of bounty paid for that produced, and in the way of export bounty on that exported paid in foreign lands. They must compete with this protected foreign product. It means extensive as well as expensive buildings. It means most costly and most delicate machinery. I do not believe there is a more intelligent process, not even excepting the typesetting machines that cast their own type, the looms, aye, even the Jacquard looms that weave these wonderful fabrics, than that which takes the beet fresh from the ground, with the black soil clinging to it, at one end of a sugar factory, and moves it without the touch of a human hand through the mill or factory and pours it out merchantable and marketable white sugar at the other end in eighteen hours of time.

I have seen enough of these two factories to have at least a layman's knowledge of their operation. It is an interesting one, and I hope I shall not tire anyone if I describe it in such terms as I think one not an expert, and I do not claim to be such, can well understand. A number of Senators about me have asked that I give such description.

The beets are brought by the farmer in his wagon or by rail. Of course the first act is the process of weighing. Then comes the dumping of the beets into the long sheds that are prepared for their reception. On the inside of these sheds, that are perhaps from 25 to 30 feet in width and 200 feet long, there are converging or sloping sides that permit the beets to fall by gravitation to the bottom of the shed.

Through the bottom of the shed runs a rapid stream of water, the purpose of which is to carry the beets to the mill and to cleanse them while they are being thus carried. All that is necessary to start the beets upon that process of self-destruction, that is to be for them a bettering of condition in the immediate

future, is to take from above this running stream at the foot of the storehouses the planks, 6 or 10 feet in length, that have held up the beets. The beets fall into the stream and are carried along with rapidity by the force of the current. In the mean time the water has been soaking the earth that is clinging to them. They reach a canal that runs from the sheds into the factory.

Still the cleansing process goes on. They reach the wash-house, and there without anyone touching them they enter a great trough filled with water, and therein are revolving arms and brushes that brush and cleanse them as they proceed on their way. Then they reach at the end of this trough a spiral elevator that takes them up, brushing and washing them as they go; and at last they reach, at a higher point in the building than that at which they entered, a most intelligent appearing receptacle. I think it is the invention of a Frenchman. It is an automatic weighing machine. The beets, as clean as any woman could make them with a scrubbing brush and towel, empty themselves into this weighing machine. When a half ton of beets is in the machine, of its own motion it registers the weight, shuts down the flow of beets, and stops. It can not be disturbed by hand or diverted from its work. Having weighed the half ton of beets, it throws them into a chute and is ready to weigh the next half ton.

From this weighing machine the beets are thrown into a large receptacle, at the bottom and upon the sides of which are cutting knives. The purpose of this machine is to reduce the beets to shreds, and they come out from the cutting machine as much like short pieces of white tape, but a little thicker, as anything that I can describe. There has been no loss of any part of the beet until this moment. There will be no loss of any part of value contained in it through the entire process from this cutting machine which thus reduces it to shreds until the end of its career. The beet pulp is then automatically carried to what are known as the diffusion pans, usually twelve or fourteen in number, and there, under heat, making hot water, they go through the process of diffusion or saturation.

Mr. ALDRICH. This statement is a very interesting one, and Senators upon the other side ought to listen to it. I suggest that there is no quorum present.

The PRESIDING OFFICER (Mr. PASCO in the chair). The Senator from Rhode Island suggests the want of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich,	Daniel,	Jarvis,	Peffer,
Allison,	Dolph,	Jones, Ark.	Perkins,
Berry,	Faulkner,	Kyle,	Platt,
Blanchard,	Frye,	McLaurin,	Ransom,
Butler,	George,	McMillan,	Roach,
Caffery,	Gordon,	Manderson,	Sherman,
Camden,	Hansbrough,	Martin,	Shoup,
Cameron,	Harris,	Mills,	Teller,
Carey,	Hawley,	Morrill,	Turpie,
Chandler,	Higgins,	Murphy,	Vest,
Cockrell,	Hill,	Palmer,	Villas,
Cooke,	Hoar,	Pasco,	Voorhees,
Cullom,	Hunton,	Patton,	Washburn.

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. There is a quorum present. The Senator from Nebraska will proceed.

Mr. MANDERSON. Mr. President, I had taken this interesting and succulent vegetable through the different processes of its conversion to a better form or condition, to where it had left what is known as the slicing or cutting machine, and had been reduced to a form of pulp, the name of which is cossette.

The cossette is then taken into the diffusion tanks, where it undergoes, through the twelve or fourteen tanks, that process of extraction by the use of water that takes from it every particle of saccharine. It passes then automatically from these diffusion tanks to what is known as the pulp press, where the saturated pulp is placed under enormous pressure, and there flows from it all the water contained in the beet, carrying with it whatever there is of soluble matter—mainly, of course, the saccharine substance. The pulp, after being thus pressed, becomes almost dry, and it is carried from the pulp press to a refuse pile outside of the factory. This pile, which I call a refuse pile, is of great value in Germany and generally abroad. They know its importance, and it sells at a good round price per ton for feeding the stock of that country.

Its use is limited in our Western country, because other food for horses, for cattle, for hogs is so cheap and abundant that farmers are not driven to the use of this pulp for these purposes. But they are beginning to use it, affording a small amount of profit to the beet-sugar producer and a very large profit to themselves. Leaving, then, this pulp pile to one side, let us follow the sugar water which is proceeding on its way. It contains, when extracted from the beets, besides sugar, certain salts and foreign chemicals which prevent and are enemies to its

crystallization. Here was the snag struck by the early chemists in their endeavor to make sugar from beets. They did not know and did not discover until perhaps fifty or sixty years ago the process by which these foreign substances could be taken from the sugar water, so that the sugar might be crystallized into marketable form.

The process by which these salts are extracted or enticed from the water is a most interesting one. First the juice is taken to what are known as the carbonation tanks, and they are there mixed with limewater and carbonic acid gas. From another part of the grounds occupied by the sugar factory cars bring in limestone, which is converted into lime and carried into a part of the factory where it is made, by connection with the carbonic acid gas, into that compound, which, mixed with the sugar water in the carbonation tanks, will have an affinity for the salts, etc., and leave the crystallizable sugar water.

Having been thus mixed in the carbonation tanks, the next important and interesting step is permitting the lime to take up the salts, because of its affinity; and here is a very strange-looking machine—I believe never yet constructed in this country, but always imported from Germany or France, which, however, will be constructed along with all other beet-sugar machinery if the industry is allowed to survive. There are several large presses, called filter presses, which look as much like immense accordions drawn out to their full extent, as they resemble anything, and in the parts of the press that would be akin to the ribs of the accordion are iron frames about 3 feet square, covered on the outside of the frame with heavy cloth, known as filter cloth.

The sugar press, thus drawn out to its full extent, is completely saturated throughout its whole length with the carbonized sugar water, and being thus filled, pressure is brought to bear, the great accordion or filter press closes, and as it closes from the bottom of it pours out the pure crystallizable sugar water, and there remains in the open framework of the press the lime, reduced almost to hardness, which has taken up and carries within itself all of the salts that have been the enemies of the sugar-making process.

The clarified sugar water is then taken to the evaporation tanks for concentration. It carries so much of water that it is necessary to reduce it before it shall go through the process of crystallization, and in these evaporating tanks, which are simply what the term imports, there is a great reduction of the amount of water.

Next, and a most important process, is the conducting of this clarified and concentrated water, thus reduced in quantity, to what are known as the vacuum pans, where the sugar water is boiled in vacuum, and there is formed the crystallized sugar. When it is done—as the cook would say—when the crystallization process is complete, the sugar then pours itself out in a very dark form, and so nearly fluid, that it runs itself but runs slowly, and is conducted down an incline to what are known as the centrifugals, which are simply revolving tanks with perforated sides within a larger tank with solid sides, and these centrifugals revolve at the rate, as I recall it now, of one thousand times a minute. Through the pores or holes in the sides of the centrifugals the fluid substance pours or is ejected and leaves the pure white sugar.

Still it needs no handling. It is conducted from these centrifugals in the form of white sugar fit for consumption, but needing to be dried, into what are known as the revolving drums—large circular drums—which carry and roll the sugar about until it is dried. From that it runs through the sieves to make the different sorts or grades of sugar—granulated or still more finely granulated. Then it is conducted automatically to the chute, and there it pours itself into the bags ready for its reception, holding each 100 pounds, and is ready for the market.

This is the process which, during the sugar campaign, in operation night and day, takes in this compound at the one end in the form of the vegetable and turns it out in eighteen hours of work the merchantable white sugar.

Mr. HUNTON. How much sugar will a ton of beets yield?

Mr. MANDERSON. From a ton—2,240 pounds—the yield of sugar would be perhaps 15 or 20 per cent, less the loss from the salts.

Mr. WASHBURN. It would be 336 pounds on the basis of 15 per cent.

Mr. MANDERSON. It is not so much as that. The average net of sugar is 165 to 170 pounds from each ton of beets.

Mr. PERKINS. If the Senator from Nebraska does not object, I will state that while the process described has been very interesting, and one with which I am somewhat familiar, the Senator did not refer to removing the top of the beets.

Mr. MANDERSON. That is done upon the farm, and is no part of the factory process. That, however, raises a most important consideration in connection with the cultivation of the beet. In Germany and France, and in fact in all foreign countries, beets are taken out of the ground by hand, as they were in our country until, I think, within the last year.

The farmer or the workman pulled out the beet, it was thrown into a pile or carried to a pile, and there each beet must be handled and the top cut off with a knife. That was found to be a most expensive process, and the tables I have here giving the cost of beet-raising in California, show that for topping the beets on the 10 acres of Mr. Robertson there was paid out \$78. Now, with that capacity for invention which characterizes the American, when these gentlemen, the Oxnard Bros., started in this industry that process was too slow, too unintelligent for them, and it was too costly. So they set to work, and at an expense, I am informed, of nearly \$50,000 in experimenting they have invented and there is now being used a machine which, being drawn by two horses, runs along over the beet when it is ready to be taken out from the ground, cuts under it, throws it out of the ground without the destruction of any part of it, and as it does that it cuts off the top of the beet, leaves it on the ground, and carries the beet root by an endless apron to a farm wagon that drives by the side of the machine, and the farm wagon thus receives the beet ready to take it to the factory.

I think it was less than a century ago that it was discovered that sugar from beets could be obtained in fair quantity. The discovery was that of a German chemist, whose name has passed me for the moment, but as the result of his exploration the first beet factories were erected in Paris about the year 1800. They were a failure. The foreign salts contained in the sugar prevented the crystallization. There was not that intelligent cultivation of the beet that gave a sufficient amount of saccharine matter to allow it to compete with cane sugar, and it was only when driven by the necessities of war, when France was compelled to make her own sugar and not depend upon other countries, that the beet-sugar industry started on its great career.

No wiser man ever ruled a nation than the great Napoleon. It was a selfish wisdom, but he was always for France. He issued what are known as the celebrated Berlin and Milan decrees, in which he forbade the importation of sugar from other countries. He was determined to force the making of sugar from beets in France, and he took the heroic method of accomplishing it. No other course would have accomplished it. He decreed that sugar must and should be produced from beets. He was denounced for it as loudly as people at that time dared denounce the great conqueror. He was ridiculed for it. The cartoonist got in his deadly work. One of the cartoons that comes down to us from that time is a representation of Napoleon sitting in all his robes of state reading a book, and near him is a nurse woman. She holds upon her lap the young prince, who died so early, and she is holding to the child's mouth a sugar beet, squeezing it apparently, and saying to the disgusted child, "Suck it, child, your father says there is sugar in it."

He was thus ridiculed and thus abused, but he went on with that tremendous will power and determination that was the chief characteristic of the man. He built four imperial factories out of the public treasury and gave liberal bounties. He offered \$20,000 in one bounty for the production of beets that would carry 10 per cent of saccharine. It is said that France, even during those dreadful days of war, when upon her were all the evils and the enormous expenditures incident to war, expended in all \$200,000,000 in the establishment of beet-sugar factories and their development. The difficulties to be surmounted were great, but she overcame them. We can profit from her costly experience if we will.

Now, what is the result, Mr. President? From nothing France has increased her production so that in 1893 she produced 575,000 tons, or 1,288,000,000 pounds, of beet sugar. Germany followed suit. I shall not take the time to go into details as to the character of the protection, usually given by direct bounties, sometimes by export bounties, by these European powers which understand the interests of their own people, are alive to the necessities of their own nationalities, stand up for their own countries and not for foreign lands. Germany followed, and from nothing she produced in 1893 1,300,000 tons, or 3,912,000,000 pounds, of beet sugar. Austria-Hungary followed suit, producing in 1893 825,000 tons, or 1,848,000,000 pounds.

Russia, another selfish nation—and I believe in selfishness in a nation; it lies at the very root of the progress of nations as it lies at the very foundation of the advancement and progress of man, and is true patriotism—in 1893 produced 650,000 tons, or 1,456,000,000 pounds. Other bounty countries are Holland, Belgium, Sweden; and if Sweden can produce sugar, why can not every State in New England produce sugar from the beet? Denmark, Italy, and Canada have embarked in the enterprise; and England, not to be behind her competitors in the race of nations, is now offering a bounty in her colonies. Queensland has already started upon the production of beet sugar, and even Brazil has followed suit.

Mr. President, I have here a table showing the production of the world's sugar.

It is very interesting to note the sugar crop of the world. The cane crop of 1893-'94 is made up as follows:

Whence it comes:	Tons.
Cuba	900,000
Porto Rico	60,000
Trinidad	50,000
Barbados	65,000
Martinique	32,000
Guadaloupe	50,000
Demerara	110,000
Brazil	225,000
Java	480,000
Philippine Islands	250,000
Mauritius	125,000
Reunion	37,000
Jamaica	26,000
Minor Antilles	25,000
Louisiana	265,000
Peru	65,000
Egypt	70,000
Sandwich Islands	135,000
Total	2,960,000

The beet crop was made up as follows:

Whence it comes:	Tons.
Brought forward	2,960,000
Germany	1,300,000
Austria	825,000
France	575,000
Russia	650,000
Belgium	225,000
Holland	75,000
Other countries	120,000
Total	3,770,000
Total of cane and beet	6,730,000

Of this amount about 5,700,000 tons is consumed, America consuming 1,800,000 tons. This is brought to this country in more than 1,000 steamers and 1,000 sailing vessels.

Here is another, and I think a more accurate, statement:

#### BEET SUGAR.

The following table presents Mr. Licht's estimate of the beet-sugar production of Europe for the season 1893-'94 as compared with preceding campaigns:

#### European beet-sugar production.

Countries.	1893-'94.	1892-'93.	1891-'92.	1890-'91.	1889-'90.	1888-'89.
	Metric tons.*					
Germany	1,350,000	1,225,331	1,198,156	1,331,965	1,264,007	990,604
Austria-Hungary	845,000	802,577	786,566	778,473	758,078	523,242
France	575,000	588,838	650,377	694,037	787,989	466,767
Russia	650,000	455,000	550,994	544,162	450,711	526,387
Belgium	235,000	196,639	180,377	205,623	221,480	145,804
Holland	75,000	68,070	46,815	76,635	69,765	56,047
Other countries	111,000	92,000	88,635	80,000	80,000	87,000
Total	3,841,000	3,428,515	3,501,920	3,710,595	3,633,630	2,795,851

\*One metric ton is equal to 2,204.6 pounds, only a few pounds less than our long ton of 2,240 pounds.

#### CANE SUGAR.

In regard to this kind of sugar Mr. Licht makes the following estimate for the principal countries which have a surplus for exportation:

#### Cane-sugar production.

Countries.	1893-'94.	1892-'93.
	Metric tons.	Metric tons.
Cuba	850,000	682,768
Puerto Rico	60,000	48,714
Trinidad	50,000	50,764
Barbados	65,000	65,383
Jamaica	26,000	27,000
Martinique	32,000	33,228
Gaudeloupe	40,000	41,298
Lesser Antilles	25,000	25,000
Demerara	110,000	99,092
Réunion	37,000	35,991
Mauritius	125,000	70,732
Java	480,000	482,007
Brazil	290,000	215,000
Philippine Islands	205,000	273,988
United States	265,000	245,000
Peru	65,000	60,000
Egypt	70,000	65,000
Sandwich Islands	135,000	125,000
Total	2,960,000	2,645,963

According to these estimates the total sugar production of the world for the last five years has been as follows:

Sugar crop of the world.			
Years.	Beet sugar.	Cane sugar.	Total.
1893-'94	3,841,000	2,960,000	6,801,000
1892-'93	3,428,515	2,645,963	6,074,478
1891-'92	3,501,920	2,852,293	6,354,216
1890-'91	3,710,595	2,554,536	6,265,431
1889-'90	3,633,630	2,069,464	5,703,094

Mr. President, in the United States there has always been a tariff duty to protect cane sugar until 1890, when we departed from the protective principle and applied that of bounty. A very interesting table is that which shows the production of cane sugar. Starting with 1828, which is the first record that we have of production, there was produced of cane sugar in round numbers 87,000,000 pounds. There was a constant increase in the production, varying, as crops will vary on account of conditions of weather, etc., until we had reached in 1861 a production of 265,000,000 pounds of cane sugar.

The war of course practically wiped out the industry; there was but little of it left. We ran along until in 1888-'89, the year before the bounty act went into effect, when the production of cane sugar was 287,000,000 pounds. Then went into operation this beneficent, this popular bounty scheme, for I deny that there is anywhere in the United States, except it may be among some purblind politicians, opposition to the advancement of this industry by the payment of bounty. No man can investigate the subject, no man can look upon the figures of enormous outlay that would be required for protective duty even under the pending bill, or as it is proposed to be by the amendment to be suggested by the Senator from Arkansas [Mr. JONES], and the small amount that will have to be paid as bounties.

Even with the increased production, without seeing that it is infinitely better for the people of the United States to pay \$10,000,000, aye \$20,000,000, as the industry grows, out of the Treasury by direct bounties to these producers than to pay in the form of duty by indirect expenditure the \$50,000,000 to \$75,000,000 that will be needed annually under protection.

The tariffs on sugar are shown by the following table, and have always been specific, and never ad valorem, except in the years under the tariff acts of 1846 and 1857.

#### TARIFFS ON SUGAR.

1789	1, 1½, and 3 cents.
1790, 1791, 1792	1, 2½, and 5 cents.
1794-1795	1, 2½, 3, and 9 cents
1798-1800	2, 2½, 3, and 9 cents.
1804-1808	2, 3, and 9 cents.
1812-1816	5, 6, and 18 cents.
1816-1830	3, 4, 10, and 12 cents.
1832-1842	2, 3, 10, and 12 cents.
1842	2, 6, 6, and 6 cents.
1846	30 per cent ad valorem.
1857	24 per cent ad valorem.
1861	2, 2½, 4, 5, 6, and 8 cents.
1862-1863	2, 3, 3½, 4, and 10 cents.
1864-1870	3, 3½, 4, and 5 cents.
1870-1872	13, 2, 2½, 2¾, 3, and 4 cents.
1874-1882	2, 1, 2, 2½, 2¾, 3, 4, 4, and 5 cents.
1883	13, 2½, 3, and 3½ cents.

Under the impetus of the bounty act of 1890 there was produced of cane sugar in 1888-'89 287,000,000 pounds; in 1890-'91, 483,000,000 pounds, and in 1892-'93, about 550,000,000 pounds.

Let us look at the production in Louisiana. It has run as follows, in long tons:

1880	88,882
1885	94,375
1890	128,165
1892	160,937
1893, estimated	245,500

Can not the Senators from Louisiana, representing that great State and this important industry, see that better than duty in any form that they are likely to get, of more advantage to their constituents, of greater good to the country at large, is the bounty rather than the protective duty system?

Within a few months past I visited that beautiful State that lies upon the Gulf. I went to the Bayou Teche, that land immortalized in verse. I saw there the great cane-sugar plantations that are throughout all those borders. I saw the enormous investments in lands, in stock, in the factories made by the constituents of my friends from Louisiana. I was prepared to see something that was wonderful. I had seen enough of the expenditures incident to beet-sugar production to be somewhat prepared for it, and yet I was astonished at the vast amount of money that is required to be invested before a pound of cane sugar can be produced; and when I saw it I did not wonder that that State, wedded to the Democratic party as it has been in the past, looked

with horror upon a proposition calculated to destroy and wipe out this great expenditure and bring ruin and destruction upon them.

Mr. President, I do not wonder that there comes to the Senate of the United States, and that there comes to each individual member of it, letters like this I have in hand, a letter from the chairman of a meeting inclosing resolutions passed by the Chamber of Commerce and Industry of Louisiana. It is dated last February, and addressed to me. I presume everyone else received a similar letter. The chairman says:

NEW ORLEANS, February 14, 1894.

DEAR SIR: We beg to call your attention to the inclosed resolutions, and respectfully request a careful perusal of same. They speak for themselves, and we can not believe the nation's representatives in Washington will willingly or knowingly consent to strike down and destroy an industry of such magnitude and of such growing importance to the entire country.

Our best informed and leading business men realize to the fullest extent the ruin and disaster, to both our city and State, that the proposed change in sugar legislation will bring, and we therefore most earnestly appeal to your patriotism and sense of justice to avert such a calamity, and ask you to favor and vote for such legislation as will protect our industry, thus allowing us to build it up, and produce at home what is now purchased abroad.

Again soliciting your kindly offices in our behalf, we are yours, respectfully,

I. H. STAUFFER, JR.,  
Chairman.

Hon. CHARLES F. MANDERSON,  
No. 1233 Seventeenth Street, Washington, D. C.

Upon the back of this is a map of the United States, showing the enormous interest that other parts of the country have in even this comparatively small production of sugar in the State of Louisiana. This map shows how coal to the extent of \$1,200,000 worth is brought from Pennsylvania and Alabama; that \$2,400,000 worth of mules and horses are brought from Kentucky, Tennessee, Indiana, and Missouri; \$4,200,000 worth of bread-stuffs from Minnesota, Missouri, and Kansas; \$3,600,000 worth of meats from Ohio, Illinois, Kansas, Nebraska, and Texas; \$4,800,000 worth of corn, oats, and hay from Kansas, Missouri, Illinois, and Iowa; over a million dollars of cooperage from Ohio and Michigan, and half a million dollars of cowpeas from the Carolinas, Georgia, and Tennessee; \$300,000 of oils, paints, and lime from Pennsylvania, Ohio, and Alabama; \$6,000,000 worth of machinery and implements from Missouri, Pennsylvania, New York, and Illinois; \$800,000 of boots and shoes from Massachusetts, Missouri, and Illinois; \$2,400,000 of clothing from New York, Illinois, and Missouri; \$1,500,000 of sundries from all over the Union; a total of \$29,910,000 of an interest in other States in the cane-sugar industry in Louisiana to stand or fall with it as Congress may decree.

Mr. President, the Senators from Louisiana are not alone interested in this industry. Senators from every State representing the interests of this Republic everywhere are bound in decency to stand shoulder to shoulder with them in the effort to save this industry, advance it, and advance the beet-sugar industry to which I have referred.

The resolutions of the Chamber of Commerce and Industry of Louisiana are as follows:

CHAMBER OF COMMERCE AND INDUSTRY OF LOUISIANA,  
New Orleans, February 10, 1894.

At a special meeting of the Chamber of Commerce and Industry of Louisiana, held February 2, 1894, the following preamble and resolutions were unanimously adopted:

Whereas the agricultural, commercial, and industrial interests of the people of the State of Louisiana are threatened with destruction by the Wilson tariff bill, now pending before the Fifty-third Congress of the United States, and already passed by the House; and

Whereas an enormous amount of capital has been invested in improved machinery and agricultural manufacturing plants upon the faith of the Government of the United States having provided for an annual bounty until 1905; and

Whereas, without said bounty or its equivalent, the sugar industry of the State will be ruined and great financial loss and damage fall upon every element of our people; and

Whereas the welfare of the State of Louisiana depends directly upon the sugar industry, one-half the population of the State being directly or indirectly supported thereby, and more than one-half the capital of the State being invested in sugar plantations, machinery, stores, foundries, shops, steamboats, railroads, and all mechanism of commerce incidental thereto; and

Whereas the people of Louisiana and other States, stimulated by the aforesaid bounty, have increased the production of sugar to such an extent as to warrant the opinion that the domestic production of sugar would be sufficient to meet the wants of this nation:

*Be it resolved*, That the members of the House and Senate be requested to use every justifiable means to preserve to the people of Louisiana this great industry and save this State from absolute ruin and other States from financial loss that will follow from an unqualified repeal of the bounty on sugar without any equivalent.

There is a significant omission in the last resolution; but I hope the junior Senator from Louisiana will not think I intend to reflect in the least upon him by presenting and reading it.

The last resolve is as follows:

*Resolved*, That we command the action of Louisiana's Representatives, MEYER, DAVEY, PRICE, and ROBERTSON, in voting against the passage of the Wilson bill as amended.

A. K. MILLER, President.

A true copy:

ROBERT BLEAKLEY, Secretary.

It is more significant for its omissions than for those it mentions. It will be observed that one of the whereases is as follows:

Whereas, without said bounty or its equivalent, the sugar industry of the State will be ruined and great financial loss and damage fall upon every element of our people.

This was in January last.

Since that time, alarmed—and not unnecessarily or needlessly alarmed—by the reports that went to that State from Washington, the sugar planters and those interested in this great industry in Louisiana met again, and on the 12th day of May, 1894, in convention assembled at New Orleans, they passed the following resolutions:

*Resolved by the cane growers and sugar manufacturers of Louisiana in convention assembled*, That the present sugar schedule of the Senate Finance Committee, fixing the duties on raw sugars imported into this country at 40 per cent ad valorem, is an insufficient and inadequate protection to the home producer;

That it is impossible for the cane growers and sugar manufacturers of Louisiana to pay for the actual cost of production at that rate of duty;

That for thirty years the duty on sugar has ranged from 2 to 3½ cents per pound, and sugar all over the world, during the most of this time, has been 100 per cent higher than it is to-day;

That now, when we have the lowest prices ever known under free labor, it is proposed to remove the existing bounty of 2 cents per pound and substitute therefor a duty of about one-half of this amount, and against this we record our earnest protest.

The sugar tariff was instituted in the beginning of the Government, and was continued from that day up to the year 1890, when the McKinley bounty law went into operation, the bounty being supposed to take the place of the duty then prevailing, although the bounty itself was a reduction of the rate of the tariff law at that time.

*Resolved*, That the cane-growers and sugar manufacturers of Louisiana believe that the Government has obligated itself to carry out the provisions of the McKinley bounty law to the expiration of its term.

I shall go to the consideration of that proposition in a few moments. There is no question about it that there is resting upon the Congress of the United States, as I believe, a legal obligation—and as no man can deny a moral obligation—to carry out the contract made with those gentlemen until the expiration of the time for which it was given.

That upon the faith of that belief we, the cane-growers and sugar-manufacturers of Louisiana, have expended enormous sums of money in opening up new lands, enlarging our factories, and have entered into contracts for terms of years, many of which have not yet expired.

That under the influences of that bounty—

Mark the language! By the abandonment of protection and by the influence of the bounty promised until 1905—the sugar industry of Louisiana has been increased in three years from 180,000 tons to 320,000 tons.

That we solemnly declare that if this law be abrogated, and if no sufficient duty be adopted, this great and growing industry will be practically destroyed.

That we earnestly protest against a continuance of the Hawaiian reciprocity treaty, which, under the conditions of the proposed tariff bill, will practically grant a bounty of \$3,000,000 per year to the Sandwich Islands, where sugar is produced with semi-slave labor under conditions destructive to any fair competition with free labor.

*Resolved*, That we appreciate the valued services of our senior Senator, and those of our junior Senator since he has been a member of the Senate.

*Resolved*, That we approve and appreciate the efforts of those of our Representatives who so earnestly defended and supported our interests in the gravest crisis of its history.

*Resolved*, That copies of these resolutions be forwarded to our Senators and Representatives in Congress.

*Resolved*, That in view of the great interests involved to all the people of Louisiana, we respectfully urge and request the members of the Legislature that in the election of United States Senators there be chosen only men who can be relied upon at all times and under all circumstances to stand for sugar, rice, and all the other great industries of our State.

JOHN DYMOND,  
H. C. WARMOTH,  
HENRY P. KERNOCHEAN,  
J. C. MORRIS,  
W. S. PARKERSON,  
J. N. PHARR,  
WALTER GUION,  
HENRY McCALL,  
T. S. WILKINSON.

It will be observed that they resolve—and I am very glad to see this recognition of the great merit and worth of the two distinguished Senators from that State—

that we appreciate the valued services of our senior Senator, and those of our junior Senator since he has been a member of the Senate.

I do not understand fully that sort of left-handed compliment. I have no question but that the junior Senator from Louisiana [Mr. BLANCHARD] will understand it fully and take comfort from it, left handed though it be.

Mr. BLANCHARD. If the Senator from Nebraska will yield to me a moment, I will be glad to do it now.

Mr. MANDERSON. Certainly; with pleasure.

Mr. BLANCHARD. I will say to the Senator from Nebraska that in the time I served in the House of Representatives I never failed to advocate and support a duty upon sugar, and I did it in two speeches in the House when the Wilson bill was pending before that body. The last of those speeches was one of protest against the action of the House in declining everything relating to a duty on sugar, even down to striking out the diminu-

endo-bounty provision as reported by the Ways and Means Committee.

But I took occasion to state in that speech that, representing a Congressional district whose people were overwhelmingly in favor of the passage by this Congress of a tariff-revision act, and as the Wilson bill, as finally voted on in the House, was the best that could be had from the Democratic House in the way of such a measure, I felt it my duty to finally cast the vote of the district which was in my keeping for that measure.

But as a Senator representing the State of Louisiana on this floor, a State with many industries and large interests, I would be recreant to the trust reposed in me if I did not here demand by my voice and vote reasonable protection in the way of a revenue duty upon sugar in any tariff measure that might be brought before the Senate. That is my position. There is a vast difference, Mr. President, between representing one Congressional district, with one interest and one sentiment, and representing a whole State, embracing 1,200,000 people, with a diversity of sentiment and a variety of interests.

Mr. MANDERSON. I am very glad that the Senator from Louisiana is advancing in the direction of protection even if it is by a system of parallel and therefore gradual approaches. I have no question but that we can welcome him in a very short time, as we can welcome many Senators upon the other side, if the signs of the late times mean anything, to the protection fold.

Mr. BLANCHARD. Will the Senator from Nebraska allow me a moment further?

Mr. MANDERSON. Certainly.

Mr. BLANCHARD. I do not think the Senator can take to himself any comfort as respects my position upon the tariff. I stand now substantially where I have stood in all the years I represented a district of Louisiana at the other end of this Capitol. I believe in a tariff for revenue with the incident of protection, and no bill which carries that principle into effect ought to pass this body that omits sugar from the dutiable list, for such a tax is the best revenue producer, while giving incidental protection to a most promising agricultural industry of the country.

Mr. ALDRICH. Will the Senator from Nebraska allow me to ask through him a question of the Senator from Louisiana?

Mr. MANDERSON. Yes; if it is desired. I yield.

Mr. ALDRICH. If the Senator from Louisiana is willing to answer it I should like to ask him a question.

Mr. MANDERSON. My only objection to this proceeding, I will say to the Senator from Rhode Island, is that I never did enjoy having a substitute in a fight.

Mr. BLANCHARD. I may during the course of this debate obtain the floor, and I shall then be glad to yield to the Senator from Rhode Island.

Mr. MANDERSON. I have no question but that a battle royal will come off between the Senator from Rhode Island and the Senator from Louisiana before we get through with the sugar schedule, and these conundrums might as well be left until that time. I simply want to go on with my suggestion, and say that I am glad to see this protection sentiment in the mind of the Senator from Louisiana—this grain no bigger than a mustard seed, that I hope will grow and sprout until he can enjoy life in the shade of a full tree of protection to all industries. I do not believe in that solitary protection sentiment that proposes simply to benefit a locality.

I vote, Mr. President, here, representing a prairie State, not only for protection upon beet sugar and the products of the farm, but I vote for protection to the loom, to the factory, to the foundry, to the lumberman, to the miner. I do not represent, standing upon this floor, simply a part or the whole of the State of Nebraska. I am a Senator of the United States, and whether I am in the other House as a Representative or here as a Senator no pent-up Utica like district or like State shall contract my legislative powers. [Manifestations of applause in the galleries.]

Mr. President, Louisiana has had woes in the past. This is not the first time that she has faced the disastrous effects that result from a tariff for revenue with incidental protection. There was a memorial that came to the Congress of the United States from all the sugar-planters of Louisiana at the second session of the Twenty-seventh Congress, in 1842, Senate Document 334 of that session. It was a wail of despair and a plea to Congress to protect their industry from the disastrous effect of the tariff act of 1833, which was laid for revenue only. The Democracy of Louisiana were supposed to be so rock-ribbed that they would submit to any sort of Democratic legislation. They had been apparently willing to see the sugar industry gradually perish for the nine years after that tariff act; but suddenly they cut loose from their moorings, and 890 of them leaped by petition into the Congressional arena to exhibit their financial woes

and industrial wounds inflicted by a tariff for revenue with incidental protection.

They came forward, however, with an apology. It is not often, Mr. President, that a rock-ribbed Democracy will make a loud and insistent appeal for reform unless it is in line with the behests and the declarations of the party. They say in their memorial:

It is only after losses have reached their height that events have proved that under the practical operation of the compromise tariff bill of 1833 our agriculture and our commerce, as well as our manufacturing interests, are not only paralyzed but brought to the very verge of absolute ruin, that we approach the representatives of the nation in Congress assembled, earnestly to pray them to come to the relief of an industry involving an outlay of \$52,000,000 of capital, the destruction of which, besides causing a national loss to an extent beyond calculation, would lead to the expatriation of almost every planter connected with it.

This was a pretty straight demand for protection. Let us see what further they said:

Against the theories, discarding discriminating duties intended to foster home labor, which have brought every department of our Government into disrepute—which have made, with few exceptions, every mechanic, every manufacturer, every merchant, every farmer, every corporation in our once happy Union, a bankrupt, and which at length, after a long struggle, are shaking our Government itself to its very foundation—the undersigned beg most respectfully to oppose the authority of one of our ablest and most honored statesmen.

They then go on to quote Jefferson's letter of 1783 in favor of protection to Benjamin Austin. They then proceeded to say:

The fallacy and suicidal tendency of the doctrines of 1785, partially revived in 1833, are now fully proved by their practical operation during the last eight years, which has brought distress, unprecedented ruin and desolation to every class of society, to every branch of industry throughout the United States.

The memorial then proceeds to show that not only Louisiana but various other States and the Union, would be ruined by a policy which allows foreign labor to debase the cost of sugar 40 per cent below the cost of production. Then they allude to a fact further:

As revenue is to be raised to carry on the Government the general welfare requires that such revenue should be so "arranged" as to afford encouragement to our manufacturers and agriculture. That by effectually guarding our sugars against debasement by foreign labor your honorable bodies will not only protect that branch of industry, but also cotton, rice, and all other agricultural products raised in the Southern States.

These gentlemen did not propose to confine themselves, as does their representative here, to the boundaries of the State in which they lived; they said protect our sugar, protect us from labor abroad, but also protect other agricultural interests and the interests of other manufacturers by protecting not only sugar, but rice and cotton. Properly interpreted this memorial intended to say give us positive protection, a protection absolutely needed to save our industry from destruction. They were not seeking revenue, but protection for the sake of protection. It closes by saying:

Nothing short of 3 cents duty on raw sugar and other qualities in proportion can avert the calamity about visiting every sugar planter.

This memorial was signed, I think, by every sugar planter then living in Louisiana. The result was an increase of the duty on sugar. The Committee on Manufactures made a voluminous report (Senate document No. 340, second session Twenty-seventh Congress, pages 9, 20, and 38 of said document)—and by bill—fixing the value of sugar at 6, 7, and 10½ cents, and raising the duty on raw to 30 per cent, on refined 1½ cents, and the reason given was, "for its encouragement." The report says, page 9:

We were induced to this by testimony showing that sugar and iron could not be sustained by the encouragement afforded by the revenue (only) rate of duty! They are both interests having strong claims to favorable regard in national legislation. Sugar is almost the only agricultural production of which the domestic consumption requires a supply from abroad, with this relation (stated) between supply and demand it was thought unwise to withdraw any portion of the encouragement recently extended to its cultivation.

This bill also provided for a specific duty equal to any export bounty given by any foreign country on any article.

Mr. President, I have said that beet sugar can be produced in every Northern State. About that I think there can be no question. It is the Northern sugar plant. As I suggested a few moments ago, if it can be grown in Sweden and in Denmark—

Mr. HIGGINS. I should like to ask the Senator if he means by that that beet sugar can be produced at a commercial profit in every Northern State?

Mr. MANDERSON. I think so. I think an examination of the report of Mr. Wiley will fully convince the Senator from Delaware of that fact. I am aware that years ago there was an effort in his State to grow sugar beets and produce sugar. Delaware was one of the States where that experiment was made.

That experiment was a failure, as it was elsewhere, for the reasons I have stated, that there did not come first the intelligence necessary to grow the beet with sufficient saccharine principle. There was not that process of selection, of survival, that is so important. In the days of Napoleon 6 per cent was a

large amount of saccharine matter to be found in a beet. As I suggested, he offered a bounty of \$20,000 for a beet that would show 10 per cent saccharine matter; and yet we have seen by this process of selection that it has reached an average of about 13 per cent in Germany and France, and in this country exceeding that amount.

A reference to the report of Wiley will show how the distribution of beet seed throughout this country and its careful culture has produced it. My recollection is that the highest amount of saccharine matter is found in California, next in Nebraska, and I think next in Colorado, there being a very high percentage shown by Wiley's tables as obtained from Colorado. But it can be produced, I think, in any Northern State. The Senator from Massachusetts [Mr. HOAR] asks whether it can be produced in the South. I do not know as to the extreme South, but it can undoubtedly be grown in States like Kentucky, Tennessee, Missouri, North Carolina, and Virginia—Virginia beyond question—as the experiments have shown. Experiments have been made in that part of the country. There are now six factories in the United States—three in California, one in Utah, and two in Nebraska.

It is most interesting to see what has been the result of the fostering care of this bounty. In 1890 we produced 2,800,000 pounds of beet sugar in this country; in 1891, 5,400,000 pounds; in 1892, 12,000,000 pounds; and in 1893 about 20,000,000 pounds.

As showing the extent of the interest—for I beg my Eastern friends to believe that it is not a Western enterprise only, and that the East is as much concerned in it for local and purely selfish purposes as is the West—I have here a petition (and I regret that neither of the Senators from Virginia are here) which comes from the State of Virginia, which I shall read:

The undersigned citizens of Virginia, residing in vicinity of the beet-sugar factory located in Staunton, Augusta County, Va.—

I never knew there was a beet-sugar factory there until I read the petition. It must be something very insignificant in its proportions, but it will thrive and grow under bounty.

respectfully petition your honorable bodies (the Senate and House of Representatives) for a continuance of the present bounty on sugar until it expires, or such time as is necessary to put the industry on a firm footing, so it may compete with the same industry in Europe. We believe the climate here is adapted, and with experience and skill gained it will not only supply the United States with all the sugar used, but will also export to foreign countries, more or less, as we now export the cereals.

There are many incidental advantages connected with the beet crop not connected with other products of the farm, and it is a question whether whatever sugar is secured from the land is not a positive, clean gain over any other large crop grown, for sugar is a product of the sun and does not impoverish the land as do most crops. One thing is certain, it exceptionally—from every other crop grown—gives an object-lesson of what "intense cultivation" of land will do—a lesson more needed than any other—for all farmers admit (but do not follow their convictions) that we cultivate and spread our wort and fertilizers over too much land.

The spent beet-pulp, the other incidental waste, the lime-cake from the filter press, etc., all add to the value of the crop. The deep and thorough tillage nearly doubles the increase of the rotting crops which follow, so that the yield of wheat for a series of years may be even increased at a much reduced cost per bushel, even when only one crop is taken from the same land where formerly two crops were.

The farming interests of Virginia are at present at a very low ebb. Our lands are rapidly reverting to their wild state in many places; and unless some new and more profitable crop is sustained, the land will not sell for sufficient to cover the taxes. It is for these and numerous other reasons which indirectly affect the entire community's welfare, that we earnestly beseech such legislation as will establish this and all similar industries.

Not only from the South do we get this cry, but I have here a petition from the State of New York, showing that a beet-sugar industry has been started in the center of that State. These are the resolutions, sworn to as correct by the secretary of the Farmers' Club of Onondaga County, N. Y.:

*Resolved*, That we "The Farmers' Club of Onondaga County, N. Y., anxiously awaiting the action of Congress on the bounty law on sugar, since 'The Beet Sugar Coöperative Community,' capitalized at \$650,000, and already incorporated, proposes to erect a beet-sugar factory at or near Syracuse, if the bounty is retained, most earnestly petition and ask the Senate of the United States that said bounty be retained, encouraging increase of sugar production, investment of capital, diversifying industries, employing labor in divers occupations to obtain coal, coke, limestone, barrels, etc., lessening the cost of sugar to the people, and building up an industry which will eventually retain at home \$115,000,000 to \$150,000,000 annually now sent abroad for sugar; and we especially petition our Senators from the State of New York to use their best efforts to have said bounty retained.

STATE OF NEW YORK, ONONDAGA COUNTY,  
City of Syracuse, ss:

Demosthenes C. Leroy, being duly sworn, deposes and says that he is the secretary of the "Farmers' Club of Onondaga County," and that the foregoing resolution was adopted by said club this 3d day of February, 1894.

D. C. LEROY.

Subscribed and sworn to before me this 3d day of February, 1894.  
[SEAL.] S. D. SOLOMON.

Commissioner of Deeds, Syracuse, N. Y.

To the SENATE.

These resolutions, I say, are sworn to by the secretary, who says:

As the secretary of "The Beet-Sugar Coöperative Community" mentioned in the above resolution, permit me to say in behalf of its more than one hundred subscribers of stock, that if the said bounty or a duty is retained,

we shall establish a beet-sugar factory in Onondaga or Oswego County, N. Y. If said bounty is repealed, we shall not.

So this is not for the benefit of a local or a selfish interest we of the West ask when we ask the continuance of the bounty.

Mr. President, a very important inquiry in connection with the bounty provision of the McKinley act is as to the legality of the provision. I propose, when it shall be in order, to move to strike out all of paragraph 182, which repeals the bounty, and insert the following as a substitute:

That until July 1, 1895, the provisions of the act entitled "An act to reduce revenue, equalize duties, and for other purposes," approved October 1, 1890—

Being the McKinley act—

authorizing the issue of licenses to produce sugar and for the payment of a bounty to the producers of sugar from beets, sorghum, or sugar cane grown in the United States, or from maple sap produced within the United States, contained in paragraphs 231, 232, 233, 234, 235, and 236 of said act, shall continue in full force and effect.

In other words, I propose the reenactment in this bill of the bounty provision of the McKinley act.

But it is suggested that there was not in Congress constitutional power to pass the bounty act of 1890. There is no argument, Mr. President, that can be produced in favor of a protective duty that does not apply with equal force to a protective bounty. From the standpoint of legality it is a distinction without a difference, and if there is no power in the Congress of the United States for public purposes to pay a bounty for protection, there is no power for public purposes to place upon any article a protective duty.

It has been shown in repeated speeches here, quoting from the language of the forefathers, how they all, no matter what their political complexion—Jefferson on the one hand and Hamilton on the other—united in declaration of the power inherent in the United States to impose protective duties; and they have one and all recognized a bounty to be given for public purposes as equally within the power of the Congress of the United States.

Now, Mr. President, let us look for a moment at a little ancient history. At the First Congress there came, as we have heard many times, that first tariff bill designed to protect American industries and to advance and foster manufactures in this country.

In April, 1789, a bill was before the Congress for consideration, in which there was a proposition to put on all unwrought steel a duty.

Mr. Lee moved to strike out this last article, observing that the consumption of steel was very great, and essentially necessary to agricultural improvements. He did not believe any gentleman would contend that enough of this article to answer consumption could be fabricated in any part of the Union; hence it would operate as an oppressive, though indirect tax upon agriculture, and any tax, whether direct or indirect, upon this interest, at this juncture, would be unwise and impolitic.

Mr. President, how strangely this sounds in the light of after history. Here was a grave doubt, at that time well based, whether this country could produce the unwrought steel necessary for its consumption.

Mr. Tucker joined the gentleman in his opinion, observing that it was impossible for some States to get it but by importation from foreign countries. He conceived it more deserving a bounty to increase the quantity, than an impost which would lessen the consumption and make it dearer also.

Mr. Clymer, of Pennsylvania, then came in and suggested—

That the manufacture of steel in America was rather in its infancy; but as all the materials necessary to make it were the product of almost every State in the Union, and as the manufacture was already established, and attended with considerable success, he deemed it prudent to emancipate our country from the manacles in which she was held by foreign manufactures.

How admirably that language applies to the condition of sugar to-day. He then went on to recite that in Philadelphia there had been established two furnaces that were turning out a few hundred tons per year, and that he believed if fostered this industry would grow.

Mr. Madison then comes into the debate:

Mr. Madison thought the object of selecting this article to be solely the encouragement of the manufacture and not revenue, for on any other consideration it would be more proper, as observed by the gentleman from Carolina [Mr. Tucker], to give a bounty on the importation.

In that same Congress there came a question as to whether hemp should be cultivated and protected in this country, and in I Annals of Congress, page 153, I find that Mr. Partridge, who, I think, was from Massachusetts—

Informed the committee that the State of Massachusetts imposed only a duty of 1 per cent on the importation of hemp, which was applied to form a bounty of a dollar per hundred weight on that raised within the State.

Mr. Hartley preferred giving a bounty on hemp of American growth to taxing the foreign, because the existence of the manufacture and of shipbuilding also was involved in the price of the raw material.

It the Fourteenth Congress, at its second session, a bounty was invoked and a bill was passed—Clay and Calhoun taking part in the debate—giving a bounty for the cultivation of the vine and for the advancement of agriculture.

We come along farther down and we find that others, who are

pretty good authority on the construction of the Constitution and its powers, did not hesitate to declare themselves in favor of bounties.

In discussing the proposed high duty on hemp to aid Kentucky, Mr. Webster, opposing it in the interest of the shipowners, said:

If it be thought useful and necessary, from political considerations, to encourage the growth and manufacture of hemp, Government has abundant means of doing it. It might give a direct bounty, and such a measure would, at least, distribute the burden equally.

In the same year Mr. King, a Democrat of New York, on the question to strike out of the bill the 2 cent per pound duty on hemp, said:

If gentlemen wish to encourage the production of hemp and iron they ought to bring in a bill to give bounties on these articles. The burden would then fall equally on the community.

Passing from the debates and looking into the statute laws themselves, we find that in the first tariff act there was a bounty on fish, volume 1, Statutes at Large, page 24. By section 4 of that act a bounty or allowance was made, as follows:

On every quintal of dried fish and on every barrel of pickled fish of the fisheries of the United States exported and on every barrel of salted provisions of the United States exported, 5 cents per barrel, in lieu of the drawback on imported salt used.

In the same volume of the statutes will be found a vessel bounty, as follows:

For every ton of admeasurement, if of 20 tons and not exceeding 30 tons, the sum of \$1.50; three-eighths to the fisherman. Then section 2 of said act provided for a bounty of \$1 to every vessel of over 5 and under 20 tons burthen.

This was debated very fully in the House and a motion to strike out the word "bounty" and insert "allowance," so as to make it a little more palatable perhaps, to sugar-coat the pill it may be, was voted down.

By section 5 of the act of July 29, 1813, Statutes at Large, volume 3, page 51, the "bounty" or allowance to vessels was increased to \$2.40 and \$4, depending on admeasurement; and on smaller vessels or boats to \$1.60 instead of \$1. By act of March 3, 1819, this bounty was increased to \$3.50 on vessels of certain tonnage or admeasurement.

In another act of Congress, to be found in 5 Statutes at Large, is a bounty given in the shape of land. What distinction is there whether the Government should give its land or pay money out of its Treasury? Are not both bounties?

A bounty was given in the shape of lands to Dr. Perrine to cultivate and propagate tropical plants—I think perhaps in the State represented by the Senator now presiding over the Senate [Mr. PASCO], the State of Florida.

But, Mr. President, we need not go into special acts. Everyone is familiar with the enormous grants of land to railroads. Why have they been granted? They are as surely bounties as though money had been paid out to them; but in the cases of the Union Pacific and the Central Pacific Railroads not only were lands granted, but the credit, the actual money, of the country was given, and why? This land, this bounty, was given to private parties. Had it been for simply a private purpose, it never would have been granted, or if granted, it never would have been sustained; but the test was that it was given for a public purpose.

I might go on and recite other bounties that have been granted, all based upon this power inherent in the Congress of the United States under the Constitution, which controls and limits its powers.

Homesteads to private individuals are in the nature of bounties. We have bounties to soldiers, granted not only by the Congress of the United States, but by local municipalities; bounties to ship-builders. The Senator from Kansas, as I remember, put in his speech the enormous amount that had been given to shipbuilders in this country as bounties of late years.

Not only has the General Government gone into this sort of legislation, but the States as well. Pennsylvania gave a bounty to Humphreys for converting iron into steel—actual money out of its treasury. New York gave a bounty for the best method of propulsion of boats on the Erie Canal; Michigan gave a bounty for salt production, and South Carolina for indigo, hemp, and silk; Georgia for wares manufactured in the State, and on grasses; and Nebraska a few years ago passed an act that is now in full force on its statute book, which I think was one based in wisdom, whereby it gives a bounty in actual money, paid out of the treasury of each county, to those who plant and maintain trees upon the prairies of that State, and under its fostering care there has been a very great development of tree culture in that State.

Not only has this bounty idea obtained its place in the debates in Congress and in the statute laws, but about every Secretary of the Treasury whose opinion we value of those of the older days had advocated it.

Mr. PLATT. Did not New Jersey give a bounty on sugar?

Mr. MANDERSON. I think New Jersey did give, or offer to give, at one time a bounty on sugar.

In 1791 Alexander Hamilton wrote in his report, the question then being a living one, and one that was squarely presented, growing out of the first tariff act:

Bounties are especially essential in regard to articles upon which those foreigners who have been accustomed to supply a country are in the practice of granting them. The continuance of bounties on manufactures long established must always be of questionable policy, because a presumption would arise in every such case that there were natural and inherent impediments to success, but in new undertakings they are as justifiable as they are oftentimes necessary. There is a degree of prejudice against bounties from an appearance of giving away the public money without an immediate consideration, and from a supposition that they serve to enrich a particular class at the expense of the community.

But neither of these sources of dislike will bear a serious examination. There is no purpose to which public money can be more beneficially applied than to the acquisition of a new and useful branch of industry—no consideration more valuable than a permanent addition to the general stock of productive labor. As to the second source of objection, it equally lies against other modes of encouragement which are admitted to be eligible. As often as a duty upon a foreign article makes an addition to its price it causes an extra expense to the community for the benefit of the domestic manufacture. A bounty does no more. But it is in the interest of society in each case to submit to the temporary expense, which is more than compensated by an increase of industry and wealth, by an augmentation of resources and independence, and by the circumstance of eventual cheapness, which has been noticed in another place.

I shall insert an extract from a very valuable production on this subject made by Louis McLane, of Delaware, who was a Democrat and the second Secretary of the Treasury under Jackson, who squarely comes out in favor of bounties. In his report dated December 7, 1831, he said:

If it could be shown that the labor and capital of the United States required greater aid to shield them from the injurious regulation of foreign states, sound policy would rather recommend a system of bounties, by which the duties collected from imports might be directly applied to the objects to be cherished than the accumulation of money in the Treasury. \* \* \* The objects more particularly requiring the aid of the existing duties, upon the principles of this report, are believed to be wool, woolens, cottons, iron, hemp, and sugar, as comprehending those articles in which the agricultural and manufacturing industries are more particularly interested. \* \* \*

Any amount of duty on a raw material is, to its extent, an injury to the manufacturer, requiring further countervailing protection against our own rather than foreign regulations, and it is only to be justified by the paramount interests of agriculture. In that case it would deserve consideration, whether the encouragement of an object of agriculture might not be more properly reconciled with the encouragement of the manufacturer and with greater equality as regards other interests by bounties rather than by a duty on the raw material. \* \* \* Considering the amount of labor and capital employed in manufactures of the greatest importance to the country, and which have already contributed so essentially to our defense and safety and to the general prosperity, it could not be expected that they should be suddenly abandoned.

I shall also quote from Secretary Ingham, who was also a Democrat, and the first Secretary of the Treasury under Andrew Jackson. He said in his report of December, 1829:

The bounty on vessels employed in the cod fisheries is understood to be unlawfully obtained by some of those engaged in the mackerel fisheries. It is believed that a bounty on the fish cured or exported, without reference to the origin of the salt, would better promote whatever encouragement may be considered as proper to be given to the fisheries.

Mr. Dallas, in 1816, gave us also some very valuable statements on this subject. He said, February 12, 1816, alluding to the various methods of encouraging industries—

"which, being recently or partially established, do not at present supply the whole demand for domestic use and consumption, but which with proper cultivation are capable of being matured to the whole extent of the home demand."

Within this definition falls beet sugar, as the figures abroad and the startling increase of production here in the past three years proves. Toward this class he thought "a well timed and well-directed patronage" should be directed. He went further. Alluding to the means of promoting this great object, he declared that they were "various," and continuing, says:

"But it appears to have been the early and continued practice and policy of the Government to afford encouragement to manufactures and domestic products rather by the imposition of protecting duties than by grants of bounties or premiums."

He saw, however, no "constitutional" objection to bounties to encourage industries in proper cases, simply that the general practice and policy had been to accomplish the result by resort to the duty-form of protection.

But, Mr. President, what do the courts say about this question? In all the books there is not a decision which says that a bounty is unconstitutional, or which intimates, even by dictum, that it is not within the legislative power of Congress to grant a bounty, always provided, although the benefit may go to a private individual, that it is for a public purpose.

I now come to a leading case upon this question to be found in 9 Michigan Reports, and I beg leave to refer for a moment to it. I read from the syllabus:

Where a bounty offered under a law of the State is actually earned, the reduction of the bounty by a subsequent amendment of the law does not deprive the party of the full bounty given by the original act.

This is the salt bounty of Michigan. The East Saginaw Salt Manufacturing Company brought a suit against the board of State auditors.

The court held that the relators had acquired a vested right to the bounty offered by the act of 1859, upon all the salt manufactured before the act of 1861 took effect, and that they could not be deprived thereof by the last-mentioned act.

It is well to note, I will say in passing, that these bounty acts upon the production of salt in the State of Michigan were without any limit in regard to time. As they read, the bounty was to be paid forever. Of course there was no question but that such a bounty law, having no limit in time, could at any time be repealed; but even where such a bounty law has been passed without limit of time, if, pending it and before its repeal, a manufacturer has earned the bounty under it, the repeal of the law before the payment of that bounty will not prevent its payment.

From 9 Michigan Reports, I turn to 13 Wallace, in which there is another leading case upon this question. This case went up from the State of Michigan, and was based upon the same salt-bounty act. The syllabus is:

1. A law offering to all persons and to corporations to be formed for the purpose, a bounty of 10 cents for every bushel of salt manufactured in a State from water obtained by boring in the State, and exemption from taxation of the property used for the purpose, is not a contract in such a sense that it can not be repealed.

2. Such a law is nothing but a bounty law, and in its nature a general law, regulative of the internal economy of the State, dependent for its continuance upon the dictates of public policy, and the voluntary good faith of the Legislature.

Now, I turn to the opinion of Mr. Justice Bradley and read a portion of it:

That all corporations and individuals who shall manufacture salt in Michigan from water obtained by boring in that State shall be exempt from taxation as to all property used for that purpose, and after they shall have manufactured 5,000 bushels of salt they shall receive a bounty of 10 cents per bushel. That is the whole of it. As the Supreme Court of Michigan says, it is a bounty law, and nothing more; a law dictated by public policy and the general good, like a law offering a bounty of 50 cents for the killing of every wolf or other destructive animal. Such a law is not a contract except to bestow the promised bounty upon those who earn it, so long as the law remains unrepealed. There is no pledge that it shall not be repealed at any time. As long as it remains a law every inhabitant of the State, every corporation having the requisite power, is at liberty to avail himself or itself of its advantages, at will, by complying with its terms, and doing the things which it promises to reward, but is also at liberty at any time to abandon such a course. There is no obligation on any person to comply with the conditions of the law. It is a matter purely voluntary; and, as it is purely voluntary on the one part, so it is purely voluntary on the other part.

That is, on the part of the Legislature to continue or not to continue the law. The law in question says to all: You shall have a bounty of 10 cents per bushel for all salt manufactured, and the property used shall be free from taxes. But it does not say how long this shall continue; nor do the parties who enter upon the business promise how long they will continue the manufacture. It is an arrangement determinable at the will of either of the parties, as much so as the hiring of a laboring man by the day.

Mr. President, there is frequently quoted—and my impression is the Senator from Missouri [Mr. VEST] has frequently made reference to it—Judge Miller's decision in 20th Wallace, in the case of the loan association against Topeka, as being a basis for the opinion that taxation which shall go to the benefit of a private individual is not within the power of a legislative body; but a close inspection of that decision will show that he makes the distinction, which runs through all these authorities, that it is not lawful to impose a tax simply for a private purpose; you can not take for the benefit of A the property of B, unless it is to advance some public purpose. There is the base, that is the foundation upon which bounties and protective duties are based, and the man who departs from that base, from that foundation, of course finds himself at sea.

That was a case to enjoin the issue of bonds to establish the King Bridge Company, a private corporation, not organized to build a bridge at Topeka, but organized to build bridges for sale, for profit, anywhere. Of course that was not a public purpose. It would be to the advantage of the King Bridge Company; it would enhance the value of the property which surrounded the corporate works; it might enhance the value even of much of the real estate of Topeka; but Judge Miller very properly held that that was not a public use. He further, in that decision, goes on to say that if there were any show in the way of precedent or custom, the least show, that the act giving the bounty, although it inured to a private individual, was for a public purpose, the courts would not interfere with that judicial power which rests along with legislative power in a legislative body.

Mr. CAFFERY. Mr. President, I desire to ask the Senator from Nebraska whether the grant of Congress in the laying of a tariff for such a purpose might not be inquired into by the legal department as involving a private or a public purpose?

Mr. MANDERSON. I think not. I think that power is in the legislative department alone, and not in the courts.

Mr. CAFFERY. Then a bounty given by Congress to any party or to any manufacturer could not be inquired into by the courts?

Mr. MANDERSON. Not at all, if there is the least showing of public purpose. Judge Miller, in this decision, in 20 Wallace, squarely lays down that proposition. There are many other decisions. The leading one I have here, and will only take time simply to refer to it. It is the celebrated case of *Sharpless vs. The city of Philadelphia*, where there was a proposition to subscribe stock for a railroad which was to be built from the city of Philadelphia to the Delaware Water Gap, many miles to the north. In that case the judge clearly lays down the proposition that a tax may be imposed benefiting a private person directly, provided it is for public use.

I refer also to a couple of cases in Wisconsin. First, 19 Wisconsin, 652:

The absence of all possible public interest must be clear and palpable; so clear and palpable as to be perceptible to every mind at first blush.

Not its presence, but its absence. When the court comes to construe the action of a State Legislature granting a bounty, they do not require that the presence of public interest must be apparent at first blush, but that its absence must be; and, in the language of some of the authorities, if there is the least show of reason, if there is anything anywhere which shows that the custom has obtained to recognize the use to which this money is to be placed, or the industry which it is intended to foster is a public purpose, although it is to advance and benefit a private individual, it must be sustained. I refer to 10 Wisconsin, page 224, and quote:

Public and individual interests are often so intimately connected and blended together that it is impossible to advance the one without at the same time advancing the other. There is no public good without at the same time a private benefit. They are inseparable. The former can not exist without the other. If the latter be not promoted it proves that it is not a public good; and to determine whether a matter is of public or merely private concern we have not to determine whether or not the interests of some individual will be promoted, but whether the interests of the whole or the greater part of the community will be.

Mr. President, apply the test of these decisions to the case at bar, and what is it? Here was a proposition in the McKinley law to pay 1 $\frac{1}{4}$  and 2 cents a pound as bounty upon sugar produced in this country until 1905—a time limit. Of course it goes to the benefit of the private individuals who invest their money and build these expensive plants and who make these contracts for future deliveries of beet crops; they are to reap the benefit of it; it is to them the difference between loss and gain. But while inuring to their benefit the payment is made to enhance the good of the whole country. It is for a public purpose and for the general welfare.

If time would permit me, I could show that these industries in my own State would go by the board if this bounty were removed; that if it is removed, and if there be not some compensating and full duty to permit them to exist, they will have to close their doors; the farmer will cease to grow the crop which has been so great a source of profit to him; the smoke will no more come out of the chimneys of the sugar works and they will stand there as monuments to the folly of an American Congress. Is there no public good to be reaped from this slight advantage given to those who have embarked in this industry? I need not repeat the facts which I have presented to show how great is the boon to this country by the maintenance of this production.

In 27 Iowa there is a case decided by Judge Dillon, the case of *Hansen vs. Vernon*, which is sometimes quoted. That was a case to restrain aid to a railroad, and Judge Dillon, departing from decisions upon that question made by many other judges, held that a railroad enterprise was in no sense such a public benefit or its building was not such a public good as to permit a grant or aid from the public Treasury. He holds very clearly that, if it was a public use and a general benefit to the community, he would sustain the act granting the aid. I am informed by the Senator from Iowa [Mr. ALLISON] that Judge Dillon was reversed in his holding in that case, in which case Judge Cole dissented.

Mr. PALMER. If I may be allowed, Mr. President—

Mr. MANDERSON. Certainly.

Mr. PALMER. As to the decision of Judge Cole in that case, I think the higher court never reversed it.

Mr. ALLISON. The case was reversed. I remember that.

Mr. MANDERSON. Mr. President, it is immaterial for the purpose of my argument whether it was reversed or not, for the decision was based upon the proposition that a railroad was strictly a private enterprise, and that its building did not advance a public purpose.

Mr. PLATT. He was wrong about that.

Mr. MANDERSON. I think he was wrong, but had he reached the conclusion that the building of a railroad was a great public good, was a public purpose, of course he would have held that aid to it was permissible by legislative action.

I also refer, without reading, to the case of the *Harriet*, in 1 Story's Circuit Court Reports, page 281. One gets so unaccus-

tomed to looking at law books in this body, unless he is so fortunate as to eke out his subsistence by continuing in practice, that sometimes his hand forgets its cunning, and he does not know where to reach for the best book for the purpose.

I ought to have thought that the best place in the world to find a construction of constitutional powers and limitations was in Story, and I was interested yesterday when the Senator from Ohio [Mr. SHERMAN], whose inclination has been against bounties, but who voted for the bounty provision of the McKinley act in 1890, and, as I understood from his intimation yesterday, will vote for its continuance in this bill—the Senator from Ohio, turning to that part of Story on the Constitution which construed the power of Congress under the Constitution as to the use it should make of the money which it receives by its power to lay and collect taxes, duties, imposts, and excises, found the very recognition, and read here in the presence of the Senate that which is the foundation of all the decisions I have quoted.

Paragraph 965. The language of the Constitution is, "Congress shall have power to lay and collect taxes, duties, imposts, and excises." If the clause had stopped here, and remained in this absolute form (as it was in fact, when reported in the first draft in the convention), there could not have been the slightest doubt on the subject. The absolute power to lay taxes includes the power in every form in which it may be used, and for every purpose to which the Legislature may choose to apply it. This results from the very nature of such an unrestricted power. *A fortiori* it might be applied by Congress to purposes for which nations have been accustomed to apply it. Now, nothing is more clear, from the history of commercial nations, than the fact that the taxing power is often, very often, applied for other purposes than revenue.

It is often applied as a regulation of commerce. It is often applied as a virtual prohibition upon the importation of particular articles; for the encouragement and protection of domestic products and industry; for the support of agriculture, commerce, and manufactures; for retaliation upon foreign monopolies and injurious restrictions; for mere purposes of State policy and domestic economy; sometimes to banish a noxious article of consumption; sometimes, as a bounty upon an infant manufacture or agricultural product; sometimes, as a temporary restraint of trade; sometimes, as a suppression of particular employments; sometimes, as a prerogative power to destroy competition and secure a monopoly to the Government.

So you will read in Cooley on Constitutional Limitations. Near as he goes to the other extreme, you can read from him abundant propositions recognizing a bounty as legitimate to be given under our Constitution.

What is the distinction between that power which permits the payment of a bounty to a soldier, taking his life in his hands as he does and entering into a conflict, and that which proposes to pay a bounty to a man who will make a sacrifice in the experiment of producing that which is as essential to the existence of the country as that a soldier should fight its battles? As is suggested by the Senator from Connecticut [Mr. PLATT], what is the patent system but a bounty? That is taking from one to pay another. It is taking from one private individual for the benefit of another private individual; and the patent law of the country is based upon the proposition that it advances a great public purpose, and with this as the test the patent law will always stand.

What is the distinction between the payment of a bounty to a soldier and the payment of a bounty, if we did not produce explosives, to the man who, with the expenditure of fortune and of time, should embark in the manufacture of explosives, that we might defend our seaboard against an enemy? There is no distinction, Mr. President, and nowhere in the books can it be found.

19 Michigan Reports, page 274, holds in general terms that—

Where exemptions or bounty is not for a specific time, it is either permanent or entirely under State control. It can be repealed by Legislature whenever time for it to run is specified or not, but rights may arise under it to the individual who has advantaged himself of its provisions.

This brings us to the consideration of the proposition as to what the time limit in the McKinley bounty act means. I think that under the decisions a forcible and convincing argument could be made that, when a legislative body, even the Congress of the United States, shall offer an inducement by the way of a bounty to an individual to expend his private means for the public good, until the expiration of that time he has the legal right to exact payment of that bounty as recognized in the case in 9 Michigan; if there is no limit of time then it is within the power of the legislative body to repeal it at any time. The simple resulting condition is, that if the bounty has been earned prior to the repeal, and has not been paid, the party can recover the amount of the bounty.

Mr. President, there are numerous cases bearing upon this question, but I have talked at such length that I shall simply refer to them, so that anyone interested in the matter may give them fuller consideration. I refer to 16 Howard, 389; 6 Cranch, 135; 111 United States Reports, 750.

I have here a little brief of those cases, giving their salient points.

Chief Justice Marshall said, in 6 Cranch, 135:

When the law is in its nature, a contract, a repeal of the law can not divest those rights.

What is this but a contract entered into between the Government of the United States and the gentlemen who are about to embark in this hazardous experiment. "Do it, and if you produce the article of which we are so greatly in need, we shall pay you so much, and we shall continue to pay you until 1905." Chief Justice Marshall says that there is a limitation on the power of future Congresses, but that one Congress has a right to bind a succeeding Congress within the limit of time when it makes a contract under which grow vested and continuing rights.

Referring to the case in 16 Howard, page 389, Justice McLean said:

That a Legislature has power to make a contract which shall bind it in future is so universally held that a general citation of authorities seems unnecessary. A State in granting privileges to a bank with a view of affording a sound currency or of advancing any policy connected with the public interest, exercises its sovereignty for a public purpose, of the wisdom of which it is the exclusive judge. The Federal Government enters into an arrangement with the sovereign State for reciprocal duties on imported merchandise. The sovereign power of each was exercised in making the compact, and this was done for the mutual advantage of both. The compact is made and it is binding.

The court says, in 111 United States Reports, page 750:

The Legislature of a State may make contracts on many subjects which will bind it and succeeding Legislatures for the time the contract has to run, so that it can neither be repealed nor its obligation impaired. The only exemption to this general rule is that no such law can be enacted involving public morals or the public health.

I come to the only decision which has been made in any court construing squarely the bounty under the McKinley act. That decision was made in the United States circuit court of appeals for the fifth circuit, the circuit in which is situated New Orleans. It is the case of Calder vs. Henderson. The matter arose in this way: Calder was a sugar planter, a sugar producer, in the State of Louisiana. He failed. Under the contract of the McKinley act there was due to him from the United States a bounty yet unpaid, amounting to \$40,000. His assignees in bankruptcy claimed this for the benefit of his creditors, and Calder claimed that it did not pass to his creditors, but was his individually. The case was thus presented.

Here was a conflict between two men as to the payment of a fund of money due from the Government of the United States. It is true that there was no interposition by any officer of the Government to say that the debt was not one which was valid and subsisting, because there was no power in the Government of the United States to pass the bounty provision of the McKinley act, but this high court, second only and almost equal to the Supreme Court of the United States, these judges, Pardee, McCormick, and Locke, sitting for the consideration of that case, would just as surely have protected the interests of the Government of the United States, if they believed that that act was unconstitutional and that Congress had no power to pass a bounty provision, as they would have acted as judges in the case. It was not needed that the United States attorney or any private attorney should suggest that proposition. What was the decision? I read from the syllabus:

The sugar bounty provided for by the act of October 1, 1890, is not a pure gratuity by the Government or a mere recompense for personal services, but is compensation offered for the purpose of stimulating production, and when a producer accepts the offer and complies with the statute there is a contract between him and the Government.

Judge Pardee delivered the decision of the court.

Prior to 1890 the production of sugar was fostered by the Government of the United States by a protective tariff, which imposed such duties upon imported sugar as practically enabled the producers in this country to obtain a price for the sugar produced by them compensatory of the cost of production; it being well understood that, without the enhanced price resulting from the tariff, sugar in quantities could only be produced in the United States at a loss to the producer. In 1890 the Government of the United States, without changing its policy in respect to sugar produced, changed the method of encouraging production by practically placing sugar upon the free list, and enacting the bounty system. The law granting the bounty, so far as it is material to this case, is as follows. \* \* \* Here he quotes the law.

It is to be noticed that the bounty offered by the statute is for sugar thereafter to be produced, and to those producers only who shall accept the provisions of the act and comply with its terms, as to taking out a license, giving bond in penalty, and so forth. In our opinion, the "bounty," so called in the statute, is not a pure gratuity or donation by the Government, but was intended to be and is in fact a standing offer of reward and compensation to sugar producers, to encourage and stimulate them in the otherwise losing business of producing sugar in the United States.

It was intended to be, and is in fact, a guaranty of reimbursement to sugar producers accepting the terms of the statute, of part at least of the cost of production. When a producer of sugar accepts the offer and complies with the statute, it would seem to be as much a contract as it is possible for any citizen to make with the Government. All the elements of a contract are present—the terms, the consideration, and the lawful object.

Mr. President, this is not mere dictum. Those judges were bound to consider the proposition whether the Congress of the United States had the right to pass this bounty law, and they say that all the elements of a contract were here, and here was the lawful object, the public purpose moving for the payment of the money to a private individual.

It is true that the Government can repeal the statute, and refuse to pay the bounty earned upon sugar that has been produced under the promise and within the statute, but so could the Government do with an admitted contract for any public work.

Of course the Congress of the United States is all powerful; it can repudiate, as I fear most dishonestly it frequently does repudiate, the legitimate and honest claims of individual citizens against the Government; but it certainly ought not to do it. It is dishonest to do it at any time; it is imbecile to do it when that repudiation not only works harm to the private individual who has the right to demand, but works to the destruction of the best interests of the Republic itself.

The appellants contended in the circuit court, as in this court, that the bounty offered by the Government of the United States was a pure gratuity, without consideration, revocable at pleasure, and until payment of the same is actually made, is not property, but only a hope that may or may not be realized. The judge of the circuit court, in a very clear and well-reasoned opinion discussed the case on this line, and, citing *Williams vs. Heard* (140 U. S., 529-531; 11 Supreme Court Reports, 885), held that sugar bounty earned was property.

In the cases of *Comegys vs. Vasse*, 1 Pet., 193, and in *Williams vs. Heard*, *supra*, it was held that equitable claims against our own and foreign governments not arising under any statute, and not allowed at the gate of bankruptcy were expectancies coupled with an interest, and as such were property rights that passed under assignment in bankruptcy, under both the bankrupt laws of 1800 and of 1867. The claim of David H. Calder, who accepted the terms of the act for the year 1891, for sugar produced during that year, is a claim arising under a contract—a just claim—and one that the Government can not avoid otherwise than by repudiation.

It is more than a possibility coupled with an interest. It is an actuality, a vested interest (see *People vs. Board of State Auditors*, 9 Mich., 327), and a right for which there is a remedy under existing statutes of the United States. The statute offering the bounty makes a standing appropriation to pay it, and it is the duty of the Treasury officials to warrant for it; and if there is a dispute as to facts or amounts the Court of Claims has jurisdiction.

I have thus, Mr. President, I am afraid at very unnecessary length, gone through the legal aspects of this bounty question; but if there was no legal aspect to it, certainly there are other considerations moving to the continuance of this bounty, basing it upon the moral duty of the Congress of the United States not to be guilty as to its citizens of repudiation of its act, not to tear down rights which are vested under the law, particularly when, as I say, incident to these vested rights there is the great good of the country itself.

I should be glad, if I did not feel that it would be too great an occupation of the time and too much of an infliction on the patience of the Senate, to go a little further into this question of the production of beet sugar. I have some most valuable letters, received by me from a firm engaged in the sale in St. Louis of fertilizers and sugar machinery. The letter is a most interesting one, bearing as it does upon the production of sugar in Louisiana and the chance for its production in Missouri and the country about St. Louis. The letters are as follows:

ST. LOUIS, March 13, 1894.

DEAR SIR: It may be interesting information to you to note what the consumers of other countries pay for sugar as compared with the United States. The following is all computed to our currency at retail price to consumers:

The same day the American pays for granulated 5 cents per pound, the German pays for granulated  $\frac{1}{2}$  cents per pound, the Austrian pays for granulated  $\frac{1}{2}$  cents per pound, and the French pays for granulated 10 cents per pound.

For cut loaf or cube sugars in same proportion.

All these governments collect from their people a revenue of about 2 cents per pound, but on American export sugar to stimulate home production an export bounty is paid more than equalizing this. Therefore, when the German pays  $\frac{1}{2}$  cents per pound for his granulated, this German export bounty-paid sugar can be retailed without import duty for 4 cents in America. In Mexico, our sister Republic, sugar retails at 8 to 10 cents per pound, according to quality. Yet all of above countries have a prohibitory duty against United States sugars and products. If beet sugar and cane-sugar factories be established all over the United States, employing millions of Americans, we could purchase our home product for a good deal less money than the bounty-paid foreign sugars, for the support and maintenance of foreigners, can be delivered here in America. Free sugar, therefore, means destruction to all Americans employed in sugar production, or their emigration to sugar-growing countries.

Respectfully submitted.

H. STUDNICZKA.

DEAR SIR: I am positive that 1-cent protection means destruction of our sugar industry for the benefit of foreign nations, when otherwise millions of our own labor can be employed. I therefore most earnestly request the most careful and kind consideration of the attached letter before you vote on the Wilson bill.

Respectfully,

H. STUDNICZKA.

HON. CHARLES F. MANDERSON,  
Washington, D. C.

ST. LOUIS, March 17, 1894.

DEAR SIR: Inasmuch as the sugar schedule of the Wilson bill, as it has passed the House of Representatives, would, by impairing the sugar industry of the United States, injure not only very materially our own large business, which it took years to establish, but also that of thousands of other firms doing business with the sugar industry, I beg your indulgence to bring to your kind consideration some of the most potent points in favor of the protection of this industry. My plea is based on a twenty-five years' practical experience and close observation of all details concerning the vital points at issue.

I first started my public career in the beet-sugar factories of Austria, and this industry, only through the intense fostering care of the various governments, became the formidable competitor of the tropical cane sugar supporting now millions of laborers at home and permitting, under a bounty system, the export of said beet sugar in competition with the cane sugar.

If this was accomplished by legislative care of Europe, why should not the same results be brought about in the United States? We should produce the sugar we consume at home, employing millions of our laborers in producing the same, who would otherwise be forced to seek employment in other countries at this industry. We have not only the soil and climate for both the cane and beet-sugar production, but also some localities for sorghum-sugar production. And there lacks nothing but the legislative fostering care to develop these resources and export American sugar to foreign lands. What reason should there exist for permitting millions of dollars to go abroad for one commodity which after ten or twenty years of fostering care should be produced as cheaply at home as it is now manufactured abroad?

Since a citizen of the United States I have devoted almost my entire time to the Louisiana sugar industry, traveling during the harvest season from plantation to plantation, which puts me into possession of inside facts and knowledge which very few possess as to the possibilities of that State as a sugar producer.

You, my dear Senator, are fully informed of the financial condition of Louisiana after the civil war. As you are aware it was very hard work for the Louisiana planters to climb up and get the credit for the necessary improved machinery to cheapen the production of sugar in order to compete with the world. Slowly but surely progress has been accomplished. Then came the bounty promise of fifteen years by the United States Senate and Congress, and the confidence given the capitalist with this promise created a progress during these three years of its existence which can hardly be realized by anyone who is not a close observer of this industry.

If this bounty be maintained during these fifteen years, as it unquestionably should be in due respect for a bona fide Government promise, or at least if it should be replaced with a 2-cent tariff for a revenue during this fixed period, the capitalists, with renewed confidence in their Government, would without hesitation construct a large number of sugar houses of twenty to fifty million pounds capacity for each harvesting season in beet and cane-sugar sections, and the cost of production would be so enormously reduced as to enable competition with the world.

All the lands surrounding such factories would be forced into cultivation of cane or beet to supply the same, and the unprofitable cotton, wheat, corn, and rice crops would be diminished in the same proportion as cane and beet would increase. In all the above crops we have an overproduction, and in sugar alone we import seven-eighths of our own consumption, without mentioning the possibilities of export, just as we now do with wheat, corn, and cotton. The now existing small sugar houses of Louisiana, Texas, and Kansas, of one to two million pounds capacity, and therefore working to a great financial disadvantage, would gradually consolidate into large profitable establishments. But this centralization and enlargement of sugar houses requires time, during which the fostering care of the Government is unavoidable in order that the desired ends may be accomplished.

In the meantime the industry would be destroyed by foreign competition. The results obtained in the beet-sugar industry of Europe should be convincing proof to any statesman what this fostering care has accomplished, and the same results can therefore be expected at home. It is only a question of time when the United States sugar industry can become self-sustaining and be able to compete with the world in sugar production by centralization of sugar houses.

To strike the beet and cane sugar industry out of existence by one legislative stroke without giving it a chance of existence in this vast agricultural Commonwealth will be a unique barbarous stroke of statesmanship that even the Czar of Russia would hardly be guilty of.

In conclusion I will endeavor to show what this industry means to those States of the Union which have no land or climate adapted to the production of sugar.

If we visit a sugar plantation we will find that, practically speaking, there is nothing to be found on the same but what is produced in other States of this great Union. Sugar farms produce sugar only. In the sugar houses we find machinery from almost every Eastern State, Missouri being fully represented in St. Louis foundries. The agricultural implements come from Michigan, Wisconsin, Kentucky, and other Middle States; mules from Kentucky, Tennessee, and Missouri; corn and hay from the Western States; coal from Pennsylvania and Alabama; the largely used pork products, including fertilizers from packing centers, and last, but not least, the Southern sugar industry supports in the hardest winter months thousands of families in Missouri who are flocking down by means of the cheap river transportation, sending the money which they earn to their homes for the support of their families. I am positive that in St. Louis alone not less than 4,000 families are supported by these means in the winter.

If the bounty be continued it means only 20 cents annually for each consumer in the United States, and the man who is not willing to support with this small mite the development of an industry that promises such possibilities and magnitude of interstate commerce is hardly worthy the proud name of a citizen of the United States.

At present the Louisiana sugar industry is entirely paralyzed. All contemplated improvements are at a standstill until the Senate has decreed that the promised bounty must be enforced or a tariff revenue replaced. The foundries that last year in St. Louis had an enormous amount of work for Louisiana sugar houses are practically lying idle, as there is very little other work for them to do, as no capital can be had to give under these conditions the required credit for the sugar-house improvement.

I most sincerely trust that I have with the above feeble effort been able to call your attention to the possibilities of the industry under Government protection, and, should it be your pleasure, I will furnish any additional information in my possession.

Hoping that you will pardon me for trespassing on your valuable time, I remain, with high regards,

Yours, most respectfully,

H. STUDNICZKA & CO.

I insert also a letter addressed to me by Mr. Henry T. Oxnard, solicited by me in response to a newspaper article showing a very great amount of ignorance upon the subject of sugar published over the signature of Mr. C. Wood Davis. Mr. Davis rushed into print, not to the edification of anybody, but probably to the satisfaction of himself, to show that it was utterly impossible to produce beet sugar in this country with profit; that it was an industry which, although it had received a little impetus, was bound to fade away and disappear even under the greatest degree that possibly could be given of fostering care in the way of bounty or of duty. His article was so full of misstatements and was based so evidently upon these repeated failures of the character which I have heretofore described, that I asked Mr. Oxnard, who I knew was entirely familiar with this subject, to give me the benefit of his views and criticisms upon the article of

Mr. Davis. It is a most valuable and important contribution to the literature upon this sugar question, and is as follows:

GRAND ISLAND, NEBR., October 31, 1893.

MY DEAR SIR: Knowing the interest you have always taken in the development of Nebraska's agricultural resources, of which the new beet-sugar industry promises to become an important factor, I have taken the liberty of writing you this letter to contradict certain statements which have recently appeared regarding it in one of the New York dailies.

I have not the pleasure of knowing Mr. C. Wood Davis, either personally or by reputation, but I notice that he has written an article on the beet-sugar question for the *Sunday Sun*, of October 22, which I have read, and will comment upon it briefly as follows:

Mr. Davis is evidently a theorist pure and simple, and I venture to state, with absolute conviction that I am right in making the statement, that Mr. Davis obtained all his knowledge by reading articles which are more or less authentic, and it is very evident to me that he has never visited any of the six beet-sugar factories at present in existence in the United States, and I doubt very much whether Mr. Davis has been west of the Mississippi River since the erection of these factories. The fallacy of his statements proves it. The keynote of the whole situation and the answer to Mr. Davis' argument is simply this: The wonderful development of the beet-sugar industry in the United States has only occurred since 1890, and the history of its progress can not be found in any pamphlet in existence at present. It is simply a wonderful progress which has started not only the American people, but also the great foreign sugar-producing nations of the world.

I have received here, at Grand Island, within the last three years, visits from men sent out by the foreign countries to see in what danger their own native industry finds itself when the American people have once and for all determined to rid themselves of foreign dependence for an article of daily necessity. Dr. Paasche was sent expressly, and paid by the German Government, to investigate the future possibility of introducing the beet-sugar industry in America. Carl Hager, chief editor of the *Deutsche Zucker-Industrie*, visited our factory in Norfolk, Nebr., last June, and informed us that he considered it a settled fact that the United States would soon become the leading sugar producer in the world. That he has never seen more and better soil adapted to the cultivation of the sugar beet, and while Germany had an advantage in her cheaper labor, that in time that advantage would be undoubtedly overcome by the Yankee ingenuity in inventing labor-saving machinery to do the work which had formerly been done by hand; and to help counterbalance the cheaper labor of Germany we had an advantage in the fertility of our soil, which for years to come, in his estimation, would yield far better results, without any expensive fertilizers, than were now obtained from the exhausted soils of Europe, where most expensive fertilizers had to be employed to resuscitate their impoverished soils, and he had no hesitation in saying that, in his opinion, a most glorious future awaited this industry in America, much as he regretted to say it. There's the opinion of a man who has made a study of this industry, as against that of a theorist whose sole information is gained from statistics and books of more or less ancient origin.

Up to 1889 hardly any beet sugar was produced in the United States. In 1890 only 2,000 tons; in 1891, 5,000 tons; in 1892, 12,500 tons; in 1893 we will produce more than 25,000 tons or one-eighth of the total amount produced from cane in the United States at the present time, and all this has been accomplished in the last three years; an increase in 1893 over 1890 of approximately 2,000 per cent. There has never been such wonderful progress made anywhere in the sugar industry of the world in this short space of time.

Mr. Davis, in his article, refers to the numerous failures which have occurred in this industry, and says that "Most persistent efforts have been made to establish the industry in Maine, New Jersey, Pennsylvania, Wisconsin, Nebraska, Kansas, and elsewhere." As a matter of fact, efforts have been made prior to 1880, but on such a small scale that they were doomed to defeat before the factories were even built—in most cases mere toys—and I venture to say that any one of the beet-sugar factories established within the last three years has cost more than all the abortive attempts put together prior to 1880.

Then, again, the knowledge and requirements were lacking in these various enterprises, and from all I have read on the subject they were founded on enthusiasm rather than on the scientific principles dictated by sound common sense.

Then, again, I will in all candor admit that it is only within the last fifteen years that the beet-sugar industry has become a factor in the production of sugar in the world, and any enterprise started before 1880 was almost certainly doomed to defeat, as it was impossible at that time for beet sugar to compete with cane on an equal footing. Tremendous subsidies given in Europe and the science and intelligence of France, Germany, and Austria have made it possible within the last fifteen years for the beet to surpass the cane.

In 1875 Germany exported only 56,000 tons of sugar, whereas in 1890 the export of that country alone reached the enormous figures of 744,000 tons, so you see that it would have been foolish to have attempted to introduce the beet-sugar industry in the United States at the time when the superiority of the sugar cane as a sugar-producing plant was unquestioned, but in 1890 the conditions were exactly reversed, and every year after that the sugar beet will slowly and surely leave its ancient competitor in the rear. The reason is a very simple one. In 1880, in Europe, the average per cent of sugar in the beet was only 9 per cent, which was much less than the amount of sugar contained in the cane; whereas in 1890 the average percentage of sugar in the beet was over 14 per cent or more, on an average, than was contained in the sugar cane.

Every per cent means about 20 pounds more sugar which can be produced from a given weight of beets with the same capital invested and with the same labor and machinery. Here would be a hundred pounds more sugar produced in a ton of sugar beets to-day than it was capable of obtaining fifteen years ago, and this wonderful increase is due partly to perfections in manufacture, but more largely to the sugar content of the beet itself. The beet is a biennial, coming to seed only the second year, and it is possible to go through a beet field in the autumn, selecting what appears to be the richest beets, store them away during the winter, and replant them in the spring, after having analyzed each individual beet for its sugar contents, rejecting all those below a given standard. These are called mother beets, and are then planted and yield seed which will produce beets containing more saccharine than their ancestors, just as we breed our horses or high-grade cattle, selecting the best for that purpose.

On the other hand, the sugar cane is not susceptible of being developed in that way and contains no more sugar to-day, in a given ton of cane, than existed in a given ton of cane at the beginning of this century. That is simply and absolutely the reason why, prior to 1880, it was not an advantage to develop the beet-sugar industry; but to-day we can start in and take advantage of what the science of Europe has taken fifty years to produce. I grew native seed here from the imported beets for the first time last year, and the results have been most gratifying, as the beets produced from Nebraska-grown

seed actually showed 2 per cent more sugar than the average sugar content of Europe.

I do not hesitate to say, without fear of contradiction that Mr. DAVIS can find the answer for the failures in this industry prior to 1890 in the above.

I am intimately acquainted with the establishment and history of the existing factories in the United States to-day, having visited them all within the last three months. The Alameda Beet Sugar Company, situated at Alvarado, in California, started about 1880, and under adverse conditions struggled along until 1890. As I said before, during that period it was almost an impossibility to make a success of the beet-sugar industry in the United States, in competition with that of cane in the tropics and the highly subsidized beet sugar of Europe. The subsidies of Europe are being gradually withdrawn as the industry gets more powerful and better able to compete with the cane of the tropics. To-day the beet has surpassed the cane, and more sugar is produced throughout the world from the sugar beet than from sugar cane; but to go back to 1889, we find the Alameda Beet Sugar Company, after passing through various hands, a small and poorly built factory, probably not capable of working more than 100 tons per day, which is entirely on too small a scale to be profitable.

In 1889 it was bought by a party of capitalists, remodelled and improved by the introduction of additional and labor-saving machinery, so that to-day it is capable of working at least 200 tons of beets. The agricultural situation is perfect. The farmers in that vicinity having learned to appreciate the value of this crop have been for some years willing and anxious to grow more than all the beets required to run this factory successfully, and from all I heard and saw I am convinced that the industry will thrive, and is a great blessing to the neighborhood where it is situated.

We next come to the Western Beet Sugar Company, situated at Watsonville, Cal., which was built in 1889 to 1890. During the first three years the factory did not obtain the necessary raw material, and even in Europe to-day when a factory is started in a new locality it is not expected to make a profitable season the first year. In America my experience goes to show that it requires two or three years before the farmers learn to grow and appreciate the advantages of the beet-sugar crop, but once learned it is by far the most profitable crop that can be grown. As I said before, the Watsonville factory, after losing money on an investment of three-quarters of a million for the first two or three years, obtained this year more beets than they could use, and the farmers in the neighborhood are scrambling over each other in their efforts to get the factory to give them a contract to grow beets. This factory will work 80,000 tons and distribute \$400,000 among the farmers of the neighborhood for beets alone.

I now come to Chino, located in Southern California, a factory of which I am president and which was built by our company in 1891. During the first years we had difficulty in supplying the factory with sufficient quantity of beets, but this year we obtained all the beets we wanted. In fact, we had to double the capacity of our factory in order to be able to work the supply which was offered us, and I am already offered twice as many beets as we can work in that factory next year. I think Mr. Davis will admit with me that farmers are not apt to be theorists or philanthropists, that is, if he has visited a farm or the great farming section west of the Mississippi River, and the above facts show that they make more money in growing sugar beets than any other crop it is possible for them to put in the soil. Such is undoubtedly the case. I will give a few figures to substantiate this assertion.

Gustafson Bros. came to Chino three years ago without any capital whatever and commenced beet farming on their own account, doing their work thoroughly. The result was that they have been successful in every crop they have planted. They bought 20 acres of choice land for \$175 per acre, and on this they made the last payment this summer. They have a clear deed for their 20 acres to-day and they have paid for it from beets raised on the land. They came to Chino, as Mr. Gustafson said, "without a dollar," and they now own a piece of land that is not excelled in California.

They have kept a careful itemized account of their expenses on the 20 acres of beets this year, including their own work, which they counted at \$1.50 per day, and which amounted to \$275. That much should be added to their net profit, as it is their personal earnings from labor on their crop. They harvested from the 20 acres 436 tons, for which they received \$4.50 per ton. The figures, then, are:

Gross returns, 436 tons	\$1,962.00
Plowing 20 acres	\$40.00
Harrowing twice	12.00
Seed	30.00
Seeding	8.00
Thinning	80.00
Cultivating twice	12.00
Weeding	20.00
Topping	108.00
Plowing	40.00
Hauling to factory	174.40
Tare and factory expenses	60.20
Total expenses	584.60
Net profit	1,377.40
	1,962.00
Net profit per acre	68.87

The next factory is the Utah Sugar Company, located in the Rocky Mountains, at Lehi, Utah. This factory was also built in 1891; made entirely out of American machinery. During two years they had a hard struggle in every way, but this year they are making a tremendous success of the industry. The farmers are enthusiastic on the subject, and the factory could undoubtedly obtain two or three times as many beets next year as they can use, showing the profits in the industry to the farmer.

We next come to Nebraska, where there are located at present two beet-sugar factories, namely, Oxnard Beet Sugar Company, Grand Island, and Norfolk Beet Sugar Company, Norfolk, Nebr. The former was built in 1890 and the latter in 1891. They both had to go through the usual and unavoidable difficulties of the introduction of a new crop, as well as a new industry in a new locality, and have had to struggle for the first two or three years, but this year the industry is being appreciated at its true worth and will make a great success, both agriculturally and manufacturingly, Mr. C. Wood Davis to the contrary notwithstanding.

They were enabled to go through the first few years losing money because of the assistance granted by the Government, and gradually they are going to become stronger and stronger, as the years go by and the industry becomes better understood by all connected with it, until at the expiration of the bounty contract, in ten years from now, they will be able to thrive without any assistance whatsoever. Mr. Davis speaks of "paternalism" and "the enrichment of the few at the expense of the many." I deny the imputation. It is not class legislation. A wider scope was aimed at. The object was to produce within our borders the sugar we consume, and save a hundred and odd million dollars which we are annually sending out from

within our borders for an agricultural product which can be developed in this country just as well as in Europe.

The United States Government, by both branches of Congress and signed by the President, passed an act in 1890 granting a subsidy, until January 1, 1905, to all who would risk and invest their money in trying to produce a national object deemed to be the best interests of all the inhabitants of this country, namely, the permanent establishment of the American sugar industry. It was then decided to be for the best interests of the country and its inhabitants to make one last and final effort to, if possible, become independent of foreign nations for our sugar.

The manufacturers accepted this proposition in good faith, making contracts on this basis far into the future, and if the Government keeps faith with them, as they are morally bound to do, I have no hesitation whatsoever in saying that in a very few years all the sugar we use will be produced within our own borders, and there will be established a new industry which will require at least five hundred millions of invested capital, giving employment to millions, eventually cheapening the price of sugar, not only to ourselves but to the whole civilized world, and become a great factor in overcoming the depression which has lately fallen upon all our agricultural crops.

But to particularize what I was saying in regard to the beet-sugar industry of Nebraska. From an agricultural standpoint I will say that not more than a mile and a half from where I am at present sitting lives a farmer, to whom I should be very glad to introduce Mr. Davis if he favors me with a call, who this year planted 20 acres in sugar beets for our factory. He realized \$1,088, and told me no later than two hours ago that it had cost him a little less than \$200 to cultivate, harvest, and haul the crop to the factory.

Here was a profit of about \$900 on 20 acres of beets—\$44 an acre, and this is only a sample of the others in the neighborhood. The Standard Cattle Company, of Ames, Nebr., planted 500 acres in beets for us this year, and have obtained an average of more than 15 tons to the acre on the entire 500 acres, and in exceptional cases they obtained as high as 31 tons to the acre. As we pay \$5 a ton for the beets delivered at our factory, they realize over \$75 an acre for their product.

I forgot to mention that five of the six beet-sugar factories in the United States are paying \$5 a ton for their beets, and the other one pays on a graduated scale according to the percentage of sugar contained therein which this year will average the farmer about \$5 a ton, so that practically it may be said the farmers are receiving \$5 a ton for their beets in the United States, a fact of which Mr. Davis was ignorant, or at least doubted, for the simple reason that, in my opinion, he knows nothing at all about the beet-sugar industry except what he has read and gathered from statistics, some of which I know to be absolutely false.

Mr. Davis, in his article, lays great stress on the cost of labor in this country against the cheap labor of Europe. He is right as far as he goes. Labor is very much cheaper in Europe than it is in the United States, but if Mr. Davis had come out and seen our factories and watched the agriculture in the fields he would have noticed that American ingenuity in labor-saving machinery is counterbalancing the cheap labor of Europe, and this year, for the first time, we have succeeded in producing an implement which occupies the same relative position towards the beet-sugar industry that the self-reaper and binder does towards wheat.

One of the most tedious portions of the whole industry is the harvesting of the beets and getting them ready for the factory. This process is done in Europe by men, women, and children going into the field and digging them out with forks, throwing them into piles, and then another group picks each separate beet up and cuts off the top with the leaves by using a special knife, as it is impossible for the factory to use the leaves in the manufacture of sugar. This new instrument goes along with two horses, cuts the leaves off in the ground, plows the beets out and throws them into an elevator which carries them to the farmer's wagon running alongside.

It is one of the most ingenious implements I have seen and does away with at least one-half of the hand labor connected with the beet crop, but it required three years and at least \$50,000 in an experimental way on our part to evolve such an implement, which has only been brought out this season, and whereas in past seasons it has cost the farmer 70 cents to dig, cut the tops off and load his beets, this implement will do the same work for 15 cents a ton, a saving to the farmer of 55 cents on every ton of beets.

I mention this to show that in time we will undoubtedly reduce the question of labor to a minimum, but it will require some years to bring it to perfection. I believe that an acre of beets, at an average of 15 tons, can be delivered to the factory at a cost not exceeding \$35. Five dollars a ton, which is paid by the American beet-sugar manufacturers, is more than is paid to any other agricultural producer of sugar beets in the world.

By giving these prices we are practically sharing the bounty with the farmer, who also has to do some missionary work for a few years, until he learns how to cultivate and grow this crop to the best advantage. Sugar beets can be grown in nearly every State of the Union, and only last week I received samples from Tennessee, North Carolina and Virginia, which were thought to be outside of the beet sugar belt some years ago, and the beets from these States showed an average of nearly 15 per cent of saccharine, which is higher than the average of Europe to-day. Mr. Davis lays great stress on the "thinning out" of beets, and practice shows that this part of the work can be done at a cost not to exceed \$5 an acre, which is only 33 cents on a crop of 15 tons and this cost will, I am convinced, be further reduced by new and better appliances as soon as American ingenuity has become fully acquainted with the machinery required.

Mr. Davis winds up by saying that (quoting his own words) "we will never make a success of the beet sugar industry unless we are willing to nearly double the cost to the consumer by feeding the industry with a bounty but little less than the cost of the imported product." Let us read that statement and then look at the facts. We pay for the sugar that we import over \$100,000,000 a year, and we have paid to date less than ten million yearly, in bounties; therefore, we have been developing the industry by paying bounties of less than one-tenth of the amount we pay for our imported sugar, instead of nearly as much as he would have us believe, by the above quotation.

We are continually partners in the climatic misfortunes of foreign countries as far as our sugar is concerned, and this very year, owing to a drought in Europe, the American people will have to pay nearly \$20,000,000 more for their sugar, and in case of a foreign war amongst the sugar-producing countries of Europe which is not only a possibility but a strong probability (owing to the decreased production in those countries during a period of stagnation resulting from war) we would have to pay, by way of increased price for sugar, in two years more than would liquidate the total bounty that would be due during the balance of this century.

In brief, this is a national, economic, and purely business question, and if we are to succeed in pushing it to the point of producing all the sugar now consumed in the United States, which is the real object aimed at, it must be considered from the standpoint which any great business matter occupies in the financial world.

It is my firm conviction and honest belief that, unless a broad, liberal, and permanent policy is maintained, we might as well abandon the hope of ever being able to permanently establish the sugar industry in the United States.

The good faith and moral obligation of a great government is at stake, and I for one believe that it will be maintained. To do otherwise would be

foolish from an economic standpoint, unjust from a moral one, and ruinous to those who have invested, relying, as they undoubtedly had a right to do, on the promise and good faith of the United States Government.

Thanking you for the interest you are taking in behalf of this new and promising industry, I remain,

Very truly yours,

HON. C. F. MANDERSON,  
Washington, D. C.

HENRY F. OXNARD.

I have also a letter here from a constituent of mine, which I shall read. This gentleman is not a sugar-manufacturer; he has no interest in the subject, except the interest that, under the inducement offered for the growth of beets, he concluded to take some of the land owned by the corporation of which he was the general manager, and plant beets; and at Ames, Nebr., he entered upon the cultivation of beets. He has supplied from his land the sugar factories, I think, both of Norfolk and Grand Island. He writes me under date of December 29, 1893, as follows:

AMES, NEBR., December 29, 1893.

DEAR SIR: I take the liberty to send you a letter on the subject of beet-sugar culture, not because there is anything new or particularly valuable in it—

In that he is vastly mistaken—

but because it is perhaps as good an exposition of the reasons for allowing the sugar bounty to continue as I am able to make. In the course of my business I am frequently obliged to cover the entire district between the Missouri River and the Rocky Mountains from the Rio Grande to the Yellowstone, and whatever there is lacking in my statement must be attributed to the limitations of my intelligence rather than to lack of opportunity to see what is really needed to develop the country. I believe the development of the sugar-beet industry will be far slower than it is ordinarily expected to be, as I think many failures will be witnessed. But I do not doubt that the production of beet sugar will prove to be the one industry that can give to this country a greater prosperity than it will ever reach without it.

Yours, truly,

HON. CHARLES F. MANDERSON,  
United States Senate, Washington, D. C.

R. M. ALLEN, General Manager.

Mr. Allen is the general manager of the Standard Cattle Company, at Ames, Nebr. The stock of this company is largely owned, I think, by citizens of Massachusetts.

Even at some weariness to myself, and I fear to the weariness of the Senate, I shall take the time to read this letter addressed to me and dated December 29, 1893:

DEAR SIR: As this is a critical time for an important industry in our State, I take the liberty to show up some points in justification of retaining the sugar bounty, which I think have not received enough attention, although many of the reasons have been manifest, and have been ably set forth by others.

If the intention of the Wilson bill is to let beet-sugar growing die out with as little injury as possible to the factories now in operation, the gradual extinction of the bounty is perhaps logical, even if ineffectual. But it will surely prevent the further growth of the beet-sugar industry.

I will first assume that it is desirable for the United States to grow as much of their own sugar as possible (which I believe is not denied by anyone) for the various good reasons given, i.e., to secure a new agricultural product to rotate with our usual crops, which are now raised in excess; to keep in this country some \$116,000,000 which now goes out for sugar, and which it takes almost our entire exports of wheat and corn to pay for; to provide employment for builders, machinists, and all those who furnish needed supplies, as coal, limestone, oil, and other things.

The free trader says that if the industry will pay it does not need protection, and that it is not right to tax others to make sugar beets pay, which is clear and epigrammatic, but inadequate. There is a great benefit to be gained, and to gain it someone must pay a price. The factories become taxpayers as soon as erected, and help to pay the bounty to themselves, and the great business that is created in all directions helps to pay the tax that keeps it all in movement. Other taxpayers are beneficiaries besides the owners of factories, and where there is no profit (till depreciation of plant, repairs, and a host of collateral expenses are provided for) all the bounty goes back to laborers and others than owners of factories.

There is quite a widespread idea that beet-sugar factories can make money without a bounty, and it is to be hoped that they can when the manufacture and culture of beets have become firmly established. The difficulties to be overcome are those of agriculture and not of manufacture; but owners of factories in the beginning have to assume both branches, and the bounty to-day is going largely to agriculture. The factories are of no use without beets, and have made themselves responsible for the growing of beets by their own construction. You doubtless know how great this responsibility is.

Let me say here in passing that at many of the beet-sugar factories the difficulty was so great in the beginning to induce farmers to engage in this new, apparently hazardous, and highly intelligent process of cultivation that these factories in numerous instances are to-day leasing lands, purchasing lands, and are themselves producing the beets out of which the sugar is made. So his statement that the bounty is largely going to agriculture not only indirectly, but directly, is founded in fact.

The only doubt I have ever had has been the possibility that we may be a little ahead of time in attempting to plant this industry now, but on the whole I think not. I can not believe that we shall go on forever growing corn and wheat to send away for sugar, when we can grow the sugar here. Even if there should appear to be an economy as far as figures could show, and we should concede that Cuba and Germany have to-day advantages for growing sugar sufficient to overcome transportation, this economy is not real, and there is no reason to suppose that it would exist at all a few years hence. Although the average selling price of grain and cost of sugar may show a gain in buying sugar abroad (which I doubt), the collateral gain in growing our own sugar would easily overcome such margin.

I do not think I have ever seen the proposition that it is not

for the benefit of a country to buy where it can buy the cheapest more clearly and better stated than in those two sentences.

This collateral gain is important enough to settle the matter, but is imperfectly understood. I do not believe that those who wish to dismiss the matter so shortly by letting sugar take care of itself, without support, have any realization of the value of the establishment of beet sugar. To begin with, speaking especially of Nebraska, our soil cannot stand continual cropping without rotation and a general improvement of agriculture; and the yield of crops will soon begin to be inadequate to support the owners of farms of average size.

The western half of Nebraska and Kansas, with a gradually increasing elevation and comparatively thin soil, is already a country of uncertain crops (the real cause of the discontent of that section) and an intelligent tillage of the soil must come. The extension of irrigation from the west is the most important improvement to be adopted, and this will in time make this section industrially to the arid district, much of which is suitable for sugar raising; and although the population will not be as dense as that of the eastern part of the State, at an elevation less than 1,400 feet, there will be a large population along the lines of canals.

I will say here that I was exceedingly pleased with the statement made by the Senator from South Dakota [Mr. FETTIGREW] in his speech a few days ago as to the capabilities of the James River (commonly known as the Jim River), in that State, for the cultivation of beets and the production of beet sugar. They have the great advantage in that country that they can themselves turn on the rain. They can by artesian wells tap the underground streams and bring them to the surface, and are not dependent upon the whims and vagaries of the Weather Bureau as to whether their crops shall receive water when it is needed.

In Western Nebraska there come down those great streams that head in Colorado and Wyoming, and there is the abundant opportunity by irrigation to produce upon that which is comparatively thin soil, as compared with that in the eastern part of the State, abundant crops of beets and of grain.

I hope the Government may help by proper surveys the irrigation of our semiarid lands.

It is easy to believe that the sugar beet will be of inestimable value to the country I speak of, and form part of a successful agriculture that will solve the problem of the industrial status of this great area. It will also promote political peace by establishing the prosperity of the people on a firm foundation. I have seen much of the arid district east of the Rockies for the last fourteen years, having been engaged in the cattle business from Texas to Montana; and the present condition and future possibilities of settlement in this section are constantly before my eyes. Only within the last few years has the necessity of irrigation to the eastward of the Colorado line become manifest; but it is now coming, and with it the population that will need this new branch of agriculture.

Next, I feel that the larger portion of farmers in this section need the training and education that will be brought by the sugar beet. We must adopt all possible means to avoid sinking into stolid and unthinking peasants, and must compete with other countries by brains and industry, and not by simple endurance of poverty. In the future sometime our section will be the seat of beet-sugar production, and, once established, our best protection will be the cost of transportation into the mountain and Upper Missouri district. This brings us to the important point of cost of transportation to the transmissouri country. The price of the commodities we sell is settled at Chicago or London, and we pay the freight charges to market; which charges are 50 to 100 per cent of original value. The price of the commodities we buy is settled at Boston or New York, and we pay freight charges to the West.

I do not complain of the rate of the charges, but call attention to the fact that the transmissouri and mountain district is by nature so located that we are placed at a disadvantage compared with other parts of the country. In order to become prosperous and numerous we must bring to bear all our resources of money, brains, and courage; we must make a constant, positive effort to overcome obstacles by science, and to allow for opposing forces by understanding what they really are. Otherwise, much of the mountain district will remain thinly settled and poverty stricken; and certain portions will continue to be infested by robbers and unfit for peaceful, honest men, as to-day.

We should have a chance to make a start and begin to learn something about sugar beets now; and none but those who have experience know how much there is to learn and how hard it is to learn it. The sugar beet is the most artificial and scientific of all products of agriculture, and in every country where produced, capital and energy have been needed to sustain the production by farmers. The original cost of a factory, added to the amount that is likely to be lost in beet-growing on a large scale for the first season or two; and added to this the cost of organization, salaries of experts in and out of season, cost and wear and tear of agricultural machinery, and cost of farm animals, make a total that only a strong financial combination can stand.

It is not like other branches of agriculture, in which the simple crops of wheat, oats, or corn have been planted for an unknown number of centuries. The farmer inherits these crops, and will plant as naturally as he eats, whether they will grow or not. It is pathetic to see, for the last decade, corn fields along the Union Pacific at an elevation too great for this crop, and which yield about as successfully as would cotton on the same land. Farmers will not take hold of sugar beets except under the protection of a strong and friendly organization that will grow beets themselves and show them how.

That has been the history in the State of Nebraska where intelligent men, acquainted fully with the conditions of its culture abroad, have themselves set the example, giving the object-lesson needed by the surrounding farmers to understand how this crop can be produced.

And this will be found true of all that part of our country east of the Rockies. West of the Rockies, in Utah, Idaho, and the Pacific Slope generally, farmers take hold more earnestly because the cost of transportation of other products drives them to something new; and still, in one conspicuous instance at least out of three, the factory has got a supply of beets from a great planter.

The great expense of engaging in the production and manufacture of beet sugar in the beginning requires a large capital, which can not be secured without the prospect of safety which the bounty will give. A large volume

of production is absolutely essential to the manufacturer, and it will take years to get the necessary quantity of beets from farmers. It will be too profound an agricultural revolution, or rather advance, to come without a great effort, but once set in motion it will unquestionably grow until it becomes the mainstay of agriculture; and very soon beet-growing will get more and more into the hands of small growers, because they can practice it more economically than large planters. Every operation of its culture is far more difficult and expensive than in the case of other field crops; but these difficulties can be rapidly overcome by the application of a zeal and enthusiasm that will be brought to bear on the subject with the certainty of a bounty that will continue long enough to help us over the start.

There is no one who can accurately compare cost of producing sugar here and in Germany or France; but the cost of labor is commonly brought up as an obstacle too great to be overcome. The wages of our labor are high, but the cost of our labor can be reduced by about one-half by the simple acquiring of manual dexterity in the use of the hoe, and in learning how to thin plants quickly, and other ways too numerous to mention. It will not be possible to reduce greatly the cost of preparation of land, seeding, and harvest; but something can be done. And on the whole, cost of culture per acre can be greatly lessened; and when the sugar beet shall have become an usual and common crop, a large population of expert field workers will effect a permanent lessening of cost of culture per acre that will potently operate to lessen the cost of sugar to the consumer.

Coming to the credit side of the farmers' account, there is the widest possible field for improvement of results, *i.e.*, the yield of sugar per acre, and the possible variation is so great that we can foresee that when we have learned the culture of the beet we are likely to be much better off without a bounty than we are now with one. Beets must be rotated with other crops, and the yield of cereals will be from 10 to 25 per cent greater when grown on land on which beets have grown. The laity do not know or care what 10 to 25 per cent better yield means to a farmer, but divided into cost it lessens cost per bushel, and effects as valuable reduction as that of cost of transportation to Europe.

We can compete with Russia, Austria, Argentina, and India only by using the means in our power, and the present discontent in the West shows that all means are needed. The cost of beef and mutton, as well as cereals, will be reduced by the culture of the beet. Transportation is cheap in these days, but it costs \$3 to carry a steer from Nebraska to London and pay cost of salt at least half what he is worth here, and a reduction of cost is a great thing to us. We must keep the cattle to fertilize our land, to increase yield and reduce cost so as to compete with other people. To compete with Europe we must equal them in yield of beets per acre and in sugar content; or, in other words, in yield of sugar per acre.

We must reach an average yield of beets per acre of 12 tons, with common yields of 15, 18, or 20 tons per acre, to be able to stand on our own feet; and up to this time our average performance is not nearly so good as that. We must also grow high-class beets of high sugar content; and to secure a suitable tonnage of such beets is difficult, requiring proper selection of land, great care, scientific fertilization; in short, great experience of beet culture. There is easily a variation in yield of sugar per acre equal to the bounty, and if we knew how to secure without fail the best possible yield we could dispense with the bounty at once, and make no more effort to reduce cost of culture per acre or further perfect processes of manufacture.

But of course yield of sugar will always vary greatly with the seasons, like all other crops, and we can only hope to raise our average enough to make it possible to hold our own, with the assistance of all the other improvements we can make. In my own opinion it will require twenty-five years to reach in this country the production of all, or nearly all, the sugar we consume, and the bounty will only help us part way along the road. The sugar content of beets not only varies by seasons, but in different fields, in different beets, from day to day, by an amount that we should make it our study to save or secure. I am inclined to think that by the construction of proper cold-storage warehouses for beets at factories a saving of sugar in the beets of 10 per cent of the total can be effected.

There is now a loss from evaporation that is an unknown quantity, and which will require the experiments of years to determine. The bounty is now about 30 per cent of the gross returns to the manufacturer, and I make a simple guess, which I do not claim to be an estimate, that 10 per cent of our sugar is lost by evaporation. Whatever the loss may be, part of it can be saved by proper storehouses; some will inevitably be lost in the fields.

The culture of beet seed alone is the care of a lifetime to scientific growers in France and Germany; and in the development of this one single branch is to be found justification for a bounty, and for the foundation and maintenance of experiment stations for continuous investigation and improvement of species.

We are fortunate indeed that two of the most intelligent and civilized nations in the world have spent the best part of this century in the discoveries that open up to us so wonderful an industry as that of beet sugar. We have merely to examine the results in those countries to find out whether we want it here or not, and this anyone can do with very little pains. One of the inevitable results of beet culture will be to multiply the population greatly in the beet districts and eventually reduce the size of farms. It will make it possible to get the support for a family from 20 or 10 acres of land, as proved by the gross value of the crop per acre.

The average value of a crop of corn per acre is about \$10 in this fertile section, and some of our land in beets this year yielded a gross product of \$125 per acre, which shows how many more people can be supported by growing beets than by growing corn. Another valuable point is that the manufacture of sugar will help to furnish employment to idle laborers in winter, and to my mind nothing is to be more deplored than the present enforced idleness of so many from December to April.

Our land, now worth (in this section of the State) \$25 to \$40 per acre, will reach a value of \$150 to \$250, and buildings will be multiplied an hundred-fold. The two sugar factories in Nebraska to-day stand nearly alone as evidences of a higher industrial and social life in the future. And taxable values will be multiplied and yield a revenue that can be applied to the improvement of the condition of those who till the soil.

Our population will in any case greatly increase, and my experience of sixteen years west of the Missouri convinces me that we need in this section more than in any other the application of brains to agriculture. It is unfortunate that narrowminded, knowing nothing of the cost of overcoming obstacles in the path, believe there is plenty of money in beet sugar without a bounty, whether we know how or not. Let us trust that they will not be able to wreck something that will confer more prosperity and happiness on our country, ten to one, than any other industry now practiced by mankind.

Yours, truly,

R. M. ALLEN.

Hon. CHARLES F. MANDERSON,  
United States Senate, Washington, D. C.

Mr. WASHBURN. By whom is that letter written?

Mr. MANDERSON. The letter is written by Mr. R. M. Allen, of the Standard Cattle Company, a corporation the stock of which is largely owned in Massachusetts. This gentleman has

grown beets on the lands of his company for sale to these factories. He has no interest whatever in the factories themselves. I read his letter because it is such an admirable presentation of this subject, coming as it does from a man who is actuated by no selfish motive whatever, except that benefit which he will receive in connection with all the other citizens of this country.

Mr. HOAR. An interest purely agricultural.

Mr. MANDERSON. Purely agricultural.

Mr. CAREY. If the Senator from Nebraska will allow me. I will state that Mr. Allen made his first experiment last year in growing sugar beets; that he was contracted with by the manager of these factories, and he grew in gross \$36,000 worth of beets on Nebraska land.

Mr. MANDERSON. I shall occupy no longer the time of the Senate at this time. There are many other matters connected with the sugar question that need ventilation and observation. They will be more proper, however, and in better point when we come, if we shall come, to paragraph 1821, which is the proposition of an ad valorem rate of duty connected with a specific rate to be charged upon sugar importations into this country.

I earnestly hope that we may not come to the consideration of that paragraph; that neither the substitute proposed by the Senate Committee on Finance nor to be proposed by the Senator from Arkansas [Mr. JONES] shall receive the approval of this body. I am firmly convinced that all that is needed to any patriotic man is the investigation without prejudice, without party bias, of the sugar question, of the bounty legislation, of the legal and the moral obligation arising under it, to convince him that until 1905 there should be paid the bounty provided in the McKinley act.

There have been no petitions from any section of the United States praying for the repeal of the bounty. On the contrary, from North, South, East, and West there has come from thinking men, men not actuated by selfish motives, the insistence, the demand upon the Congress of the United States that the bounty, saving so much to the people of the United States and of such great advantages to the Government itself, should be maintained.

I realize that speech to convince men in this body is a waste of time. "Though one should rise from the dead ye would not repent." The longer I stay here the more I am convinced that speech, except for home consumption or for placing oneself right upon the record, is a useless labor. I never rise here to address the Senate without feeling that I owe an apology to myself for doing it. But for this great industry I have made this long appeal. I have made it earnestly because I know whereof I speak when I say there is no industry—I believe I could say there are no half dozen industries combined—so important for the well-being of this country as the maintenance of the production of sugar.

Mr. PEFFER. Mr. President, I suppose that this is as good a time as I shall have during the discussion of this particular paragraph to make some suggestions that I wish to make, and therefore I will proceed now.

This bill is proceeding on the protective theory. When the debate began I was very much in doubt as to where we would find ourselves after a month or six weeks of discussion had passed. I knew what was the doctrine of the party that went out of power a year ago last spring, for there has been at no time either in their theory or in their practice within the last ten years any variation from a distinctively protective tariff policy. That was not the original doctrine of the Republican party which had descended to it from the days of Clay and Jackson. It was then exactly what the Democratic party pretends to believe to-day; that is to say, a tariff levied for revenue with the duties so adjusted as to afford incidental protection to American industries.

Mr. ALDRICH. Would it interrupt the Senator from Kansas if I should ask him a question?

Mr. PEFFER. Not a particle.

Mr. ALDRICH. Does the Senator think there is a practical difference between a duty levied for revenue with incidental protection and a protective duty? In what possible manner can there be any distinction? It is the effect of the duty which is considered, by whatever name it is called.

Mr. PEFFER. I will answer the Senator from Rhode Island by placing the two propositions this way, so that we may see by the contrast the difference. One theory is a tariff for revenue with incidental protection, that is to say, the primary object of laying the duties is to furnish revenue to defray the expenses of the Government, and that there shall be no more revenue raised from that source than is sufficient to defray the expenses of the Government.

Upon that theory revenue might be levied, according to the doctrine enunciated a few days ago by the junior Senator from Texas [Mr. MILLS], upon finished manufactures, articles that are

completed and ready for use, requiring nothing to be done but to put them to immediate use. For example, take a manufactured wagon ready for use just as we find them at the warehouses to-day. The farmer brings in his team, hitches it to the wagon, takes it off to the farm, and it is ready to use. So with farm implements in general. So with cloth and ready-made clothing. So with any completed article. Revenues might be collected from those articles.

Then, if, as we are doing now, adopting an excise system in connection with the customs system, there might be a great variety of manufactured articles put upon the free list, no duties levied upon them at all. That theory has no reference to protection; it is to raise revenue by means of a duty upon the manufactured article, and only that. The other theory is a tariff levied for protection with incidental revenue. That was not the original doctrine, but it is the doctrine of the Republican party to-day.

Mr. ALDRICH. Mr. President.

The PRESIDING OFFICER (Mr. PASCO in the chair). Does the Senator from Kansas yield to the Senator from Rhode Island?

Mr. PEFFER. Certainly.

Mr. ALDRICH. I should say as a protectionist that the primary purposes of all customs duties was to secure revenue. That is the primary purpose in one sense, the sense in which the Senator from Kansas has used the word. All customs revenue and all internal revenue ought to be limited to the expenses of the Government, and to the expenses of the Government economically administered. There can be no difference of opinion on the part of either Democrats or Republicans upon those two propositions. Now, as a protectionist I am in favor of levying those duties so as to discriminate in favor of American labor and American industry. If that, as the Senator from Kansas suggests, is the attitude of the Democratic party to-day, there is absolutely no difference whatever as a matter of principle between the two parties upon this question.

Mr. PEFFER. I shall come to that after awhile.

Mr. ALDRICH. I do not want to have the Senator from Kansas state the attitude and principles of the Republican party different from what I understand them to be.

Mr. PEFFER. There is this difference between the points of observation of the Senator from Rhode Island and the Senator from Kansas. I trained with the soldiers in the great Republican army for many, many years; and it was not until I found that the party was running towards gold monometallism in financial matters and to a high protective tariff for protection's sake in our tariff legislation, that I felt it to be my duty to sever my connection with that party.

To-day I look at the subject from an absolutely independent standpoint, so that I see more clearly the failures, the errors, the inconsistencies, and the tendencies of that old party than gentlemen who are now actively engaged in advocating what they regard as the principles of their party. If the Senator from Rhode Island will refer to the platform of the Republican party for 1860—I have them all marked somewhere among my papers, but did not expect to be called upon to speak quite so soon, so that I have not them close to my hand—if the Senator will refer to the platform of our old party in 1860, he will find the doctrine of Clay laid down as the doctrine of the party; that is to say, that tariff duties should be levied for revenue and only for revenue; but that in the adjustment of those duties the adjustment should be so made as to afford the most benefit to our own people. That was the doctrine laid down by Mr. Clay in his famous Raleigh speech in 1844, when he was a candidate for the Presidency in opposition to James K. Polk, of Tennessee.

Mr. HOAR. Will the Senator from Kansas allow me to ask him a question?

Mr. PEFFER. Certainly; with pleasure.

Mr. HOAR. It seem to me that the statement, as a good many of the platforms state it, of this rather shadowy principle does not help us any, because its doctrine is very often quite as hard to be understood as the particular schedule or provision of a tariff bill. I should like to ask the Senator a question. Suppose in the case of a tariff on sugar it is found that a certain rate on sugar is insufficient to protect the sugar industry against foreign competition. If you were considering the mere matter of revenue only you would fix a certain duty but that does not shut out foreign competition. Now, by putting on a higher duty you shut out foreign sugar either altogether or in part and protect the domestic industry, but get little less revenue.

Now, is not all that additional duty for protection and nothing else? Suppose a tariff of one-half a cent a pound on sugar will bring in an amount of revenue, but you add to it another cent a pound, making it 1½ cents a pound, does the Senator say that is a tariff for revenue only because we get some revenue from it with incidental protection? Is not the additional duty of 1 cent

a pound just as much a tariff for protection as if we did not get any revenue?

Mr. PEFFER. The Senator is helping me—

Mr. ALDRICH. Will the Senator from Kansas allow me?

Mr. PEFFER. The Senator from Rhode Island wishes to read the platform, and then in connection with that I will answer the Senator from Massachusetts.

Mr. ALDRICH. The twelfth paragraph of the Republican platform of 1860, upon which Mr. Lincoln was elected, reads as follows:

12. That, while providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country; and we commend that policy of national exchanges which secures to the workingmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the nation commercial prosperity and independence.

That clause of the platform of 1860 states precisely the attitude which I hold to-day as a protectionist, and the attitude of the Republican party upon the question of protection. I do not know of any intelligent protectionist who has ever claimed to hold any different position. The idea of levying prohibitory duties simply for protection and for protection's sake without any regard to revenue has never been advocated, so far as I know, in this Chamber or elsewhere.

Mr. PEFFER. I expected to arouse my Republican brethren upon this point, but I did not expect it to come quite so early.

The Senator from Massachusetts [Mr. HOAR] proposes a proposition which elucidates my description of the present Republican doctrine on this subject, that is to say, protection for protection's sake, a tariff for protection with incidental revenue. That is the very proposition that the Senator from Massachusetts submits to me, a duty sufficiently high to protect the local manufacturer of sugar against foreign competition with incidental revenue. You can increase the duties and you can decrease the revenue.

Mr. HOAR. My friend does not quite understand the proposition.

Mr. PEFFER. I shall come to it in a little while. Just let me get to it in a sentence and we shall get along very nicely. We are getting better acquainted from day to day. During this entire discussion there has not been at any time any questioning backward and forward across the Chamber as to how much revenue we are going to raise by this process unless it may be for the purpose of discriminating as between the Democratic theory and the Republican theory so as to pass a little badinage backward and forward. But this bill is constructed upon the protective theory with incidental protection, and all of the Republican argument from A down to Z has been not how much revenue we can get—they do not seem to care how much revenue we can get—but how much protection can we get. Now I will hear the Senator from Massachusetts.

Mr. HOAR. I will state my proposition. By a duty of 1 cent a pound on sugar you get the revenue that you want from that article. You obtain all the rest of your revenue in some other way. Now, you put another half cent a pound, not for the sake of increasing your revenue, to enable the sugar producer of this country to compete with the sugar producer abroad. That added half cent is nothing but protection; there is no revenue in it; there is no consideration of revenue. That is a clear illustration of what the Senator very truly and justly says is the whole attitude of the Republican party on this floor. Nobody on this side has said how much revenue we are going to get out of this article when we are practically determining the amount of duty.

Indeed I have put two or three questions as to the amount of revenue to be raised from a particular rate to the Senators on the other side, and none of them know; they have not any plans about it. When the Wilson bill came over here it made a deficiency. When the committee amendments first came in it was said there would be a surplus of \$70,000,000 that we would get by their plans. Nobody cared anything about that; it was the Democratic party seeing how much protection they could get along with to save the seats of Senators in certain doubtful States, and the Republican party looking out to see how much protection was necessary for the entire interests of the country. That is the only difference between them in the debate.

Mr. PEFFER. I have heard several Senators state during the discussion that duties should be levied for protection only. My memory is quite clear as to my neighbor from Delaware on my left [Mr. HIGGINS]. With that fiery eloquence which bubbles up from his warm nature, he says, "I would levy duties for protection's sake, for protection only;" and if the Senator is far enough along now to be willing to deny that proposition I will give him an opportunity to do so. But I do not think he will deny it, because I think that is his doctrine, and Mr. President, it is the doctrine of the Republican party at this hour.

Mr. HIGGINS. I can not speak for anyone but myself. In a case where the levying of a duty for protection's sake would bring about the establishment of an industry to the great benefit of the people of the United States I would vote for it. I would vote for it (although I doubt if you could find such a case) without its being at the same time a revenue duty also. However, I believe fairly in the doctrine of the use of the power to levy duties under the general welfare clause for the promotion of our industries, and it is upon that ground that I would vote for the giving of a bounty upon sugar.

Mr. PEFFER. Mr. President, we are getting along nicely. Beginning with 1860 the Republican party adopted the doctrine which has been read by the Senator from Rhode Island, and while tacitly that is held out to the world, as I shall in a little while show, they have abandoned that policy utterly; and that is where, upon this subject, the great difference between myself and my old friends lies. When the next expression of the party was made upon that subject it was exactly in line with it, and the next expression, until we came to 1884. Then the pressure became stronger.

In 1888 it was still stronger, and in 1892 still stronger, and now they have abandoned the old revenue expression in their platform. They do not now talk about raising revenue from duties upon imports and then adjust those duties so as to get the best results by way of protection to home labor and industries. It seems odd to me that gentlemen are so tied up in their party tenets that they are not willing to be candid about this matter. I do not think there is any dishonor in it. I advocate a temporary bounty upon sugar, and that is protection while it lasts with no revenue at all. It would be cheaper for the Government to pay out of the public Treasury the money that is necessary to protect the manufactures of high grades of woolen goods, high grades of iron and steel goods, and high grades of cotton goods than to tax the whole people of the country for the sake of protecting those industries.

I shall come after awhile to show—for that is to be the central idea of my discourse to-day—that when it costs more to protect an industry than it is worth, it is time to abandon that method of protection and try something better. If the industry can not be saved at a reasonable cost after a fair trial, let the industry go down.

Mr. ALDRICH. Will the Senator permit me a moment?

Mr. PEFFER. Certainly.

Mr. ALDRICH. The portion of the Republican platform of 1892 which refers to tariff legislation reads as follows:

We believe that all articles which can not be produced in the United States, except luxuries, should be admitted free of duty, and that on all imports coming into competition with the products of American labor there should be levied duties equal to the difference between wages abroad and at home.

Mr. PEFFER. Precisely.

Mr. ALDRICH. That is a substantial reaffirmation in different language of the platform of 1860. It is nothing more and nothing less. It is the doctrine of the Republican party to-day. It is the doctrine of the protectionists to-day, and it has not been changed from 1860 to 1892.

Mr. PEFFER. It is a plain declaration that duties should be laid for the purpose of covering the difference between the labor cost in this country and the labor cost in another country. That is a plain, positive, open declaration that the wayfaring man, though a fool, need not err in it. That is the object.

Mr. President, if there was no protection in these duties we should not have so much trouble in the Senate to-day. If it were not for the protection that is to be derived from the duties in the present bill, the thirty-eight Democratic Senators would not be held up before the world in contempt because they have surrendered to six protectionists. They would rule their party as they ought to rule it, or abandon it.

Mr. ALDRICH. Will the Senator from Kansas allow me one moment?

Mr. PEFFER. Certainly.

Mr. ALDRICH. Take the duty of \$4 a ton on pig iron, which is an ultra-high protective duty; in fact, it is very nearly prohibitory. Does the Senator from Kansas think it makes any difference to anybody whether that duty is called a revenue duty or a protective duty? Does it make any difference whether a person who votes for it says, as has been said in this case, if he happens to be from Alabama or Tennessee, that he is in favor of a revenue duty, or if he happens to be from Pennsylvania, that he is in favor of a protective duty on pig iron? It is the same thing. Whether the man sits on this side of the Chamber or on the other side, he is in favor of protecting the interests of Pennsylvania in one case and in favor of protecting the interests of Alabama and Tennessee in the other.

The man who sits on the other side of the Chamber calls it a revenue duty, and the man who sits on this side calls it a protective duty. Now, I say, if it is admitted here, as the Senator

from Kansas claims it is (and I notice that the Senator from Missouri [Mr. WEST] remains silent in his seat while the Senator from Kansas claims it), that the principle of the Democratic party now is in favor of revenue duties with incidental protection, and we upon this side are in favor of the same thing, only calling it by a different name, then there is no difference whatever upon this question between the two great parties or between the parties that have been great in the past. I understand the Senator from Kansas, speaking for the third party, to give his adhesion to that doctrine. So it seems to me that there is absolutely no difference of opinion on the subject. It is simply now the question of adjusting the rates so as to carry out the principles which we all hold.

Mr. PEFFER. I think before we get through the Senator from Rhode Island will understand my position better than he does now. I might as well disabuse his mind as to one proposition. In speaking upon the subject of a tariff I do not speak for any party. The party to which I belong has no views upon the tariff question. We do not believe it is an issue in American politics. We believe it is one phase of taxation that ought to be regulated simply as a business proposition, the same as a man would regulate his own private affairs, or as the head of a department, with discretionary power, would manage the business of a department of public affairs. So when I make any expressions in the discussion of this subject I do not want the party to which I belong to be held responsible any more than I would hold the Republican party or the Democratic party responsible for them.

Mr. President, I am a free man. I wear no party collar and no master's collar; and if the party to which I belong does not wish to indorse the views which I express, it is the party's business. I do not propose to be bound by parties in my convictions of duty.

I was calling attention to the difference between the two theories, and the sameness in respect to the matter of practice. I was going on to say that the Republican party had abandoned its early doctrine, and the Senator from Rhode Island [Mr. ALDRICH], in reading the latest platform, proves it to the Senate without my reading it.

When duties are levied on foreign goods it is for the purpose of protection. Of course I understand very well that gentlemen expect to derive some revenue from the duty on these articles. But that is not the ultimate object, and, as I was going to say when last interrupted, that if there was no protection in these duties then the thirty-eight revenue members on the other side would control the six protection members and whip them into line. As it is, however, with the protective features of the bill and the whole Republican party back of these six Democrat protection Senators, they can hold the balance of power. They have it, and the six whipped the thirty-eight into line.

Mr. ALDRICH. I do not think the Senator from Kansas quite answered my question, if he will permit me.

Mr. PEFFER. The Senator from Rhode Island asks so many questions that it is difficult to answer them. Now, just ask one question at a time.

Mr. ALDRICH. I will ask one question and I shall try to make it direct and positive. I will cite again the duty upon pig iron put in the pending bill. Does it make any difference, if the duty is protective, what the primary purpose of the Senator who votes for it may be? Is it not, after all, a question whether the duty is protective, whether it is sufficient to equalize the difference in the cost of the production between this and competing countries?

Mr. PEFFER. That is what I am saying.

Mr. ALDRICH. If it is, it is a protective duty. What distinction does the Senator desire to make between Senators who vote for the same duty and call it by different names? What difference does it make what is the elementary, the primary, purpose which a man has in his mind or in his heart when he is voting for it? Is it not after all a question of protective duties, discriminating duties in favor of American industries? If the Senators on the other side of the Chamber are in favor of such duties there is no difference of opinion between those Senators and myself.

Mr. PEFFER. I do not propose to be drawn off into a discussion of side issues. I make the plain statement, and stand by it, that the modern Republican doctrine on the tariff is for protection first, not last. I repeat it, that the modern doctrine of the Republican party upon this question is protection first, revenue afterwards.

Mr. ALDRICH. I must assert again, if the Senator from Kansas will permit me, that the doctrine of the Republican party is exactly as it is stated in the platform of 1860, which was an admirable statement of the whole case, according to my notion.

Mr. PEFFER. The Senator from Rhode Island would not adopt it to-day.

Mr. ALDRICH. So far as I am concerned, if I had to write a platform of the Republican party to-day or an expression of my own views on this question, I should take that platform *in haec verba*.

Mr. PEFFER. The Senator doubtless thinks just now that he would.

Mr. ALDRICH. I never stated anywhere or under any circumstances any different position.

Mr. PEFFER. If the Senator has not done it at least a hundred times during this discussion, I have listened in vain.

Mr. ALDRICH. Then the Senator has listened in vain.

Mr. PEFFER. But that may develop itself a little further along.

Mr. President, I began by calling attention to the fact that is patent to everybody now, that the bill as it is at present formed is a protective measure. That its object is protection. That being true, I wish to see the sugar industry protected. Senators sometimes tell me that I am selfish. Yes, I am; and my only consolation is that I am no more selfish than you. I wish to show in a short time that the modern sugar industry, not the antebellum sugar industry, but as it is now being developed, with the new life and energy which have been put into it with recent discoveries, needs a temporary, not a perpetual protection.

If I believed that we should have to nurse the sugar industry along from year to year, as we did from 1798 down to 1890, I should be opposed to any kind of protection for it. I wish to say with sufficient distinctness and loudness that the Senate and the country can understand it, that I am for free sugar, absolutely free. I do not believe in taxing sugar any more than I would tax coffee or tea. As I proceed I will give the reasons why I am in favor of free sugar and opposed to the placing of a tax upon it.

From the beginning of the Government down until 1890 sugar was protected by high duties. Beginning in 1789, sugar was protected at the rate of from 1 cent to 3 cents per pound; 1790, 1791, and 1792, at the rate of from 1½ cents up through 2½ to 5 cents per pound. By the act of 1794-'95 the range of protection was from 1½ cents to 9 cents per pound; from 1798 to 1800 the range was from 2 to 9 cents per pound; from 1800 to 1808 the range was 2½ to 9 cents per pound; from 1812 to 1816 the range was 5, 6, and 18 cents per pound. That was the rate during the progress of the war, and for some years afterwards. From 1816 to 1830 the range was from 3 cents to 12 cents; from 1832 to 1842 the range was from 2½ to 12 cents.

By the act of 1842 the range was from 2½ to 6 cents a pound; by the act of 1846 the duty was made 30 per cent ad valorem; by the act of 1857 24 per cent ad valorem. The act of 1861 changed the ad valorem to a specific rate and made the range from 2 cents to 8 cents a pound. From 1862 to 1863 it was from 2½ to 10 cents a pound; from 1864 to 1870 it was from 3 to 5 cents per pound; from 1870 to 1872 1½ to 4 cents per pound; from 1874 to 1882 from 1 cent to 5 cents; in 1883 it was from 1½ to 3½ cents. In 1890 the law now in force was enacted, placing all sugars excepting the refined article upon the free list.

Table showing tariffs on sugar:

1789.	1, 1½, and 3 cents.
1790, 1791, 1792	1½, 2, and 5 cents.
1794-1795	1, 2, 3, and 9 cents.
1798-1800	2, 2½, 3, and 9 cents.
1801-1808	2½, 3, and 9 cents.
1812-1816	5, 6, and 18 cents.
1816-1830	3, 4, 10, and 12 cents.
1832-1842	2½, 3½, 10, and 12 cents.
1842	2½, 6, and 6 cents.
1846	30 per cent ad valorem.
1857	24 per cent ad valorem.
1861	2, 2½, 4, 5, 6, and 8 cents.
1862-1863	2½, 3, 3½, 4, and 10 cents.
1864-1870	3, 3½, 4, and 5 cents.
1870-1872	1½, 2, 2½, 3, 3½, and 4 cents.
1874-1882	2, 2½, 2½, 3, 3½, 4, and 5 cents.
1883	1½, 2, 3, and 3½ cents.

The woolen industry of the country was protected from 1816, if I remember correctly, down to the present time. During the operation of the act of 1857, about four years, wools valued at less than 12 cents a pound, if I have the figure right, were placed upon the free list, but wools valued at more than 12 cents a pound were dutiable. The woolen industry, beginning with protective duties in its favor in 1816, coming on down to the present, has grown to wonderful proportions.

The cotton industry was protected in the same way and during the same years. It developed so rapidly that in 1845 we began the exportation of cotton cloths, and to-day the cotton industry of the country is fully developed. So I might mention the iron industry. All these branches of toil have been referred to by other Senators during the pendency of the discussion. I

might enumerate a hundred industries in the country that have been developed during the century. Among all of them the single one of sugar made such slow progress that it attracted little attention—its development was so slow as to be hardly worth mentioning.

Now, I shall call attention to how slowly, not how rapidly, the sugar industry developed. Without going beyond the year 1852, I will state that our domestic production in the State of Louisiana in the two years 1852-'53 was 368,000,000 pounds, and in the other Southern States 18,000,000 pounds, in round numbers being about 386,000,000 pounds. That was as far as we had gone under high protection in the sugar-making business in this country from the beginning of the Government to 1852. In 1853-'54 the product in Louisiana was 495,000,000 pounds, and in the other Southern States 29,000,000, making a total of something over 525,000,000 pounds. Until quite recently the home production never exceeded that amount, except in the year 1861.

Then the production ran as follows:

Year.	Louisiana.	Other Southern States.
1861-'62	528,321,500	11,509,000
1862-'63	96,840,000	6,200,000
1863-'64	84,500,000	560,000
1864-'65	10,800,000	400,000
1865-'66	19,900,000	780,000
1866-'67	42,900,000	7,500,000
1867-'68	41,400,000	10,120,000
1868-'69	95,051,225	5,750,000
1869-'70	99,452,940	5,380,000
1870-'71	168,878,592	9,426,000
1871-'72	146,906,125	9,416,000
1872-'73	125,346,493	9,483,000
1873-'74	103,241,119	5,399,000
1874-'75	134,504,691	7,736,000
1875-'76	163,418,070	9,062,000
1876-'77	130,672,570	8,688,000
1877-'78	147,101,941	11,940,000
1878-'79	239,478,753	11,402,000
1879-'80	193,962,278	8,915,000
1880-'81	272,982,899	12,320,000

For convenience of comparison, showing the growth and development of our home sugar interest, I have taken the year 1880 as a starting point for cane and beets, giving the yearly product in tons of 2,240 pounds, by semidecades, as follows:

Years.	Louisiana—cane sugar.	Other Southern States—cane sugar.	Beet sugar—United States.
1880	88,822	5,500	357
1885	94,375	7,200	600
1890	128,794	6,107	2,800
1891			5,400
1892	160,937		12,000
1893 (estimated)	250,000	10,000	25,000

The largest production was in 1861-'62, when the war was coming and there was great incentive to production, and the aggregate in Louisiana was 528,000,000 pounds with 11,000,000 pounds in the other Southern States, making a total of 540,000,000. Then the great war came on, and the production was so small as to amount to but little until in 1870-'71. That was the first year after the war that the domestic production exceeded 100,000,000 pounds. I shall not give the figures from 1870 down to 1880, but I will say that in the mean time the production had increased from 168,000,000 pounds in 1871 to 272,000,000 pounds in 1881.

Mr. President, what I wish to show by this reference to the slowness of the progress of the sugar industry is, that it was costing us a great many times more to protect the sugar industry in the United States than it was worth, and that as a plain, naked business proposition the American people could not afford to continue that sort of protection to any industry. If there could not be some method of protection devised by which the sugar industry might either be let out easily or by which it might be developed enormously, it would be better to abandon the business of sugar making in the United States.

The figures show that from 1880 to 1890 the average annual domestic production was about 250,000,000 pounds, and that it cost us during those years an average of \$50,000,000 to protect the industry. I hope Senators will listen to the statement. I will repeat it. During the years from 1880 to 1890 the average annual production of sugar in the United States was about 250,000,000 pounds and the annual average duty collected on foreign sugars was about \$50,000,000. It was costing us then an average of \$50,000,000 a year to protect the little industry of sugar making; little, comparatively speaking.

#### WHAT ITS PROTECTION COST.

Quantities and values of sugar imported into the United States, with the annual amounts of duty collected on, and cost per pound of, imported sugar for each year from 1880 to 1890, inclusive.

Year ending June 30—	Sugar.				
	Dutiable.	Free and dutiable.	Duty collected.	Average cost per pound in foreign country.	
1880.....	Pounds. 1,768,253,496	Pounds. 1,829,291,684	\$80,087,720.00	\$39,739,305.49	Cents. 4.18
1881.....	1,889,957,918	1,946,745,205	86,670,624.00	46,318,073.49	4.41
1882.....	1,884,267,751	1,990,152,374	90,439,675.00	46,711,795.14	4.41
1883.....	2,023,686,453	2,137,667,865	91,637,992.00	44,531,448.98	4.37
1884.....	2,631,258,228	2,756,416,896	98,282,607.00	47,500,749.79	3.61
1885.....	2,548,232,050	2,717,884,653	72,519,514.00	50,885,915.89	2.67
1886.....	2,498,258,590	2,689,881,765	80,773,744.00	50,295,538.24	2.84
1887.....	2,918,152,405	3,136,443,240	78,411,224.00	56,507,495.57	2.50
1888.....	2,471,743,769	2,700,284,282	74,245,208.00	50,647,014.17	2.75
1889.....	2,518,878,284	2,762,202,967	88,543,971.00	54,896,437.38	3.21
1890.....	2,709,554,549	2,934,011,560	96,094,532.00	53,985,873.85	3.28

NOTE.—All sugar and molasses imported prior to 1877 were dutiable; from 1877 all raw sugar and molasses imported from the Hawaiian Islands were free of duty; all sugar not above No. 16 Dutch standard, and all molasses imported from April 1, 1891, were free of duty, except such as are provided for in section 3 of the act of October 1, 1890.

Mr. ALDRICH. What does the Senator from Kansas state the average production to be?

Mr. PEFFER. Two hundred and fifty million pounds during the ten years from 1880 to 1890.

Mr. ALDRICH. Is the Senator aware, as I have no doubt he is, that the average production for the ten years preceding the war was much greater than that?

Mr. PEFFER. Yes, sir; I referred to that fact a little while ago. I read the figures, which showed that we had reached a production of 300,000,000 pounds in the fifties, and that in the first years of the war, 1861-'62, it was over 500,000,000 pounds.

Mr. ALDRICH. I have the figures before me, and if the Senator will permit me I will read them.

Mr. PEFFER. I have been over all the figures or over nearly all of them. But I make no objection.

Mr. ALDRICH. In 1854 the production was 459,000,000 pounds, and in 1862 528,000,000 pounds.

Mr. PEFFER. It appears from an examination of the Treasury tables that our foreign sugar during those ten years was costing us a little more than 2 cents a pound duty on an average.

We produced in 1890 about 300,000,000 pounds. The average during the preceding ten years was only 250,000,000 pounds, but we had reached in 1890 a domestic production of about 300,000,000 pounds. The domestic production was increased in value just to the extent of the duty on the foreign goods. As to a great many articles that rule does not hold good. I tried to make that clear when discussing the subject in a general way sometime ago. The rule comes about in this way, that where we are producing an article in sufficient quantities to supply the home market, domestic competition, unless it be in reference to some article upon which a trust is formed, if there can be any, the price is regulated by the home producers, uninfluenced by the price in foreign countries, no matter what may be the rate of duty. I instanced cut nails as one of the illustrations.

The American production of cut nails is far beyond the requirements of our own people. Hence the price of cut nails in the United States is not affected in any degree by the price of nails in other countries. While under the operation of the tariff of 1883 the duty on cut nails was 2½ cents a pound, toward the latter part of that decade American nail factories were selling nails by the hundred pounds as low as \$1.90. In 1888 I procured information from the city of London, England, as to the retail price of cut nails there, and I found it to be for the ordinary variety of cut nails 4 cents a pound, when in my own town in Kansas I could go to a store and purchase two pounds of nails for 5 cents—2½ cents a pound.

So it was with axes and other implements of cutlery. But of axes I made a specialty. I inquired the prices of axes in London, and was informed that the rate there was by the pound. They were sold by the pound at (24 cents) a shilling a pound, making 96 cents for a 4-pound ax, or a little over a dollar (\$1.08) for a 4½-pound ax, and we were buying and selling axes weighing from 4½ to 5 pounds at retail in my own town in Kansas at less than \$1. So it is with the article of wheat that our farmers produce in excess of the home requirements.

The duty on foreign wheat does not affect the price of American wheat in the American markets. It has nothing whatever to do with it, because of the superabundance of wheat that we produce ourselves. You can go through from this class of articles up to those that we do not produce at all, or at least in such

small quantities that our production does not affect the home price, and you will find that as to these last-mentioned articles the foreign price controls in our markets. You may take coffee to illustrate it.

If coffee is delivered upon our shores at a cost of, say, 9 cents a pound and a duty amounting to 3 cents a pound were levied upon coffee, it would cost us 12 cents a pound. We would pay the 3 cents in the end. So it would be with tea, with spices, and with any other article that we do not produce at home, or do not produce enough of it to affect the price. Now, take some of the lower grades of woolen goods. We produce as much of them in our country as will supply our home wants. No matter what the rate of duty may be upon them, it costs us such a trifle that we do not feel it. But when we go to the higher grades of goods, of which we do not manufacture enough or nearly enough to supply our own market, then we feel the pressure of the duty upon the foreign articles. Then we go through until we come to that class of articles which we do not produce at all. Take goods made from the lustrous wool from Silesia, which we do not produce here at all. Upon articles of that class the duties fall upon the people, as we produce none of them.

Now I come to sugar. After the war, up to 1890, we had been producing such a small proportion of our consumption of sugar that it did not perceptibly affect the price to the local consumer. We imported in the year 1890 about 3,000,000,000 pounds of sugar. We produced at home about 300,000,000 pounds. So we were producing about 1 pound in every 11 pounds that we used, a proportion so small as to have no appreciable effect upon the price to the American consumer. Now, if we calculate what our domestic sugar production was costing us, we will discover that it was enormous.

Take our production of 300,000,000 pounds. Place a duty of 2 cents a pound upon it, and you have \$6,000,000; but when we were importing 3,000,000,000 pounds and paying a duty of 2 cents a pound upon it we were paying in the aggregate \$60,000,000 to protect what we could do equally well with \$6,000,000 in cash paid directly to the producers. The home production was increased in price to the extent of the duty; nobody denies that. If my Louisiana friends were disposed to dispute that proposition they would not care anything about a duty upon sugar, because, as I have said, we have got far enough along now to see that this is a protective measure.

But, Mr. President, let me keep your mind upon the point that the domestic production of sugar was costing us ten times as much as it ought to have cost. Six million dollars would have paid 2 cents a pound upon every pound of our domestic production, while on the foreign supply, made wholly in foreign countries, the aggregate duty was \$60,000,000, and ten times six are sixty. No wonder our people began to complain about the enormous cost of sugar, and it was because of the study as to how to get rid of this extravagant cost for our sugar that the bounty system was evolved.

The average annual consumption of sugar in the United States in 1890 was about 55 pounds to the person, nearly 300 pounds to the family of five. This 2-cent duty was costing us \$6 per family more for our annual supply of sugar than free sugar would have cost, and \$6 is quite as large as the net income of many thousands of poor fellows who work for \$1 to \$1.25 a day. It was an absorbing tax. It was an onerous, burdensome tax. Before I get through I shall show you how much harder it bore upon the poor than it did upon the rich.

Mr. ALDRICH. The average consumption for the last year, as the Senator from Kansas is aware, was 65 pounds.

Mr. PEFFER. That was in 1893.

Mr. ALDRICH. Yes.

Mr. PEFFER. But not in 1890. As our production is now rapidly increasing and the price is decreasing, the per capita consumption is greater every year. We have gained about 15 pounds upon our annual per capita consumption in ten years.

Mr. President, in settling the question, how can we get rid of this extravagant tax upon sugar, it must be borne in mind that it is one of the things that we eat and that every family must eat it as a part of its living, either in the form of sugar or as was so eloquently and clearly defined to us by the Senator from Nebraska [Mr. MANDERSON], in the fruit or in the vegetable itself. Sugar is one of the sustaining elements of human life, and it is an encouraging feature in reference to it that it comes from the rains and the sunshine that God Almighty gives to us.

There is no mineral substance in sugar, and very little in the sugar plant. In the sugar itself there is no mineral. You may place it in a caldron and boil it, and you evaporate it in steam. Sugar making is an old and venerable industry in the United States, one that is historic, one that is connected with the incidents of the revolutionary period and the pre-revolution times. There is something about its history that is fascinating. It would not have been wise, it would not have been honest, it

would not have been statesmanlike to abandon the sugar industry utterly without notice, leaving men, who had large amounts of capital invested in it, and with a large force of men and women at work in the manufacture of sugar, defenseless. That would not have been fair, nor honest, nor wise.

Then the problem came up for consideration, how shall we manage this matter so that we can give to the home producer protection equal to that afforded by the duties on foreign sugar and at the same time let the American people have free sugar. The agitation for free sugar was begun. I remember very well correspondence continued over a long period of time between citizens of my own State and our representatives in this body and in the other branch of Congress, advocating this doctrine of free sugar. The last letter which I received from the lamented Senator Plumb upon the subject concluded in language something like this: "A bounty is unpopular in this body. What had we better do?" My answer was equally explicit: "Cut the duty in two."

That was in 1888, when the Senate was preparing a bill to give to the country as a counterirritant to the Mills bill, which was then being discussed among the people. Senators will remember that in the bill that was passed by this body in the latter part of 1888 a provision was inserted reducing the duty on sugar about 50 per cent, providing for 1 cent a pound duty and 1 cent bounty. Two years later, the people having discussed the subject in the meantime to a considerable extent, Congress was moved to adopt the bounty system for a period of fifteen years.

My proposition was ten years, and I think now that it would have been better and wiser to have limited the period to ten years. I believe the effect would have been equally good, and I do not believe that it would now be proposed to change the law if it had but five years more to run instead of ten. But the object and the only object of changing from the duty system to the bounty system was first to give the people free sugar, and second to test the question whether by the stimulus of direct payment out of the public Treasury we could establish in the United States a national industry, that of sugar-making.

That was the object. No other object could properly have moved Congress to such a proceeding, for, as in the history of other countries as well as our own, it has invariably been the rule that whenever legislative bodies have offered a bounty to any particular industry, or for any particular purpose, although it might affect the private fortunes of individuals, the ultimate object was a public one, to benefit the people as a whole. That has always been the rule. Governments must act in these matters through individual persons just the same as when any great reform is being worked out by the Father of all. He works through men and through human agencies.

All the forward movements of the world have been by men moved by higher impulses or by higher motives working upon their nature. So governments—and governments simply represent the people—must act through individuals. The Congress of the United States said to the world, "We are going to secure free sugar for our people, and for the next fifteen years we will pay directly out of the public Treasury 2 cents a pound for every pound of sugar made in the United States out of certain sugar-producing plants." I wish it had omitted maple sap. I hope, if we are permitted to retain this bounty, that our Eastern friends will be willing to say, drop out the sugar-tree business. What is wanted is to develop the sugar-making industry of the country, and it can not be done with maple sap as the basis.

Mr. HOAR. Will the Senator from Kansas repeat what he has said about his Eastern friends?

Mr. PEFFER. The Senator from Massachusetts is asking too much.

Mr. HOAR. The Senator said he hopes his Eastern friends would do something. Will he be good enough to repeat what that is?

Mr. PEFFER. If that is all that is wanted I will. I said I hope the present law will be retained so far as sugar is concerned, with the exception that I hope our friends in the East will be willing to omit the provision as to maple sugar.

Mr. HOAR. I think all the representatives of the East, so far as I know, are quite prepared to stand by the bounty on sugar. If we can not retain the bounty on maple sugar we shall still stand by the bounty on sugar as much as we can.

Mr. PEFFER. That is right. I do not believe in levying duties for protection with incidental revenue. If we propose to protect an industry, protect it openly so that the whole world may understand it. I believe in being fair. Then the people will not have this discussion every four years, which distracts their attention from more practical affairs, one orator telling them that the panacea for all their evils is to keep out foreign labor, when we are inviting them in all the time, and the other stating that every duty is added to the price of the article, and that your chair and your table and your tin cup and the clothing

you have on your back is taxed. The people want the truth, and they expect their leaders to enlighten them.

Here is an industry which we want to develop, and if it can not be done in a few years by a direct payment for a few years it can not be done at all. The people want cheap sugar. It will be but a few years before the whole protection fabric will fall of itself. The workingmen of this country will not always submit to the competition of foreign laborers upon their own soil.

When that time comes, when this test comes—we are meeting it now in our mines—there will have to be a general leveling. It will come as certain as the sun shines. It must come. Five days suffice for a passage across the Atlantic; we have 50 per cent reduction of the cost of transportation from Bombay to Liverpool or London, simply by cutting a ditch between the Mediterranean and the Red Sea, and now we are about to open an interoceanic water way across Nicaragua.

Men in Australia can produce wool and deliver it at New York City for 12 cents a pound, while it costs the American farmer 25 cents a pound to produce an equal grade of wool; and the wool producer in Australia can send his wool from Melbourne to New York at 2½ cents a pound, while it costs the Kansas and Nebraska farmer more than that to send his wool to Boston. These things are becoming very common. There are various ocean steamship lines, international lines, and a railway through Northern Russia is now projected to unite with a steamship line having its headquarters at San Diego, Cal., for the purpose of establishing trade with the Eastern people. Rapidly we are coming to a condition when we will be forced to meet this issue, and when that time comes our protective system must give way and we will collect our revenue from other sources.

Mr. CHANDLER. May I ask the Senator from Kansas a question?

Mr. PEFFER. Certainly.

Mr. CHANDLER. I ask the Senator whether, in the millennial days of free trade which he says we are to reach through high protection, wages are to be the same in this country and in foreign countries; or, if not, how are we going to protect our labor in high wages as against the low wages in foreign countries?

Mr. PEFFER. We are not protecting our laborers now. Our laborers are protecting themselves as well as they can.

Mr. HOAR. When the Senator uses the word "we," does he not mean our laborers?

Mr. PEFFER. I said our laborers. They are protecting themselves. The employers are employing the cheapest labor. I would not have touched upon these particular points if Senators had not drawn them out.

It is true that a large majority of employers, being human, sympathize with their employés and wish their men well, are glad to see them do well, and will pay what they say they can afford to pay them, and the employers are the judges; but if they and employés differ about what is a fair price and a dispute arises, and the men stop work in order that they and their employers may settle the matter, and if outsiders come along and say, "Mr. Brown, we will work at the wages you have offered these men who have been working for you for the last fifteen or twenty years," Mr. Brown says, "Come in boys," and the men on the outside say, "No, you don't go in; not now."

The next thing the employer does is to call upon the constabulary, or the militia of the State, or the armory of the nation, if need be, not to protect the boys who did the work, not to protect the men whose strong arms built the establishment, but the man who controls the business. He is protected, and the men are sent to prison. I say the time is coming when these things will have to be changed.

Mr. HAWLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Connecticut?

Mr. PEFFER. Certainly.

Mr. HAWLEY. I only wish to say for Connecticut, and, to the best of my knowledge, for New England, that the state of affairs the Senator from Kansas is describing is utterly unknown among us. It is impossible. Our workingmen of all sorts in the factories are largely of a skilled and intelligent class. Strikes are next to nothing in New England. Certainly there is nothing of that kind going on in Connecticut now. The state of affairs that the Senator speaks of can not be established there. Our men are getting good wages. We are not bringing in cheap labor to displace the old hands. They are prosperous, industrious, and have \$130,000,000 in the savings banks.

Mr. PEFFER. I hope my New England friends will give attention to what I am saying. My proposition is that most employers wish their men well, are glad when they are doing well, and are paying them what they think they can afford to pay them. Then I went on to say what occurs when a dispute arises, and no dispute would ever arise if the conditions which the Sen-

ator from Connecticut says prevail in his State did prevail everywhere. There is no discontent there, he says. Why? Because the men see that they are paid a fair proportion of the proceeds of their labor. That is the reason and that is the only reason why they are satisfied.

Mr. HAWLEY. I did not state that they are contented. I do not say that they are contented altogether, because a large proportion of them are out of work by reason of the expected tariff legislation, and there is great distress prevailing in some portions of the State. They may expect a reduction of wages.

Mr. PEFFER. I will ask the Senator from Connecticut a question which I know he can answer instantly. Instead of a fear of prospective danger, by reason of unfavorable tariff legislation being the cause of these men being out of employment, was it not rather a lack of orders that closed the mills and put the men out of employment?

Mr. HAWLEY. That is only moving the question one step further. What causes the lack of orders? Because the buyers know they can buy cheaper in a few months, and have stopped giving orders, and the manufacturers will not buy stock and will not run their mills. They do not know what prices they will get. They know that the foreigners will come in and cut under them 25 per cent. That is the reason why orders are not given.

Mr. PEFFER. The Senator from Connecticut knows just as well as I do that if those manufacturers had an abundance of orders to keep the factories running he would see the smoke curling from the smokestacks at 7 o'clock every morning as it has done in past years.

Mr. HAWLEY. Will the Senator from Kansas kindly tell me why the manufacturers got no orders? Did I not tell him why?

Mr. PEFFER. It would take me at least two days. There are a thousand and one influences which caused it, and the tariff has had no more to do with it than the man in the moon.

Mr. HAWLEY. Then there are 750,000 Yankees in Connecticut who do not know anything about this question.

Mr. PEFFER. If they do not know more than that they do not. I have discovered in my three years' experience in this body that there are a great many things that the people down there do not know. [Laughter.] There have been processes going on for a long time, but more particularly during the last thirty years, not only in the United States, but in all parts of the world, which have occasioned, by working together, a gradual settling down of prices, not simply the prices of goods manufactured by the neighbors of the Senator from Connecticut [Mr. HAWLEY], not simply the prices of articles manufactured by the neighbors of my venerable friend from Vermont [Mr. MORRILL], nor of the articles manufactured in Michigan and Illinois, nor of the wheat grown upon the farms of Kansas and Nebraska, nor of the sugar manufactured by the Louisiana planters; but the price of everything has fallen with one exception.

Prices of all products have fallen from year to year until today they are 50 per cent lower than they were thirty years ago, and lower than they ever ran in human history, so far as I know. Now, these things did not come about because in 1892 the people saw fit to intrust the powers of this Government to another party. These things began before the modern Democratic party was born.

Mr. ALDRICH. That was only a few days ago, I understand; on the 7th of May.

Mr. PEFFER. Then they began at least thirty years before that time. But the same causes, to a greater or less extent, were at work years before, but we did not begin to feel their influences until after the close of the great war. Now, all over the world property has fallen, with a single exception; and I have been waiting for some Senator to ask me what that exception is. I am afraid I shall have to tell it without being asked.

Mr. HAWLEY. Will the Senator from Kansas permit me one more interruption? He says the prices of all things have been falling. I will refer him to a statement often quoted from a man who ought to be accepted as an authority among free traders. I know him well personally. I have the highest personal regard for him. He is a scholar and a student, and a very able statistician. I refer to Mr. Edward Atkinson. He declares as the summing up of his studies that the prices of things to be bought are lower than they ever were, that the rewards of capital of late have been less than they used to be, and that labor is better paid than ever before. That is his summing up of thirty years of industrial progress in the United States. It is without doubt true. He has proved it again and again.

Mr. PEFFER. There are a few articles, doubtless, and I have seen some of them enumerated, the prices of which are about the same as they have been. Mr. David A. Wells, in a late article in the Forum, enumerates some specific articles the prices of which are about the same as they have been. But speaking generally—and when speaking generally no one, unless he is very

critical indeed, will assume to dispute the statement—the prices of all articles except one have fallen. Now, that one article (I see no Senator is willing to ask what it is) is gold coin.

To-day all the European nations are clamoring for more gold coin, and we here in the United States are buying gold coin in the open market without any requirement or authority of law. That is a bold statement, but not a false one. And it is proposed now to issue another batch of \$50,000,000 of interest-bearing bonds with which to buy this appreciating article of commerce, when we have lying in our Treasury silver and paper money in abundance to meet every requirement of the Government and to supply all the deficiencies that our friends, the Democratic party, are so anxious to make up in the pending tariff bill.

Mr. ALDRICH. Will the Senator from Kansas permit me?

Mr. PEFFER. Certainly.

Mr. ALDRICH. Does not the statement which the Senator from Kansas has made apply equally to all forms of money as well as to gold coin?

Mr. PEFFER. I do not quite understand what the Senator from Rhode Island means. Does he mean to ask me whether in the estimation of foreign nations or in the estimation of our own people or as an abstract proposition?

Mr. ALDRICH. Any or all.

Mr. PEFFER. Then I know what to do. All other forms of money have fallen just as much as other property has fallen and in the same proportion, provided you measure money according to your own standard; that is to say, you measure it by what you term the intrinsic value of gold coin. Gold coin being the basis of value, you measure silver coin according to the value of the metal in the silver coin. If you did not do that you would be now paying out silver money to the people. But instead of doing that you bring everything to the gold basis, and whatever you use as money in connection with gold in this country goes right along at the same value.

But you do not regard it as having the same value as gold. If you did you would pay it out. I have gone to the financial clerk of the Senate several times and asked for gold coin, and I have had to wait until he could send to the Treasury for it. So, once I went to the Treasury, to the Treasurer of the United States, and asked him for a greenback dollar, and he had to send away for it. We are using silver certificates, Treasury notes, all these forms of paper money which are called depreciated currency; and when I hand out a silver dollar in this Chamber, as I have done several times, and ask Senators what its value is, they say its value as a commodity is about 50 cents; that is, the actual value of the metal. Because we are using it in connection with gold and making gold the basis, and making all other forms of money play around it as satellites, for that reason, and that reason alone, we take it as a dollar. But judging by their own standard, the value of all money has depreciated and gold coin only has not. In order to test the question, take away the protection of the law from gold.

Let all the nations of the earth agree to take away the protection of the law from all metallic coin and from all kinds of metallic money, and let these metals find their own level in the open market just the same as wheat, corn, tobacco, and cotton find their own value; you will soon see what is the value of these different articles.

Mr. President, I have been drawn away from the main line of argument by these interruptions. I was showing how expensive the sugar industry had been to this country, that its protection was costing us ten times as much as it ought to have cost.

Now, if you will take the 300,000,000 pounds of sugar that we produced in 1890 and estimate its value at the average price of foreign sugar at that time, say 5 cents a pound, you will have \$30,000,000 as the value of the entire product of the country. Our importation, 3,000,000,000 pounds, cost us, in addition to its price, 2 cents a pound duty, or \$60,000,000. Now, the duty alone which we paid on our importations at 2 cents a pound was twice as great as the worth of the entire domestic product at the average price of 5 cents a pound.

So you see, Mr. President, looking at this subject from any standpoint it was the most expensive luxury that we had. By that I mean that it was the most expensive industry, and it was so expensive that the people made up their minds it must either go out of business or it must develop itself so that it could stand alone in the future years. In order to test the matter the law of 1890 was passed, and instead of making ten years the limit, as I think ought to have been done, fifteen years was made the limit.

Now I regarded that as a wise proceeding. In view of the fact that at the end of ten more years it will expire by limitation, whereas if we levy a duty upon foreign sugar it is to continue perpetually, it is a much cheaper way of developing the American industry than it would be to repeal that act and adopt the perpetual duty system. The other day the junior Senator from

Louisiana [Mr. BLANCHARD] addressed the Senate in a most admirable argument, and when he was questioned by the Senator from Iowa [Mr. ALLISON] and myself upon this very matter, he urged that his chief objection to the bounty system is that it is temporary and is liable at any session of Congress to be removed. To use his own language, it lacks the "element of permanency."

It is "permanency" the Senator wants. It is a lasting, continuing tax upon the people that the Senator wants. It is that kind of protection, to use his language again, that comes from a "reasonable revenue duty," a revenue of 40 per cent ad valorem, which is much greater than any revenue tariff ever enacted in this country before. Twenty-six per cent was the average duty under the act of 1846 during its entire operation.

Mr. ALLISON. Thirty-four per cent is the average of the pending bill.

Mr. PEFFER. Thirty-four per cent is the average of the pending bill.

Mr. President, it is that "element of permanency" to which I object. I do not want our protective system to last forever. I believe that the American people, with their energy and their thrift, their brawn and their brain, can compete with all Christendom; but, as was wisely suggested by President Cleveland in his message of 1887, which was afterwards made a part of the Democratic platform, it would be unwise and unfair to wipe out all the protective duties with a wave of the hand, and change our system radically in the twinkling of an eye.

That is not the proper thing to do. It has been the theory of the Democratic party to approach free trade by degrees—one step at a time. I observed in the remarks of one Senator the other day that it is "freer trade" which they want now. That was the doctrine of the Democratic party fifty years ago, in 1848, 1852, and 1856, and along there. It was to encourage "freer trade." Now, instead of going toward freer trade or going toward protection, without the "r" added to the end of it, they go toward protection, and give us a protective bill to vote upon here, with the footprints of the sugar trust upon every page of the bill.

I do not want these perpetual duties. I do not want this perpetual taxation upon what the people eat and wear. Let us go out and tax the great bodies of land that are owned by non-residents and unused. Let us tax the great landed estates that inclose in their boundaries 20,000, 30,000, 40,000, 100,000 acres of land. I should be in favor of taxing rents, if it were not that it would be taken out of the renter. Let us tax land values, as the single taxer wants it done, leaving exempt all homesteads not exceeding a reasonable value; that is to say, the use of the land for business or speculative purposes. Let us simplify our taxation.

Some day the idea of protection for protection's sake must be abandoned. The other day a most interesting statement was made by the Senator from Michigan [Mr. McMILLAN] with reference to the development of the mining interests of that State on the Lakes. He spoke about the large numbers of men in the mines. When a short time afterwards I came to refer to the Senator's remarks, I said that if I were to ask the Senator from Michigan to state how many of the men in the mines of Michigan were unnaturalized foreigners and were aliens, probably he would find it difficult to answer. I shall not state what I learned from the Senator afterwards in private conversation, but I make the charge boldly that those miners are mostly aliens, that they are not Americans, either native or naturalized. The same condition exists in many other industries. Every day for the last twenty days we see noted in our newspapers troubles, quarrels, personal conflicts, distress among miners in different parts of the country.

Mr. President, there is a state of actual war out there at this time. In at least ten different States of the American Union there is a state of war, and it is because most of the riotous men whom my Republican friends are proposing to protect by their protective tariff legislation are not American citizens. Many of them are men who, if I could have my way, would not be here at all. I believe that if we want to protect our laborers, we ought to protect them upon their own soil from contact with what you call pauper labor. There are men in the mining regions of the country now who vote by number instead of by name; who go up to the polls and vote according to the number which they use when they receive their provisions, or what little is left at the end of their week's or month's pay, from the "pluck me" stores.

It is our vicious, dangerous, destroying legislation which has brought this condition upon the people. It was begun in 1864, and now we have this class of men all over the country. No one of the workingmen whom I have heard speak upon the subject at all objects to the immigration of men who come here to be citizens with us, to help us develop our wonderful resources,

help us to make the Republic what it ought to be, who come to be Americans with us.

We welcome them, and nobody more warmly than the men and women who work in the factories and the fields; but it is that class of men, who are not worth more than 15 cents a day, which they earn in their own country, who come here in order to take part of the wages which our workingmen have arranged for them when they come. Then, if so be that a dispute arises between the employer and the employés as to the rate of wages, and they see proper to stop work while they can arrange the matter amongst themselves, the employer bids the aliens come in. They are the men who take the places of citizens; the alien comes in through one door, and the citizen goes out through another.

Mr. President, I am tired of that process. Here are the working people of the country. You talk about laborers being well paid. How many laborers are there in this country? Perhaps five million. Three million of them are out of employment. Take the wages paid now to those employed and distribute among them those who are unemployed equally with those who are, and you will see how well paid they are. The wage-earners are coming to be regarded in our ordinary conversation and in our literature as a class, though it ought not to be so, and there is a time coming, I believe, within the lifetime of children now born, when this distinction of workingman will no longer be recognized; it will be citizen; we shall be Americans, equal one to another, if we behave ourselves equally well.

I want to impress upon the Senate, the time is coming when these protective duties must go. If we find a new opening, some place where some great industry can be established and a vast number of men, women, and children employed, something that will be of great public benefit, let us take the money openly out of the public Treasury and pay men to build it up. That is the best way in the world to build up an industry quickly. The interested parties have notice, then, in the beginning, that when the law has expired by limitation they will get no more support from the public Treasury, just as a patentee has notice when he receives his letters-patent that he must make hay while the sun shines, for it will shine for him only fourteen years.

Mr. HIGGINS. I should like to ask the Senator if he thinks, when the period shall come of which he speaks, that these protective duties shall be swept away, we shall be troubled with any more foreigners at all, if he considers them a trouble?

Mr. PEFFER. I think we shall not be troubled with them, but they will be here just the same. We are troubled with them now because of existing conditions. Then we shall not be troubled with them, for the world would be practically one nation then.

Mr. HIGGINS. Does the Senator think immigration will continue when we lower our scale of wages to the European grade, as we shall do if this bill passes?

Mr. PEFFER. We are not going to lower our scale of wages. We can not do it.

Mr. HIGGINS. Not when you take off protective duties?

Mr. PEFFER. No, sir; and when you try it you will learn the reason why.

Mr. HIGGINS. That is just what we are doing now, if the Senator will allow me. It is the expectation of just that thing which has now cut short.

Mr. PEFFER. What thing are you talking about?

Mr. HIGGINS. The expectation of sweeping away the protective duties has brought a check to American prosperity; it has brought a check to immigration from the other side; it has turned its tide backward; it is sending back to Bohemia, to Hungary, to Poland, and to Italy the men whose competition with American laborer the Senator is complaining of; and when that millennium of which the Senator speaks shall come, when there will be no more protective duties, I do not conceive that we shall have any further irruption of foreigners.

Mr. PEFFER. Mr. President, this relying upon protective duties is in the line of relying upon the dictation of foreign governments with reference to our monetary policy. We are able to take care of ourselves. We are able to take care of ourselves, I was going to say, to-morrow; but if you will give notice to the American people that at the end of five years all tariff laws will be wiped from the statute books, that our custom-houses will be sold, that our army of customs officers will be mustered out of service, and that our doors are open, swinging outward and inward, by that time my friend from Delaware and his manufacturing neighbors will be swimming along much more comfortably, I pray, than they are now.

The truth is, I say to the Senator, that some day we shall have to compete with the world, and the sooner we learn to do it the better; but I would not wipe out the duties all at once; I should take a little time to do it. If you undertake to build up a perpetual protection wall against foreign trade the American people will strike out and burst your wall. You can not do it. It

is not American. I believe that at an early era in our history it was necessary for the establishment of our commercial independence that protective duties should be levied upon imported goods. It was wise then, but the situation is different now.

The progress of the world is marvelous; it is seen on every hand. Electricity, natural gas, the phonograph, the telegraph; and it costs but ten or fifteen dollars to cross the Atlantic Ocean. A ship will now carry 100,000 bushels of wheat across from New York to Liverpool inside of ten or twelve days, and it would require twelve trains of cars to haul that much at one load; whereas fifty years ago we required from forty to fifty days to go across the water in a tub, and it carried only a handful of wheat. Some day we have got to face the world's workers, and it is time to be getting ready.

Coming back to the original proposition that our sugar was costing us too much, I want to show to the Senate what progress we have made in the manufacture of sugar since 1890. We made in that year, as I said, about 300,000,000 pounds; in 1892, the year after the bounty law took effect, our production was 426,000,000 pounds. Then there was a small amount of beet sugar made. In 1893 we increased to 511,000,000 pounds in round numbers. It was estimated when these figures were prepared—and I prepared them myself—that our production for 1894 would be about 614,000,000 pounds.

It will be observed that our annual progress has been at the rate of about 20 per cent a year. Before that time our progress had been almost nominal for a number of years. During the ten years from 1880 to 1890 the average was 250,000,000 pounds, and next to the last year of that decade, in 1889, if I recall it properly, we did not reach quite 200,000,000 pounds. So we were going along at a steady hold-your-own gait without any considerable expansion or development.

But about 1890 a change took place, and from that time on to the present the development has been at the rate of about 20 per cent a year. At that rate I make the following figures:

Years.	Production.	Years.	Production.
	<i>Pounds.</i>		<i>Pounds.</i>
1892	426,578,880	1899	1,528,500,000
1893	511,895,000	1900	1,834,200,000
1894	614,275,000	1901	2,201,000,000
1895	737,130,000	1902	2,641,200,000
1896	884,556,000	1903	3,163,440,000
1897	1,061,467,000	1904	3,803,328,000
1898	1,273,760,000		

According to this calculation, and estimating that the production of the country will increase at the rate of progress made during the last dozen years, say about 2 per cent, counting the rate of increase of the home consumption at 20 per cent, the figures are as I have read them to you.

Mr. President, I want to show you how much cheaper it would be for us to continue the present system than it will be to change it for the one proposed in this bill.

But before I do that I want to show what our sugar would have cost us during the next fourteen years had we continued the old 2-cents-a-pound-duty law in force, instead of changing it, as we did in 1890. The consumption of sugar in 1893 was about 4,000,000,000 pounds. That would have cost the people 2 cents a pound more than free sugar would have cost them. So the extra cost by reason of the duty would have been in 1893, \$80,000,-000.

I have prepared a table showing the consumption of sugar in the United States and the duty that will be paid on foreign sugar, supposing the increase in consumption to continue as it has continued for a number of years past for all of the years which the bounty has yet to run. Beginning with 1893, when the consumption was in round numbers 4,000,000,000 pounds, the duty was \$80,000,000. That is to say, the extra cost of the consumption to the American people was \$80,000,000. The table gives the calculation up to 1905.

Table showing the aggregate amount of duty on foreign sugar and the increased cost of domestic sugar by reason of the duty, if the old law of 2 cents a pound duty had been continued, estimating yearly consumption at the usual average, 2½ per cent per year.

Years.	Consumption.	Duty.	Years.	Consumption.	Duty.
	<i>Pounds.</i>			<i>Pounds.</i>	
1893	4,000,000,000	\$80,000,000	1900	4,742,000,000	\$94,840,000
1894	4,100,000,000	82,000,000	1901	4,860,000,000	97,200,000
1895	4,202,000,000	84,040,000	1902	4,981,000,000	99,620,000
1896	4,305,000,000	86,100,000	1903	5,105,000,000	102,100,000
1897	4,413,000,000	88,280,000	1904	5,230,000,000	104,600,000
1898	4,524,000,000	90,480,000	1905	5,350,000,000	107,200,000
1899	4,637,000,000	92,740,000			

These are the amounts which it would cost the American people in the matter of duty alone, if the law we had prior to the year 1890 were to be continued.

I have prepared another table showing what the bounty for these same years would cost us, assuming that our increase of domestic production would be equal to the proportion of increase during the three years since the bounty law has taken effect, which is about 20 per cent a year. The production of sugar in 1893 was 511,893,600 pounds. Now, I go on at that rate and show that at the end of the period of the bounty law, 1904, the total domestic production would be 3,865,513,972 pounds.

The figures by years follow:

1891	624,272,320	1900	1,864,667,158
1895	749,126,784	1901	2,236,820,587
1896	898,952,140	1902	2,684,384,704
1897	1,078,742,568	1903	3,221,261,614
1898	1,294,491,051	1904	3,865,513,972
1899	1,553,889,297		

Now I take the bounty from year to year:

Bounty that will be paid on yearly production of domestic sugar, estimated at the rate of increase since 1891.

Years.	Production.	Bounty.*	Years.	Production.	Bounty.*
<i>Pounds.</i>					
1893	511,893,000	\$10,237,900	1899	1,528,500,000	\$30,570,000
1894	614,275,000	12,285,560	1900	1,834,200,000	33,684,000
1895	737,130,000	14,742,600	1901	2,201,000,000	44,020,000
1896	884,556,000	17,691,120	1902	2,641,200,000	52,824,000
1897	1,061,467,600	23,229,340	1903	3,169,440,000	63,388,560
1898	1,272,760,000	25,475,200	1904	3,803,328,000	75,086,560

\*Bounty each year is paid on the crop of the preceding year. The crop of 1893 gets bounty reported in 1894, and so on.

I stop at 1904, because, as I said a few minutes ago, on the crop of 1904 the bounty will be paid in 1905, whereas the duty is paid on the consumption of that particular year without reference to the year of its production.

Then I have prepared another table which shows the difference between the two systems, giving the estimated consumption from year to year, the amount that we would pay if we were paying duty, and the amount that we will pay if we pay bounty, and I find that the total amount of duty to be paid in the next eleven years is considerably over \$1,000,000,000, while the total amount of the bounty for the same years is only \$407,215,020, making a difference in favor of the bounty system of \$694,764,980:

Table showing extra cost of our yearly consumption of sugar under the 2-cent duty and under the 2-cent bounty system, and the difference.

Year.	Consumption.	Duty.	Bounty.	Difference.
<i>Pounds.</i>				
1893	4,000,000,000	\$80,000,000	\$10,237,900	\$69,762,100
1894	4,100,000,000	82,000,000	12,285,560	69,714,500
1895	4,202,000,000	84,040,000	14,742,600	69,297,400
1896	4,305,000,000	86,100,000	17,691,120	68,408,880
1897	4,413,000,000	88,239,000	23,229,340	65,030,660
1898	4,524,000,000	90,480,000	25,475,200	65,004,800
1899	4,637,000,000	92,740,000	30,570,000	62,170,000
1900	4,742,000,000	94,840,000	36,684,000	58,156,000
1901	4,850,000,000	97,200,000	41,029,000	53,180,000
1902	4,961,000,000	99,620,000	52,824,000	46,796,000
1903	5,105,000,000	102,100,000	63,388,560	38,711,200
1904	5,239,000,000	104,600,000	76,066,560	48,533,540
Total	1,101,980,000	407,215,020	\$694,764,980	

In other words, under the present law, if it is permitted to run its course, and if our domestic sugar production increases at the rate of 20 per cent a year, as it is now increasing, our total bounty for the entire eleven years will amount to much less than one-half of what the duty under the old system of 2 cents a pound would cost us if that system had been continued and was now continuing.

I may be a little tedious upon this point, but I do not want to fail in impressing a great truth upon the minds of Democratic Senators, who will be responsible for the passage of this bill if it is passed, to show you that you are going to saddle a charge on the people in the way of taxation of vastly more money than the bounty under the present law will cost, and I warn you that the American people will hold you responsible for it.

The bounty in 1893, for the crop of 1892, cost us \$10,000,000 and a little over. The bounty on the crop of 1904 would be paid in the year 1905, when the law expires by limitation. The amount looks very large, for it would be \$76,066,560. I do not wonder that Senators stagger when they see the figures, but, Mr. President, the reason why this \$76,000,000 looks so large is that Senators see the figures, but they do not see the figures that the duty would cost them.

Let me show them again what that would be. The bounty in 1905 in round numbers would be \$76,000,000; the duty would be \$1,101,980,000. Take the difference between the bounty and the duty for the entire period, and it is over \$600,000,000, almost \$700,000,000. Here are the exact figures—\$694,764,980, which the duty would cost the American people more than the bounty would cost them, rating the increase of consumption at 2 per cent a year, and the increase of domestic production at 20 per cent a year.

Having shown that, I want to show you how much the increase would be by the duty which is proposed to be levied under this bill, which is about 1½ cents on the pound. I figure it at less than I think it will prove to be in practice. I went to the junior Senator from Louisiana [Mr. BLANCHARD] the other day, knowing that he had given the subject thought and close consideration, and asked him what, in his opinion, would be the average rate of duty in practice under the proposed law, under the Jones amendment, and he said he thought it would be about 1.22 cents or perhaps a trifle more than that to the pound. I asked him if I would be reasonably safe in using 1.25 cents, and he said he thought I would; that it certainly was in that neighborhood. At that rate the following table shows the amounts of duty we will pay each year under the provisions of this bill:

Duty at one and one-quarter cents a pound.			
Year.	Duty.	Year.	Duty.
1893	\$50,000,000	1902	\$62,262,000
1894	51,250,000	1903	63,812,000
1895	52,525,000	1904	65,375,000
1896	53,812,000	1905	67,000,000
1897	55,162,000		
1898	56,550,000	Total	755,735,000
1899	57,982,000	Bounty	407,215,020
1900	59,275,000		
1901	60,750,000	Difference	\$348,519,380

The bounty, if continued for the same years, would be \$407,215,620. Take the difference between the two and it amounts to \$348,519,380. That much the duties proposed in this bill will cost us more than the bounty in the present law.

I admit, Mr. President, that if we were to continue the bounty system, in the course of a century we should be bankrupt; that we could not stand it; and it is because it is to terminate soon that I propose to let the law run its course and then stop. This is notice to the sugar-makers that, if by the year 1905 they have not established a national industry in this country, they must take care of themselves or go out of business. They will have had fifteen full years' notice.

I will say to Senators, I am perfectly willing to make this kind of a proposition to you. If you will remove the duties from all other protected industries, if you will remove all legal protection from other industries at the end of the year 1905, I am perfectly willing to vote for such a measure. Indeed, if the Wilson bill as it was reported to the House were now before the Senate, while I should have presented the views which I am presenting, and while I should have insisted, as I shall insist, that a duty be placed upon wool unless duties are removed from woollen goods, still, after having made my argument, I should probably not have refused to vote for the bill simply because I did not get what I asked for; for, under that bill, there was a graduated scale to let sugar people go out in eight years.

It was not expected under that bill that there would be any further development of the industry; but that the men who are now engaged in it could get ready to dispose of their property, turn their land and buildings and machinery to some other uses, and go out of the business of sugar producing. They would have had at least eight years, with a little protection, to save themselves while they were getting down to hard pan; but here it is proposed to take away from them the protection which the people have promised to give them and to place upon the whole of the people of the country a tax burden, which amounts, as I have shown you, or would amount in ten years from now, to three hundred and fifty odd million dollars more than it would cost us to pay this bounty and then stop, in the meantime having developed an industry out among the farmers that would employ a million of them at remunerative work.

That, however, is not the worst of it. The duty is to be a continuous burden from year to year hereafter all the years of our history. This system of protection is to be continuous; and that is the strongest objection which I have to changing the present law. I do not want it continuous; I had rather now agree to a graduated scale, dropping from the present bounty down by equal yearly steps, so that in 1895 the last installment would be paid. I had rather have that than this law, because then it would go out and there would be no further taxes upon the people.

I have read you the figures. By the time 1906 has come around \$70,000,000 of taxes will be saddled upon the people of this country to protect your sugar industry, and you will not have it advanced any farther than it is now.

I ask my Democratic friends, can you go before the country and defend this sugar tax? Can you go before your own people and say before God and your fellow-man, this tax is just? You can not say that it was necessary for revenue, because you have already provided in the bill a sufficient amount of revenue from the income tax and the increased tax on liquors. You do not need this duty on sugar at all; it is absolutely useless; and, as I shall show you in a few minutes, the greater portion of it lies upon the shoulders of the poor.

As the Senator from Colorado [Mr. TELLER] said the other day, the rich can take care of themselves. It is the poor man, Mr. President, and his family that I am looking after. We have come to a point where our men are driven to take to the road or to fight in order to maintain themselves. Let us change our policy; let us show to the people at home and to the men who are traveling over the country and coming here asking us for relief, that we are going to make the burdens lighter instead of heavier; let us show to them that at last we are responding to the appeals of the people, and in time we shall restore peace and prosperity to the country. If we are going to bind ourselves to the sugar trust, and follow like dogs with chains at the wheels of their chariot—Mr. President, if that is to be done, I am in rebellion.

I do not propose that my people shall be ignorant of the machinations of the power which has been and is now controlling legislation in this country. I do not want a duty on sugar and I do not propose to vote for it. My people do not want their sugar taxed, and if I can secure it for them they shall have free sugar. I taught this doctrine to them years ago, and I shall not betray them now. If the thirty-eight strong, noble men on the other side of the Chamber had metaphorically taken the six Senators from the Eastern part of the country by the nape of the neck and thrown them over into the Republican camp, where they belong, we should not have this quarrel. The people of the South and West should come together, and we would build up a grand organization in a short time that would restore this Government to the people to whom it belongs and for whose safety and happiness it was founded.

Note the men who are handling this debate upon the Republican side of the Chamber; note the men who have forced these four hundred and nine amendments upon the bill on the other side of the Chamber, and then cast your eye backwards less than a year, when we of the West and of the South were fighting, with the energy of strong men, against the power which is now confronting us, and you will find the same men opposing the income tax who opposed the free coinage of silver last summer; you will find the men who have forced these four hundred and odd amendments to this bill and the men who advocated the repeal of the purchasing clause of the Sherman law working shoulder to shoulder.

Mr. President, behind all this great tariff farce, which is now being enacted here, is the money power, and that money power will have to be suppressed by the strong arm of the people. It can be done by legislation. I believe it will be done by legislation; but it will be done. Sooner or later the men west of the Alleghenies and south of the Ohio River, whose interests are alike, will have to be consulted. We shall force the issue. I meant what I said the other day, that in 1896 the Populists will have control of this Government.

Mr. President, I come to another feature, and that will be the last point which I care to present to-day. It is, that not only are we entailing a grievous burden by way of taxation upon the people by continuing this duty even at a cent and a quarter a pound, but that the poor people of the country will have to pay the most of it. The Senator from Ohio [Mr. SHERMAN] in his argument yesterday criticised the proposition to levy a tax upon incomes, because he said the poor will have to pay the most of it, those who have their little savings in the banks.

I could not help reflecting how much in many things the Senator from Ohio still clings to the old nomenclature and ideas of a generation ago with reference to the comforts and conveniences of home. He spoke of the home life of the people and "their little savings." He remembers, as all old men do, that within the last fifty years it was common for the boys and girls to save pennies; it was common among the young men and the young women to save their quarters.

I remember very well, Mr. President, of having just thirty-five half dollars put away in a little wooden trunk, which I made myself, as the savings of my first term of school-teaching at \$15 a month. I put it away, and every morning after getting up would go and look at the pile of shining half dollars. We saved our little pieces, as the Senator calls them, our "little savings." The Senator

from Massachusetts [Mr. HOAR] smiles. I remember the first day's work I ever received pay for amounted to 6½ cents. We had "little savings." The Senator from Ohio, in speaking of the little savings of the people, said, "Here comes the Democratic party proposing to tax these 'little savings.'"

How the Senator's sympathy reaches out to the men and women who have something saved! I was wishing that that distinguished man—and he is distinguished, for he is, I believe, the only public man now living whose footprints can be clearly traced in the legislation of this country for twenty-five years—I was wishing that he would be here when I came to argue this proposition, so that I might call his attention to the fact that the sugar duty he proposes to levy will rest more heavily upon the poor people of the country than the income tax, for the incomes of the poor are not to be taxed. The Senator need not be afraid that any poor man's income is going to be affected by this law; he need not worry over the fear that the \$200, or the \$300, or the \$500, which have been saved by any poor man or woman in the country, will be affected by this income tax.

It will be another class of men; it will be the class of men whom the Senator represents, and who would defy the tax assessor and the tax collector.

I want to call the attention of the Senator from Ohio and those who think like him to the fact that this sugar duty is going to rest more heavily upon the poor than upon any other class of people.

I begin by calling your attention to the fact that, dividing the people into families, as has been done in the census reports, we have 12,690,152 as the number of families in 1890. The wealth of the country at that time was something over \$63,000,000,000—say \$65,000,000,000 for convenience. Dividing that among the families, we should have about \$5,000 to the family if the wealth of the country were evenly and equally distributed among the different families. Now, it so happens that 52 per cent of these families, which would be 6,598,879, own only about 5 per cent of this aggregate amount of wealth; 52 per cent of the families own 5 per cent, or \$3,250,000,000. These are the renters and the owners of homes that are mortgaged. Over one-half of the families of the country have no homes of their own, and their average wealth is only \$492; while the other 48 per cent of the families of the country, amounting to 6,091,273, own 95 per cent of the wealth of the country, which is \$61,750,000,000, and the average wealth of that class of families is \$10,135.

Think of that, Mr. President! The average family out of 48 per cent of all of them possess an average wealth of \$10,135, while the average of 52 per cent of the total number of families possess only \$492.

Mr. HOAR. I should like to ask the Senator a question, if he will pardon me, in regard to the point he is now making, and as to which I feel a good deal of interest. I suppose there are some facts which tend to account for this matter which are not affected by the Senator's economic theories. I should like to say to the Senator, in connection with that, that there are, as I understand, about 100,000,000 gallons of whisky consumed in this country annually, besides other intoxicating liquors of various sorts. How much, in the Senator's judgment, has the consumption of these liquors to do with this condition of things? Does he think it has any appreciable relation to it or not?

Mr. PEFFER. In the first place, Mr. President, I am not discussing that subject, and I do not care to be drawn into it now.

Mr. HOAR. I ask the Senator if he does not suppose that that fact would of itself have a great deal to do in accounting for the state of affairs which he is describing?

Mr. PEFFER. I do not care to go into that discussion. I am not now trying to show what has caused this disparity of numbers between rich and poor.

Mr. HOAR. The point was to determine how far the Senator thought it would have had any effect, and whether any legislation would remove the difficulty?

Mr. PEFFER. It matters not, Mr. President, what we think of the argument as to what has caused this enormous disparity between the numbers of poor people and rich people. I will say to the Senator, if he will give me his attention, that in the range of my observation a very large number, and I will say in comparison a larger number of people who are classed as poor are addicted to the use of intoxicating liquors than there are of those who are better to do in the world, but I have never been able to obtain any reliable information as to the quantity of liquor used by different classes of people. But what has caused this poverty is neither here nor there for the purposes of my present argument. While the use of liquors may have had much to do with it, I do not believe that it has had nearly so much as other causes, of which I have not time now to speak.

Mr. HOAR. If the Senator will pardon me further—

Mr. PEFFER. I prefer that the Senator, if he wants to say

anything further on that subject, should do it at some other time than in the midst of this discussion.

Mr. HOAR. Let me make the point I wanted to make.

Mr. PEFFER. Will the Senator wait just a moment?

Mr. HOAR. Yes, sir.

Mr. PEFFER. I understand the Senator to inquire of me—and, of course, if he inquires he expects an answer—whether or not a great deal of this disparity of numbers between poor and rich people has not been occasioned by the use of strong drink.

Mr. HOAR. The next step of the inquiry is what I want to come to, if the Senator will permit me.

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Massachusetts?

Mr. PEFFER. I will yield to the Senator.

Mr. HOAR. As I understand by a hasty glance at the report of the Commissioner of Internal Revenue, there must be, in round numbers, consumed in this country at least \$200,000,000 worth per year of all forms of spirits and tobacco, the amount of whisky alone consumed being, as I am told—I have not had time to examine the tables in this book—between ninety and one hundred million dollars' worth. I do not, of course, intend to go into a discussion of the temperance question now, but I wish to ask the Senator whether this disparity in property does not come very largely—not wholly, but very largely—from the fact that certain classes of people who receive money lay it up, and certain other classes of people spend it for whisky and other strong drink and tobacco?

The Senator certainly would not claim that the men who earned as much as these men who put their \$400 in the savings banks, which the Senator from Connecticut spoke of, instead of putting it in the savings banks, consumed it for whisky and tobacco, ought to have any legislation enacted for their benefit which will equalize property. So, I want to know of the Senator, who is an authority upon the subject and has examined it, whether that disparity did not come from the voluntary action of the people who have not got property and who are the very poor people—not wholly voluntary, for, of course, there is a great deal of poverty due to misfortune—but very largely? I think the Senator ought to be able to answer that question.

Mr. PEFFER. Mr. President, if the Senator's question had any relation whatever to the point I am making I should not have hesitated at all to answer it, but I will say to the Senator for his consolation—it may console him somewhat—I have seen as much drunkenness, as many dramshops, and as much idleness among the people of the city of Boston, where they have savings banks with these little savings the Senator from Ohio talks about, as I have seen anywhere.

Mr. HOAR. But not among the people who put their money in the savings banks.

Mr. PEFFER. I say to the Senator if he will look to past years he will find that there is now more indebtedness among the people of his own State, he will find that the farmers are more indebted, that the mechanics are more indebted, that there are many more poor people in proportion to the entire population, more men who do not own homes, and more women who do not own homes, than in any former period of our history. He will find more than that. He will find this disparity is constantly increasing. He will find, furthermore, that the great business establishments have multiplied and that small business establishments are diminishing in number.

I do not want to be drawn into a discussion of the temperance question now. I do not believe there is any more drunkenness among the poor people, in comparison with rich people, than there ever was. Indeed, if put to the test, I think I would say upon my oath that I believe, before God and man, there is more drunkenness in what is called the *élite* of society to-day than ever before. Your horse-racing, your gambling of all kinds, your cock-fighting, your dog-fighting, and all these things are more or less associated with drunkenness.

If the Senator will go down through the Southern States, if he will come up through the Northwestern States, if he will come into my own beautiful State of Kansas, he will find less drunkenness, not only to the square mile, but to the hundred people, than he will find in the midst of the people where these savings are being collected. I will give the Senator an invitation, and pay his way out and back, if he will go to the town of 4,500 inhabitants where my home is, and find one drinking saloon that he could go into the same as he could go into any other business place.

No, no; this is not the tap root of the evil. Senators will try to palm it off on this habit and that habit, and then they will fix these habits upon those people whom they do not want to help. These people are entitled to our sympathy, and instead of withholding support from them, if we would do as the Master taught us we would reach out a friendly hand and help them; but we can not do it by imposing taxes upon them.

It is the tax on the income of the rich the Senator from Ohio wants to see saved, and not the income of the poor; and I have no doubt he will demonstrate that proposition when his vote is recorded upon the income tax. He will vote for a tax on sugar, but not on incomes.

But, Mr. President, if we would allow that these homeless people use as much sugar as the rich people, although they are 52 per cent and the rich people but 48 per cent, that would be the proportion in which they would have to pay taxes imposed by this bill. The poor people would pay \$52 and the rich people would pay \$48; and the poor people only own \$3,250,000,000, while the rich people own \$61,750,000,000 of the wealth of the country.

But, going a little further along, we find that 64 per cent of the families of the country, amounting to 8,121,697, own only 9 per cent of the wealth. Of this class the average family wealth amounts to \$720, and they own 9 per cent of the total wealth of the country; that would be \$5,850,000,000; while 36 per cent of the families, which amounts to 4,568,455, own 91 per cent of the wealth, amounting to \$59,150,000,000, and their average wealth is \$12,947.

If we allow these poor families to use as much as the rich families use, the proportion of taxes paid by the poor people would be 64 to 36 paid by the rich.

We will go a grade higher. I now divide the families on the line of \$5,000. There being over twelve million families, and the total wealth of the country being about \$65,000,000,000, if the wealth were equally distributed it would give \$5,000 to each family; but taking all the families below the five thousand-dollar line, and they amount to 91 percent, or 11,548,038 families. Nine per cent of the families own 71 per cent of the wealth, which is \$46,150,000,000. The average of this class of families, above the five thousand-dollar line, is \$40,407. If the poor families were to use as much sugar as the rich families do, and there are ninety-one of them and only nine of the others, they would pay, as you see, 91 per cent, and the rich people would only pay 9 per cent.

But that, of course, Mr. President, is not a fair way to estimate it. The average well-to-do families, such as we would call rich under this calculation, will use, say, 7 pounds of sugar to 1 pound used by the average family below the five thousand-dollar line. That, I think, is quite a liberal estimate, 1 pound to the poor family and 7 pounds to the rich family. At that rate the poor people of the country would pay of the sugar duty in the proportion of 42 to 29 by the rich people. Anyone can make these estimates for himself by taking the figures in the table which I will hand to the reporter.

Then, Mr. President, with that thought I leave the subject. The poor people ought not to be taxed upon anything that they eat or anything that they wear. They ought to have all the necessities of life furnished to them absolutely free from taxation.

It has been suggested in this discussion that poor men ought to pay some of the burdens of the Government; that it makes them more manly; that they feel as if they had more interest in public affairs when they bear some of the burdens of taxation. Mr. President, it is not possible for you to devise any system of taxation from which the poor can wholly escape. Even if we are taxing nothing but land values, the values of land for use, according to the single-tax theory the poor man pays his part. You go into a boarding house; the building itself may be rented, and while a man or woman inside the building may not own a foot of land or a dollar's worth of taxable property there, yet their board and their room rent is measured by the value of the use of the property, quite as much as by the value of the victuals eaten.

The landlord's expenses by way of rent enter largely into his charges for entertainment. Even if you bring taxation down to a single standard the poor man, without any property, in one way or another pays his proper proportion of the taxation.

But now we propose to levy a tax upon the poor man through this sugar duty. On every pound of sugar that he uses, or that his family uses, he is taxed, if this law goes into effect, one cent and a quarter upon it. When the housewife comes to know, and her husband comes to feel, that they have to pay a dollar for 15 or 16 pounds of sugar under this law, instead of 20 pounds under the bounty law, if they do not pronounce a blessing upon the Democratic party it will be because they do not think it deserves it. This bill, if it become law, will reduce the dollar's worth of sugar 4 or 5 pounds in weight.

Our removing of the duties from sugar in 1890 taught the people an object lesson, and especially the poor people. When the little sack that the four-year-old boy could carry from the store containing a dollar's worth of sugar, under the old law, became so large when the law was changed that it required two little boys, or one big boy, to carry a dollar's worth of sugar, the

people at once saw the difference between the two. Thirteen pounds to the dollar in 1890; 20 pounds in 1891.

Yes, but you say, "We pay the bounty." So we do, Mr. President. I have shown you that that comes out of the public Treasury of all the people who are taxed to pay the bounty. When you come under the duty system, it is the people who use sugar who have to pay; the poor man has to pay in proportion to the rich a vastly greater amount of this duty-tax burden, and that is the reason I object to it. The bounty is paid by all the people out of the public revenues—and then the bounty is so much less than the duty.

I have occupied more time, Mr. President, than I expected, by at least two hours; but I have been led off into other lines through the pertinacity of my questioners. I shall leave the floor now with the three thoughts—that your duty system, first, is more expensive, vastly more expensive than the bounty system; second, that it makes a perpetual tax while the bounty terminates in a few years; and, third, that the poor people of the country have to pay the greater part of the burden.

Mr. HOAR. Mr. President, I have listened to the two hours and a half address of the Senator from Kansas with some interest, but I think one or two observations ought to be made to accompany what the Senator has said.

I agree with the Senator that the aggregation of wealth in this country in large masses is an evil. It is an evil which is increasing, and it ought to be diminished. So far as we can fairly deal with it in the exercise of the powers conferred on the National Congress, I shall be glad to deal with it, certainly so far as the aggregations of wealth grow out of lawless or dishonest practices. But there is no use in appealing to the happiest people on earth, there is no use in appealing to the people who have the best Government on earth, their own; there is no use in appealing to the generation which is better off than any other generation ever was in this respect by inflammatory, exaggerated, stimulated statements.

These statistics which the Senator has stated about property or wealth, as I said, show a growing evil, and a great evil, but they are largely it seems to me very unfair. Take the statistics about the number of families having a certain amount of wealth and the number of families having a smaller amount of wealth. They overlook one great fact, which is that in a country where wealth is acquired as in our own the youthful families will be very much more than one-half and they are yet wholly or largely nonpossessors of wealth. My honorable friend from Virginia [Mr. HUNTON], who sits on my right, by a long course of arduous, honest, and faithful public service at 70 years has laid up fifty or a hundred thousand dollars, or any other sum. I am speaking of this merely as an illustration.

Mr. HUNTON. I desire to ask the Senator from Massachusetts if that is true?

Mr. HOAR. I am supposing a case. Equity supposes that what ought to be done is done, and I am merely applying that equitable principle. He has a son 21 years old, and three others who range a few years above and below, well educated, promising, and certain to make their place in the world as their father did before them, and expecting at his age to have the same result—perhaps, it is true, not so distinguished a result in public honor and in the estimation of friends, but still the same result as to property. Perhaps he has two daughters who are married. There are seven persons. A census taker comes along and estimates the entire wealth of the aged man and his six children who have just started in the world. One of them has a hundred thousand dollars in accumulated wealth, and the others have scarcely anything; or if they have just started they have three or five thousand dollars apiece, and he says on an average one family has nine-tenths, and the other six families only one-tenth.

I am not denying that there is great inequality in this country and in all countries, but I say the census statistics are unfair upon which some agitators are undertaking to say, as the Senator from Kansas said, if this was not cured by law it would be cured somehow. Whether he meant to imply that he advises an attempt to be made to cure it without law or not, I do not know. I do not suppose he would take that responsibility; but that is what he said. Some agitators are attempting to bring upon the people of the country the discontent which such misleading, mistaken statistics would excite.

Now, let us take that sentence of the Senator. "The thing is to be cured by law or without law." What does that mean? Law in this country is the enacted opinion of a majority of the American people speaking through constitutional processes as to what ought to be done for the correction or prevention of abuses. When a man says that a thing is going to be done without law, he is simply saying that a minority of the American people are going to force their opinion upon the majority. That is all he is saying; and that is what that sentence means translated.

Mr. President, "it must needs be that offenses come; but woe to that man by whom the offense cometh." We all accept the truth of that divine utterance. But there never has been contrived among men any method of curing or preventing these evils except by the laws. There never has been contrived among men so good a remedy of that kind as the laws freely enacted by a free people for their own self-government, and among those there never has been contrived by mankind a better example than the laws which the American people will freely enact for their own self-government.

If, as I think, a great step toward removing all these evils is to give the American market to the American workman, the majority of the American people sooner or later will adopt that policy. If, as my honorable and able friend from Texas [Mr. MILLS] thinks, the cure for these evils is wholly or in large part freedom of trade among all mankind, he will address himself to the reason of the American people, and in the end the reasonable and the righteous view will prevail. But the thing is to be done according to the Constitution which the American people have erected, and according to the laws which they make for themselves, and according to the judgment of the majority of their commissioned servants here and in the other House, and in the local Legislatures of forty-four or fifty free and sovereign States.

Mr. President, another thing the honorable Senator said. He says that the destitution in Massachusetts among the working-men, the number of people who do not own their houses, and the number of people who live in crowded and unwholesome tenements are increasing. I absolutely deny that proposition, except with the limitation I shall state. Massachusetts is one of the great gates of immigration into this country. There are two, Castle Garden and Boston Harbor; and the latchstring is out. That has been the American policy hitherto.

Whether we have got to make a change in it hereafter some of us, and all of us perhaps, are inquiring; but at any rate the policy is that every man not actually a pauper or a criminal (and of course a large number who are paupers or criminals come in), the poor, the oppressed, the men without work, the child without parents living, shall come in. They stop in our cities; and our hospitals, our institutions of charity and education are crowded with persons who are the products of other forms of rule and other civil polities. The native American, or the adopted American who has been here a long time, is in the New England States steadily growing and increasing and bettering his condition; he is becoming more comfortable.

The farmer who dwelt on the rocky hillside where the New England towns were builded has gone to the Western city or to the manufacturing village at home. He is an employer of labor; he is a director of men; he has his comfortable dwelling. The community where I was bred is, I think, perhaps the most perfect example of a social democracy that ever existed on the face of the earth. The poorest and humblest child in the whole town was the equal and friend of the wealthiest and most important person in it. I hardly know a single family among the farmers' families with whom I was familiar in my childhood where the present generation is not in some condition of honor or comfort or prosperity. Those workingmen have \$400,000,000 in the savings banks. You are not allowed to make a deposit of more than \$500 at once, and the average deposits made at once are only \$300. There are over 1,000,000 depositors. Out of our 2,250,000 inhabitants over 1,000,000 have a deposit in the savings banks. The deposits may grow—

Mr. HAWLEY. Does the Senator from Massachusetts want the exact sum deposited for New England?

Mr. HOAR. I am speaking of Massachusetts alone. I will let that go for the present. You can deposit, as I have said, but \$500 at one time. You can deposit in all but \$1,000. Then the deposit may grow by its own increment to \$1,500, and there it will stop. Now, there are a million and odd of the honest, frugal working people of that single Commonwealth, and as I understand the honorable Senator from Kansas—who I will not say opposes, because I have great respect for his sincerity, and I have for his intelligence also; I do not wish to say anything unkind of him—but he stands up here and believes himself to be the special representative of the poor, and he proposes to put an income tax on those deposits.

Mr. PEFFER. I do not.

Mr. HOAR. That is the proposition which is before the Senate at present. I am glad to hear that the Senator does not propose to do it. Somebody proposes to do it.

Mr. PLATT. The depositors get only 4 per cent interest.

Mr. HOAR. They get only 4 per cent interest, and out of that an income tax is to be taken.

There is not anything on the face of the earth so much an object of respect, of sympathy, and I had almost said, and will say, of reverence, as an honest and poor man seeking for work; and

there is no higher function or duty of legislative power than to endeavor to supply that need.

Now, there is another thing to be said about this inequality of property, which the Senator's inquiry into the statistics ought to enable him to answer. I put an inquiry hastily, and was not understood. I spoke of \$200,000,000 a year.

Mr. President, there is more than \$1,000,000,000 a year expended in this country for the single articles of beer and whisky alone. Adding to that imported liquors; adding to that several hundred million dollars expended for tobacco, and you have probably an expenditure of fifteen hundred or two thousand million dollars annually in this country for those things, which if not vices are at least self-indulgences. I think before you distribute the property of the rich man, man for man, among the people, you want to know some way by which you can distinguish between the man who has earned the money and has laid it up, as these men have in their savings banks, and the other man who has earned his money and might have it if he chose to lay it up, but has preferred to spend it in whisky and in tobacco.

I do not think that the man who with a wife and five children has a little house and a thousand dollars laid up in the savings bank in Massachusetts or in Texas, or anywhere else, ought to be called upon to divide with a man who had the same chance that he has had, but would rather pass all his money down his throat or have it go off in smoke in his pipe. I want some statistics on that subject before we have a universal rule.

The Senator from Kansas says that there is as much drunkenness among the class of people I speak of in Boston as there is anywhere else; that he has been there. If he has been there (and it is his observation that he was there) he was very unfortunate indeed in the associates he formed there, or in the class of persons he visited. That is not my experience. Those 1,250,000 persons who have these deposits in the savings banks are sober, industrious, honest, temperate, frugal, patriotic, and hard-working American citizens. When I stand up for the rights of property it is for every right of property that I stand. The great accumulations can take care of themselves.

I voted years ago for a law which should prevent the acquisition of large quantities of our Western lands in single hands, and if the Senator from Kansas or any other Senator can show me how to put a stop to the railroad wreckings, to the gambling in the necessities of life, to speculating, to the getting of money which has not been earned by the rich men in this country, he shall not find me behindhand in the support of such a measure. But when he comes here to propose to take from honest labor the stimulant of honest gain and the hope of acquiring an honest competence, our paths will separate. The eternal law, "In the sweat of thy face shall thou earn thy bread," is a law as beneficent as it is inevitable; but when the bread has been earned, let it belong to the man who earned it and to his children, and not to the idler, or the vagrant, or the drunkard who has not tried to earn it.

Mr. PEFFER. Mr. President, I am somewhat at a loss to understand why the Senator from Massachusetts conceived the idea that I was trying either to take away any of the money belonging to his people or that I had in any respect whatever intended to attack his people. When I brought forward the tables showing the number of families in the country and their average wealth, if the Senator had been following the line of my argument instead of allowing his suspicions of evil to be aroused, he would have seen that my object was one and only one, and that it was altogether different from that in the mind of the Senator, which is very prolific.

My object was to show that the poor people were paying a larger proportion of the tax on sugar than the rich people, and that the reason of this difference in the amount of the payments came because of the disparity between the number of poor families in the country and the number of rich families in the country. I was not then attacking the system which had brought about this disparity. I have had occasion to do that several times, and there would not have been a word said by me outside of this particular line of argument if Senators had not stimulated it by their questions.

I have discovered a disposition upon the part of the aged Senator from Massachusetts (and I hope he will not be offended when I call him aged, because he is considerably older than I am) to become irascible when I or any of the people who believe as I do come close to the border line between the rich and the poor, and begin to either gather flowers there or pick up débris; and he pounces upon us as if we were invading sacred territory and had no business there. A Senator has as much business in Massachusetts as he has in his own State, if he is there lawfully. It is as much his business and as much his duty to criticise the people of Massachusetts as it is to criticise the people of his

own State, if in the discharge of his duty he thinks he ought to do so.

But what I wanted to say upon this point was that I had no intention of making any attack upon the people of Massachusetts, nor had I any disposition to take away from the poor people a dollar of their earnings. The Senator charges that I assume to be the special champion of the poor. While I disclaim the intention, if it is true that I happen to be a special champion of the poor.

Mr. HOAR. I did not say that. I do not think he is. I said he assumed to be.

Mr. PEFFER. I understood the Senator to say that I assumed to be.

Mr. HOAR. Yes; that is it.

Mr. PEFFER. And that I want to be so considered. I say to the Senator I do want to be considered as the champion of the poor people and not the champion of the rich people. I want to say to the Senator that I am proud I am a poor man. I thank God, Mr. President, that I am not a rich man. If I was I would not be here, and if I was I could not say what I am saying now. I am free. If poverty does nothing else for a man it makes a freeman of him. The more riches you heap upon a man the more you enslave him. The narrower you make his horizon the more you cramp his moral powers in ninety-nine cases out of every hundred. Keep him poor; that is to say, keep him along the line of competency, and then he is free.

No, Mr. President, I would have every poor man have a home. And I would do more than that. Every old man and old woman who have passed through a lifetime of toil and have not saved anything for their old age I would pension the same as I would pension a soldier who had risked his life for the safety of the Republic. I would send the old people down to the grave in comfort instead of sending them to the almshouses and to the poorhouses.

In that respect I do want to be the champion of the poor, and I do not wish it to be understood in the sense of the ring of the pugilist, that is to say, that he is the best defender, the best fighter, the most distinguished, the most competent, and all that. I want to be in the ranks, but I want to be a defender of the poor; and whenever I become so rich that I can not do that I think my usefulness will be ended.

Mr. President, the Senator insists upon putting a construction upon language used by people such as I am that they themselves did not intend, and such as a reasonable construction of the language will not bear. The Senator would hold me up before the people as threatening a revolution, as threatening to accomplish something without law. What I said was that these things will come about. I hope they will come by legislation; that is to say, something that we have yet to do. I hope by language such as I am using, and by things that are going on all over this country, in a little while the legislative bodies of the country will be driven to do something. Here we have been six months or more playing with the tariff question, wasting time, frittering it away, apparently not trying to reach a conclusion. It was that thought I had in my mind. I want these things to come about by legislation, by affirmative action on the part of legislative bodies. Then I said, "But if they do not come about by legislation, they will come;" and I mean that precisely. But I do not know how.

There has never yet been any great reformation of the world without the grinding process that the glacier experiences when it goes grinding down the gulch in the mountain. There must be friction. And there has never yet been any great step forward without the shedding of blood. I do not expect that there is going to be any great war such as we lately passed through, but I do believe there is trouble close to us, and it is our duty as wise men to understand it and get ready for it.

Look at the roving bands that are now moving over the country. They are called train-stealers. If they would steal a whole railroad the leader would be sent to Congress at the very next election; but they only steal a train. And, Mr. President, they do not steal that; they simply take possession of it and use it to get to where they want to go, and then send it back if only let alone.

Mr. President, these are symptoms like the drops of rain that come from the approaching cloud. It is like the rumbling of the feet of the army that you listen to when you put your ear upon the ground, or like the coming of the railway train when you place your ear upon the rails. We see these things in the distance.

The people who come here, a dozen or two at a time, are not bad men. I heard the venerable Senator from Ohio [Mr. SHERMAN], standing here by his seat, where he has stood so many times, charge that these men came with the intention of violating the law. They did not come with the intention of violating

the law; they came with the intention of testing the law, and they did test it. Now, before the great body of the people that verdict and judgment are being discussed as to whether the violation of the law was properly punished. Men are traveling over the country. I have in my possession a description of the men who came through Kansas. The attorney for the Missouri Pacific Railroad wrote a letter to the governor, asking him to organize the militia immediately and send them out to capture the train-stealers.

The governor very politely responded that he had no information about there being any train stealers in Kansas; that if there were any thieves at large, surely the loyal people of loyal Kansas would take care of them. When those train stealers came to the capital of the State the people without regard to party went down and fed the men, and they gave them the capital grounds to camp in. Many of the good people opened their houses and fed them. I have a description from the Daily Capital, the leading Republican paper of the State, speaking of the character of the men, how they behaved, how intelligent they were, and it appears they were all Republicans. [Laughter in the galleries.]

**THE PRESIDING OFFICER.** The occupants of the galleries are reminded that by the rules of the Senate marks of approbation or disapprobation are not allowed. The Chair hopes that such manifestations will not be repeated.

**MR. PEFFER.** I have an editorial article from the Minneapolis Messenger, owned and published by a distinguished Republican, who was lieutenant-governor for four years. He speaks of one of his neighbors, giving his name, who went among these train stealers, talked with them, learned of their politics, and it was wonderful how quickly those thieves were transformed into patriots when it was discovered that instead of being Populists, they were unanimously Republicans. Ninety per cent of those men in the North are Republicans, and not only have voted the Republican ticket, but they expect to vote it this fall if they can only get Republicans who have respect for the rights of the people.

Mr. President, I did say that the poverty of Massachusetts is increasing, and increasing in proportion to the whole body of the people. The State is growing richer from year to year. The little State of Massachusetts saved more in the last ten years than all of nine great agricultural States that I can mention. I repeated them once before in the Senate. I will repeat them now, if I can remember them correctly, and I think I can: Indiana, Illinois, Iowa, Nebraska, North Carolina, South Carolina, Mississippi, Georgia, and Louisiana. Nine great agricultural States saved less of wealth by \$10,000,000 in ten years than the people of little Massachusetts. The State of Massachusetts occupies a territory of about 8,000 square miles, and these nine States occupy a territory of 258,000 square miles, having seven times as much population in 1880 and two and a half times as much wealth as Massachusetts; yet the people of that State saved during those ten years \$10,000,000 more than all the people of these nine great agricultural States.

But while that is true, the farmers did not save anything. I say to the Senator that there are not as many farmers now in the uphill country of Massachusetts as there were a hundred years ago. They have abandoned their farms and many of the lands are thrown out to shrubbery and to grass. The Senator may deny it, but the truth remains the same. The farmers of Massachusetts have suffered just as the farmers in the other portions of the country, and in proportion to the total number of the population the number of poor people is increasing rapidly every year. The number of renters is increasing. The amount of indebtedness is increasing. I hope the Senator will examine the figures, and that, before attributing improper motives or improper action to me, he will see whether I am not stating the truth. The temperance question has nothing whatever to do with it.

I believe, Mr. President, I have said all I wished to say.

**MR. HOAR.** I wish simply in answer to the Senator's statement about the comparative saving—

**MR. PEFFER.** Yes; there is another thing I want to say, but I will wait until the Senator gets through.

**MR. HOAR.** The census report on that point was put in this debate originally by the Senator from Iowa [Mr. ALLISON] if I can find it. I have the notes here.

**MR. PEFFER.** I do not find it now. I had it a moment ago. Will the Senator from Massachusetts allow me?

**MR. HOAR.** Certainly.

**MR. PEFFER.** If the Senator will refer to the report of the Commissioner of Internal Revenue showing the amount of revenues collected from license taxes or liquor sellers, he will find that his State figures very largely.

**MR. HOAR.** The census report which was put in by the Sen-

ator from Iowa the other day and which I have also stated once before, shows that the wealth of the New England States, including Massachusetts, in the past ten years increased \$23 per capita, while the Southern agricultural States (I do not think the State of Illinois was included, but all the other States mentioned by the Senator from Kansas were included except Illinois and Indiana) increased \$148 per capita, more than six times as much.

**MR. PEFFER.** Mr. President, just a word. I did not quite understand what the Senator said, but he was showing the percentage of increase in wealth, was he not?

**MR. HOAR.** Yes. If the Senator says that those people, having increased their wealth \$148 per capita against our \$23 per capita, did not save as much as we did, that is a matter he can work out to his own satisfaction.

**MR. PEFFER.** The statement has frequently been made, and it is true, that, for example, Kansas increased in her wealth much more rapidly than the State of Massachusetts. The rate of increase by percentage during the ten years in the State of Massachusetts was about 40 per cent, while it was about 86 per cent in Kansas. Over in Nebraska they lead us about 10 per cent. Their increase there was about 95 per cent. In the State represented so ably by my friend, the Senator from Wyoming [Mr. CAREY], their increase was still greater. In Idaho it was over 110 per cent.

**MR. HOAR.** This is the increase per capita that I have given.

**MR. PEFFER.** I will come to that in a moment. So with all the newer States the percentage of increase in the saving of wealth was much greater—two, three, four times greater—than that of the State of Massachusetts. But, Mr. President, it comes about in this way. It is not from the saving of earnings in such things as are represented by savings in savings banks or in buildings, but it has come by the conquest of wild lands, bringing under subjection lands that did not cost us a farthing in many instances except that which was paid out in surveying—\$14 or \$15 for 160 acres of land.

In the course of the administration of four years of Governor Martin, of Kansas, we settled 23 counties, a territory very nearly as large as all of New England. We builded schoolhouses, we builded bridges, and we builded railways until we increased the taxable value of that region a thousand per cent. So it is that in about forty years we have taken a naked wilderness and transformed it into an empire with 9,000 miles of railway, nearly 10,000 schoolhouses, and populated by a people who are able to produce 75,000,000 bushels of wheat in a year, while the old State of New York can only produce from twelve to fifteen and seventeen million bushels.

In this way, by the taking of land that God gave to us and by putting it in a condition for His sunshine and His rain to bring forth fruitage, this increased wealth goes upon the tax rolls, but God made it for us. We did not make it ourselves. That is the reason why the increase of our wealth appears to be so large. But when you come to the actual wealth they have saved you will find that it is very little. We do not have much money in our savings banks—not nearly as much as I wish we had to put there.

**MR. HOAR.** The statement as the Senator from Kansas now leaves it seems to me to have a good deal of a comical element in it. First he depicted the poverty and squalor of his people and showed how much better off—

**MR. PEFFER.** I did not speak of the poverty of my people and I do not want the Senator or anybody else to say so.

**THE PRESIDING OFFICER.** Does the Senator from Massachusetts yield to the Senator from Kansas?

**MR. HOAR.** The Senator from Kansas depicted the squalor—

**THE PRESIDING OFFICER.** The Chair understands that the Senator from Massachusetts declines to yield.

**MR. PEFFER.** I do not want him to yield, but I want him to hear that.

**MR. HOAR.** It was the poverty of which he said he was the champion, at any rate. Then he made his complaint about the East, and I showed from the census while in ten years we had increased \$23 per capita they had increased in those agricultural States \$148 per capita, or six times as much. Then the Senator turns around and says, "Oh, that is what God gave us. We got our land for nothing, in the first place, and then it increased," to use his own phrase, "a thousand per cent" under the administration of some particular governor, Governor Martin I believe was the name. It has seemed to me a little peculiar that the people to whom the nation gave their lands for nothing while our people have to pay for their farms if they get them, and whom God without their own agency has increased in wealth a thousand per cent should turn around and be reviling the poor fellows who have had to earn their living themselves, and be very

indignant that while they increased in wealth \$148 per capita we have increased only \$23 per capita, and should desire to break down the miserable system under which this great inequality exists.

The Senator said one other thing which I wish to advert to. He spoke of the agricultural decline in Massachusetts. That is a great mistake. The Massachusetts census shows that in thirty years, since the present tariff policy has been going on, the value of our agricultural lands and of our agricultural implements has more than doubled. We increased, I think, over \$20,000,000 in the ten years between 1875 and 1885, covered by our two State censuses which come at periods of ten years. This is true: We are a hilly country and we are a rocky country except in our interval lands lying by the side of the streams. Our ancestors for some reason which history has not preserved built our villages and the farm houses on the tops of the hills.

Some people think it was for better protection against the Indians. I rather conjecture that it was for protection against malaria and the fever and ague of the swamps; but nobody knows. With the last twenty-five or thirty years, since manufacturing has become so prosperous and the railroads have been built the farmers have gone down from the hilltops to the valleys. The farmer's wife does not like the old hard work of her grandmother. She likes to be in the village where she can visit her neighbors and her neighbors can visit her, and where she can go to lectures and to church, and the children can go to school. I think the whole amount in the State, estimated by Mr. Wadlin last year, is only about \$1,000,000 worth all told, but we have what are called abandoned farms amounting to a little over a million dollars in value. That is the explanation of it.

But, as I said, the agricultural returns show a constant increase in our agriculture. The county of Worcester where I live was, under the census of 1880, the fourth or fifth county in this country in agricultural products. I am speaking now from memory. I do not remember the figures exactly, but it was thereabouts; and it was the first county in this country, and therefore the first on the face of the earth, where, out of the joint product of labor and capital, labor got the largest share.

Mr. PEFFER. Labor ought to do it always.

Mr. HOAR. I agree with the Senator. That is your honest community, and it is a good honest policy that brings that to pass. It is the first community on the face of the earth, I repeat, where labor got the largest share; and the share that capital gets is constantly diminishing. When I started in life and used to be the business adviser of business men everybody expected that as a matter of course his invested capital would bring him in 10 per cent.

The rate of interest was 6 per cent. It had to be kept down by a usury law. People were constantly trying to evade it by all manner of contrivances. The railroad stocks paid 10 per cent dividends. The bank stocks stood in the market at par and paid a 10 per cent dividend. The man who built a house and rented it expected to get at least 12 per cent after paying his taxes and repairs and interest. Now the man is lucky if he can get 4 per cent. A good town bond payable twenty years hence in the State of Connecticut sold a little while ago within my observation for 2.7 per cent, or at a rate of 2.7 per cent interest for thirty years. Capital is constantly going down; and the millennium of bringing up labor and bringing up the poor man which the Senator from Kansas looks for is advancing with rapid strides in this country and in New England.

I have often heard the Senator attack and criticise the banks. In Massachusetts a bank with a capital of \$100,000, and a surplus of 35 or 40 per cent is very lucky if it can pay semiannually a dividend of 2½ per cent, or 5 per cent per annum, on a capital of one hundred thousand, although the bank has a surplus of thirty-five or forty thousand dollars. That is the condition of things all through. There is not a State in this country that can not do the same thing. Georgia has a better chance than we have and is laying up more money than we under the present policy. Kansas has a better chance than we have. Her people have got their land for nothing. The Senator says God has multiplied it, without their help, and added a thousand per cent. What is there to be complained of when we are bringing these things to pass?

Gentlemen seem to forget in the evils of poverty and the evils of life how rapidly we are curing them under the free and beneficent operation of American institutions. Is there any other people on the face of the earth the Senator from Kansas wants to exchange with? The Emperor of Russia rules over a sixth part of the entire human race. Would anybody the Senator champions like to change with the Russian serf? The Queen's empire in India is, I think, from 250,000,000 to 350,000,000 souls. China has 400,000,000 souls. Do any of these discontented Populist Americans who think our institutions are so bad want to change places with them? The people of the islands of the

Southern Archipelago have the Italian skies above their heads and the Sicilian luxuriance beneath their feet. Would these discontented gentlemen like to change with any of these people?

Mr. President, whatever evils may exist, this Constitution, this Government, this policy, this freedom of ours is bringing men out of barbarism into civilization, out of poverty into wealth and comfort, out of slavery into freedom. In one or two generations, certainly in a single century, we have done more in these directions than the whole world was ever able to do before.

The PRESIDING OFFICER. The reading of the bill will be proceeded with.

Mr. HAWLEY. I was thinking of talking for a while this evening; but I believe I will appeal to the good nature of the Senator from Tennessee [Mr. HARRIS] and ask him if we have not some executive business to transact. I do not care to go on to-night.

Mr. HARRIS. In answer to the suggestion of the Senator from Connecticut, I will state that the country is exceedingly impatient at the length of time which has been consumed in the consideration of the pending bill. In my opinion it has a right to be impatient. The business of the country has suffered, and is suffering day by day and hour by hour because of our inexorable delay. I give notice that on and after Monday next, so far as I can control it, the sessions of the Senate will be continued to much later hours than heretofore.

Now, in answer to the appeal of the Senator from Connecticut, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at 5 o'clock and 57 minutes p. m.) the Senate adjourned until to-morrow, Saturday, June 2, 1894, at 10 o'clock a. m.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate June 1, 1894.*

#### COLLECTOR OF CUSTOMS.

Peter C. Doyle, of New York, to be collector of customs for the district of Buffalo Creek, in the State of New York.

#### POSTMASTERS.

Thomas J. Deck, to be postmaster at Orange City, in the county of Sioux and State of Iowa.

Pennell C. Evans, to be postmaster at Easton, in the county of Northampton and State of Pennsylvania.

Thomas Chalfant, to be postmaster at Danville, in the county of Montour and State of Pennsylvania.

Frank Bowman, to be postmaster at Lexington, in the county of Lafayette and State of Missouri.

Harry B. Paul, to be postmaster at Camden, in the county of Camden and State of New Jersey.

W. C. Pease, to be postmaster at Cumberland, in the county of Barrow and State of Wisconsin.

#### HOUSE OF REPRESENTATIVES.

FRIDAY, June 1, 1894.

The House met at 12 o'clock m. Prayer by the Chaplain, Rev. E. B. BAGBY.

The Journal of yesterday's proceedings was read and approved.

#### LOCKS AND DAMS IN THE MISSISSIPPI RIVER.

The SPEAKER laid before the House the following concurrent resolution of the Senate:

*Resolved by the Senate (the House of Representatives concurring), That the Secretary of War be, and is hereby, authorized and directed to transmit to the Senate the reports of any surveys or estimates that may have been made since his last annual report to Congress with reference to the construction of locks and dams in the Mississippi River between the Chicago, St. Paul, Minneapolis and Omaha Railway bridge at the city of St. Paul and the Falls of St. Anthony in the State of Minnesota.*

Mr. CATCHINGS. I ask unanimous consent that this resolution be now put upon its passage.

There being no objection, the House proceeded to the consideration of the resolution, which was concurred in.

#### GEN. NAPOLEON J. T. DANA.

The SPEAKER also laid before the House the following resolution of the Senate:

*Resolved, That the Secretary be directed to furnish to the House of Representatives, in compliance with its request, a duplicate engrossed copy of the bill (S. 104) for the relief of Gen. Napoleon J. T. Dana.*

The SPEAKER. The duplicate copy referred to in the resolution just read accompanies the message from the Senate.

Without objection, it will be referred to the Committee of the Whole House on the Private Calendar.

There was no objection.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. HICKS, for the rest of the week, on account of illness.

#### PROTECTION OF FUR SEALS.

Mr. MCCREARY of Kentucky. Mr. Speaker, I ask unanimous consent for the present consideration of Senate bill No. 2020, supplementary to an act approved April 6, 1894, for the execution of the award rendered at Paris, August 15, 1893, by the Tribunal of Arbitration constituted under the treaty between the United States and Great Britain, concluded at Washington, February 29, 1892, in relation to the preservation of the fur seal.

The SPEAKER. The bill will be read, subject to objection.

The bill was read, as follows:

A bill supplementary to an act approved April 6, 1894, for the execution of the award rendered at Paris, August 15, 1893, by the Tribunal of Arbitration constituted under the treaty between the United States and Great Britain, concluded at Washington, February 29, 1892, in relation to the preservation of the fur seal.

Whereas by the seventh article of the treaty between the United States and Great Britain, concluded at Washington February 29, 1892, in relation to the preservation of the fur seal, the high contracting parties agree to cooperate in securing the adhesion of other powers to such regulations as the arbitrators under said treaty might determine upon for that purpose; and

Whereas by an act of Congress approved April 6, 1894, provision has been made by the United States for the execution of the regulations so determined upon and for the punishment of any infractions of said regulations; Therefore,

*Be it enacted, etc.*, That the procedure and penalties provided by said act, in case of the violation of the provisions of said regulations, are hereby made applicable to and shall be enforced against any citizen of the United States, or person owing the duty of obedience to the laws or the treaties of the United States, or person belonging to or on board of a vessel of the United States, who shall kill, capture, or pursue, at any time or in any manner whatever, as well as to and against any vessel of the United States used or employed in killing, capturing, or pursuing, at any time or in any manner whatever, any fur seal or other marine fur-bearing animal, in violation of the provisions of any treaty or convention into which the United States may have entered or may hereafter enter with any other power for the purpose of protecting fur seals or other marine fur-bearing animals, or in violation of any regulations which the President may make for the due execution of such treaty or convention.

Mr. MCCREARY of Kentucky. This bill has passed the Senate, is approved by the State Department, and has been unanimously reported by the Committee on Foreign Affairs of the House. It is supplementary to the act of April 6, 1894, and simply extends the provisions of that act to the other nations with whom we have treaties and who have also interests in the preservation of the fur seals so that they may be benefited by the law.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HITT. This bill is very similar to one that was passed some time ago in pursuance of the convention with Great Britain, and will simply extend its provisions to other nations with whom conventions have been already held, or may be hereafter held, touching the preservation of the fur seal.

There being no objection, the bill was considered, ordered to a third reading; and being read the third time, was passed.

On motion of Mr. MCCREARY of Kentucky, a motion to reconsider the last vote was laid on the table.

A. P. H. STEWART.

Mr. GEAR. Mr. Speaker, I ask present consideration of the bill (S. 1325) for the relief of A. P. H. Stewart.

The SPEAKER. The bill will be read, subject to objection. The bill was read, as follows:

*Be it enacted, etc.*, That the Commissioner of Internal Revenue be, and he is hereby authorized and directed to reexamine and settle the following claim for tax on bagging and rope wrongfully paid on Government cotton, alleged to have been illegally assessed and collected, and the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the amounts of taxes so found by said Commissioner of Internal Revenue as aforesaid to have been illegally and improperly assessed and collected, to the party hereinbefore named: *Provided*, That the amount paid in any case shall not exceed the amount hereinafter named:

To A. P. H. Stewart, \$185.00.

Mr. SAYERS. I would like to have some explanation in regard to this measure, how much expenditure, if it becomes a law, it will involve.

Mr. SPRINGER. What is the amount involved?

The SPEAKER. The Clerk will report the amount.

The Clerk read as follows:

One hundred and eighty-five dollars and sixty-nine cents.

Mr. GEAR. This is to refund the cotton tax paid by this man. It passed the Senate unanimously, was favorably reported by the House committee, and is recommended by the Commissioner of Internal Revenue. It carries no appropriation except to pay

this out of the money now in the hands of the Commissioner of Internal Revenue.

Mr. SAYERS. Do I understand that this is a refund of the cotton tax?

Mr. GEAR. It is to refund a tax which was prepaid by this party on bagging and rope on some Government cotton.

Mr. KILGORE. And prepaid improperly, being wrongfully assessed. For one time I would be willing to ask the House to pass this bill. [Laughter.]

Mr. SAYERS. I understand my colleague [Mr. KILGORE] advocates the bill, and I am therefore inclined to think it must be all right.

There being no objection, the bill was considered, ordered to a third reading; and being read the third time, was passed.

On motion of Mr. GEAR, a motion to reconsider the last vote was laid on the table.

#### EXTRADITION OF CRIMINALS, RUSSIA.

Mr. STRAUS. Mr. Speaker, I ask unanimous consent to present the resolution I send to the desk for printing and reference.

The resolution was read at length.

Mr. EVERETT. I make the point of order that it must be referred to the Committee on Foreign Affairs.

The SPEAKER. The resolution will be referred to the Committee on Foreign Affairs.

#### WITHERBY & GAFFNEY.

Mr. CHICKERING. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 4507) for the relief of Witherby & Gaffney.

The SPEAKER. The bill will be read, subject to objection. The bill was read at length.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CONN. I would like to have some explanation of this bill.

Mr. STALLINGS. I demand the regular order.

The SPEAKER. The gentleman from Alabama demands the regular order, which is equivalent to an objection.

#### REPORT OF COMMISSIONER OF FISH AND FISHERIES.

Mr. RICHARDSON of Tennessee. Mr. Speaker, I ask leave to present for consideration a resolution from the Committee on Printing, providing for the printing of the annual report of the Commissioner of Fish and Fisheries.

The SPEAKER. The resolution will be read.

The resolution was read, as follows:

*Resolved by the House of Representatives (the Senate concurring),* That the annual report of the Commissioner of Fish and Fisheries, for the fiscal year ending June 30, 1894, be printed, and that there be printed 8,000 extra copies, of which 2,000 shall be for the use of the Senate, 4,000 for the use of the House of Representatives, and 2,000 for the use of the Commissioner of Fish and Fisheries, the illustrations to be obtained by the Public Printer under the direction of the Joint Committee on Printing.

The resolution was considered and agreed to.

On motion of Mr. RICHARDSON of Tennessee, a motion to reconsider the last vote was laid on the table.

#### REPRINT OF A BILL.

The SPEAKER. The gentleman from New York [Mr. TRACEY] requests the reprint of the bill (H. R. 5857) to encourage American shipping, the original print being exhausted. Does the gentleman also wish the report reprinted?

Mr. TRACEY. The bill has not been reported. It is before the committee.

The SPEAKER. Without objection an order will be made for the reprint of the bill.

There was no objection.

#### RECOMMittal OF A REPORT.

Mr. OUTHWAITE. I am directed by the Committee on Military Affairs to request the recommittal of report No. 954, being a report on the bill H. R. 4453. The bill has been reported heretofore, and the committee wish this report recommitted.

The SPEAKER. The report or the bill?

Mr. OUTHWAITE. The report.

The SPEAKER. The Clerk will report the title of the bill. The Clerk read as follows:

A bill (H. R. 4453) providing for the dedication of the Chickamauga and Chattanooga National Park.

The SPEAKER. The gentleman from Ohio [Mr. OUTHWAITE] asks that the report, No. 954, upon this bill be recommitted to the Committee on Military Affairs. Does the gentleman desire to add to the report?

Mr. OUTHWAITE. The bill was reported heretofore with a more extensive report. By a mistake it was again reported with this report. I wish this report, No. 954, recommitted.

**THE SPEAKER.** Without objection, the report indicated by the gentleman will be recommitted, as requested. The regular order has been demanded. The regular order is the call of committees for reports.

## ENTRY OF STEAMSHIPS.

**MR. DINGLEY.** Before the committees are called, I ask the gentleman from Alabama [Mr. STALLINGS] to withdraw the demand for the regular order, in order to secure the passage of a bill to facilitate the entry of steamships, the passage of which is desired by the Treasury Department and unanimously recommended by the Committee on Interstate and Foreign Commerce.

**MR. STALLINGS.** I withdraw the demand for the regular order, for that purpose.

**THE SPEAKER.** The demand being withdrawn, the Chair will recognize the gentleman from Maine [Mr. DINGLEY], who asks unanimous consent for the present consideration of the bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (S. 1886) to facilitate the entry of steamships.

**THE SPEAKER.** The Clerk will report the bill, after which the Chair will ask if there be objection to the request for unanimous consent for its present consideration.

The bill was read at length.

**THE SPEAKER.** Is there objection to the request for the consideration of this bill?

**MR. DINGLEY.** This is a Senate bill, unanimously reported by the Committee on Interstate and Foreign Commerce, and recommended by the Treasury Department. The object is to facilitate the entry of steamships running in regular lines. As it is now, a steamship arriving in any port of entry after the closing of the custom-house in the afternoon, has to wait until the next day to commence the discharge of her cargo. This bill provides that there may be a preliminary entry, under regulations made by the Secretary of the Treasury, to the customs officer who boards the vessel on its arrival in the harbor. This facilitates the discharge of cargo without any interference whatever with the progress of business, especially in relation to regular steamship lines.

**THE SPEAKER.** Is there objection to the request for the present consideration of the bill?

There was no objection.

**MR. SPRINGER.** Can the Chair entertain a request for unanimous consent during the call of committees for reports?

**THE SPEAKER.** This was done before the call of committees for reports was begun. The Chair had directed the call, and then the gentleman from Maine [Mr. DINGLEY] asked the gentleman from Alabama [Mr. STALLINGS] to withdraw the demand for the regular order, and this being a public bill, it was done. The question is on the third reading of the Senate bill.

The bill was ordered to a third reading, and was accordingly read the third time, and passed.

On motion of Mr. DINGLEY, a motion to reconsider the last vote was laid on the table.

## COMMITTEE REPORTS.

**THE SPEAKER.** The regular order has been demanded. The regular order is the call of committees for reports.

## PUBLIC BUILDING, DAVENPORT, IOWA.

**MR. ABBOTT**, from the Committee on Public Buildings and Grounds, reported the bill (H. R. 4764) to authorize additions to and improvements in the public building at Davenport, Iowa; which was read a first and second time and, with the accompanying report, ordered to be printed, and referred to the Committee of the Whole House on the state of the Union.

## DYNAMITE-GUN CRUISER VESUVIUS.

**MR. TALBOTT** of Maryland, from the Committee on Naval Affairs, report the bill (S. 826) to remit the penalties on the dynamite-gun cruiser Vesuvius; which was read a first and second time, and, with the accompanying report, ordered to be printed, and referred to the Committee of the Whole House on the state of the Union.

## PUBLIC BUILDING AND GROUNDS, LITTLE ROCK, ARK.

**MR. BANKHEAD**, from the Committee on Public Buildings and Grounds, reported back with amendments the bill (H. R. 1934) to provide for the improvement of the building and grounds of the United States court and post-office at Little Rock, Ark.; which was referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report, ordered to be printed.

## MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. PLATT, one of its clerks announced that the Senate had passed the bill (S. 513) granting the use of certain lands in the Hot Springs Reservation, in the State of Arkansas, to the Barry Hospital; in which the concurrence of the House was requested.

## ORDER OF BUSINESS.

**MR. SPRINGER.** Mr. Speaker, I move that the House do now resolve itself into the Committee of the Whole on the state of the Union for the purpose of considering the bill known as the Brawley bill.

**MR. ENLOE.** I move that the House resolve itself into the Committee of the Whole for the purpose of considering bills on the Private Calendar.

**THE SPEAKER.** This being Friday, the motion of the gentleman from Tennessee [Mr. ENLOE] will have to be first put.

**MR. COX.** Mr. Speaker, before either one of those motions is put, I desire to request that any member who desires to do so may have leave to print in the RECORD his views in regard to the Brawley bill and amendment.

**THE SPEAKER.** The gentleman from Tennessee asks unanimous consent that gentlemen desiring to print in the RECORD remarks upon the Brawley bill and amendment may be permitted to do so.

**MR. RICHARDSON** of Tennessee. Mr. Speaker, I want to say that I will not object to the request to print, if it is confined to printing remarks or speeches of gentlemen that have been prepared or may hereafter be prepared; but I do object, and shall object, if it is to be considered as granting permission to print arguments or theories or doctrines of other persons, not delivered on the floor and who are not members of the House. I do not think we ought to publish any books or treatises in the RECORD; but that whatever is printed under this leave, if granted, ought to be the production of the member himself.

**MR. CANNON** of Illinois. I do not think Henry George has written a treatise upon this exact question. [Laughter.]

**MR. RICHARDSON** of Tennessee. I did not know but that Professor Gunton, the author of a book on Economics, that has been printed in the RECORD by gentlemen, might have written something on this question.

**MR. BURROWS.** Mr. Speaker, I understand that general debate upon this proposition has not yet been closed, and positively it will continue long enough to accommodate all who desire to speak; and therefore for the present I object.

**THE SPEAKER.** Objection is made. The gentleman from Illinois [Mr. SPRINGER] moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill in relation to the tax on State bank notes, and the gentleman from Tennessee [Mr. ENLOE] moves that the House resolve itself into the Committee of the Whole for the consideration of private bills on the Calendar. This being Friday, that motion must be first put. If the House desires to go on with the other bill, they can vote down that motion; if not, they can vote to go into Committee of the Whole on the Private Calendar.

The question was taken; and the Speaker announced that the noes seemed to have it.

**MR. REED.** Division.

The House divided; and there were—ayes 60, noes 93.

**MR. REED.** Yeas and nays.

**MR. HENDERSON** of Illinois. I hope that will not be done, Mr. Speaker.

The yeas and nays were ordered.

**THE SPEAKER.** The Chair will appoint as tellers the gentleman from Tennessee [Mr. ENLOE] and the gentleman from Illinois [Mr. SPRINGER].

The question was taken; and there were—yeas 84, nays 140, answered “present” 3, not voting 125; as follows:

## YEAS—84.

Adams, Pa.	Ellis, Oregon	Martin, Ind.	Reed,
Alderson,	Enloe,	Marvin, N. Y.	Reilly,
Apsley,	Fletcher,	McCall,	Richardson, Tenn.
Babcock,	Gardner,	McDowell,	Shaw,
Baker, Kans.	Grosvenor,	McEttrick,	Smith,
Baker, N. H.	Grow,	McKaig,	Snodgrass,
Bingham,	Hager,	McKeigan,	Stockdale,
Boen,	Halmer,	McNagny,	Stone, W. A.
Bower, N. C.	Harmer,	McKlejohn,	Stone, Ky.
Bowers, Cal.	Harris,	Mercer,	Strong,
Campbell,	Hartman,	Morgan,	Sweet,
Capehart,	Heiner,	Nell,	Tawney,
Cooper, Tex.	Hooker, Miss.	O'Neil, Mass.	Taylor, Ind.
Cousins,	Houk,	Page,	Taylor, Tenn.
Culberson,	Hudson,	Payne,	Updegraff,
Curtis, Kans.	Johnson, Ind.	Pearson,	Walker,
Dalzell,	Johnson, N. Dak.	Pickler,	Wanger,
Davis,	Kyle,	Post,	Wilson, Ohio
Dingley,	Lapham,	Powers,	Wilson, Wash.
Dolliver,	Linton,	Quigg,	Wolverton,
Draper,	Loudenslager,	Randall,	Wright, Mass.

## NAYS—140.

Abbott,	Conn,	Ildirt,	Pendleton, Tex.
Alexander,	Cooper, Ind.	Izlar,	Pendleton, W. Va.
Arnold,	Cox,	Johnson, Ohio	Perkins,
Avery,	Craig,	Kem,	Pigott,
Baldwin,	Cummings,	Kilgore,	Rayner,
Bankhead,	Daniels,	Kribbs,	Robbins,
Barnes,	De Armond,	Lacey,	Robertson, La.
Barwig,	Denson,	Lane,	Russell, Ga.
Bell, Colo.	Dinsmore,	Latimer,	Sayers,
Bell, Tex.	Dunphy,	Lawson,	Shell,
Black, Ga.	Durborow,	Layton,	Sorg,
Bland,	Edmunds,	Lester,	Sperry,
Boatner,	Ellis, Ky.	Livingston,	Springer,
Branch,	English, N. J.	Lucas,	Stallings,
Bretz,	Epes,	Lynch,	Stephenson,
Brookshire,	Erdman,	Maddox,	Stone, C. W.
Brosius,	Fithian,	Mallory,	Straif,
Brown,	Fyan,	Marsh,	Straus,
Bryan,	Gear,	Marshall,	Swanson,
Bundy,	Geissenhainer,	McCleany, Minn.	Talbert, S. C.
Bynum,	Goldzier,	McCreary, Ky.	Talbot, Md.
Cabiness,	Grady,	McCulloch,	Tarsney,
Cadmus,	Graham,	McDearmon,	Tate,
Cannon, Cal.	Grout,	McGann,	Terry,
Cannon, Ill.	Hall, Minn.	McLaurin,	Tucker,
Catchings,	Hall, Mo.	McMillin,	Turner, Ga.
Causey,	Hare,	McRae,	Turner, Va.
Chickering,	Haugen,	Meyer,	Warner,
Clancy,	Hayes,	Money,	Waugh,
Clark, Mo.	Heard,	Montgomery,	Wedock,
Clarke, Ala.	Henderson, Ill.	Moses,	Wells,
Cobb, Ala.	Henderson, N. C.	Oates,	Wheeler, Ala.
Cobb, Mo.	Hitt,	Ogden,	Williams, Ill.
Cockrell,	Holman,	Outhwaite,	Williams, Miss.
Coffeen,	Hutcheson,	Pence,	Woodard.

## ANSWERED "PRESENT"—3.

Everett, Kiefer, Tracey.

## NOT VOTING—125.

Adams, Ky.	Davey,	Hull,	Rusk.
Aitken,	De Forest,	Hunter,	Russell, Conn.
Aldrich,	Dockery,	Jones,	Ryan,
Allen,	Donovan,	Lefever,	Schermerhorn,
Bailey,	Doolittle,	Lisle,	Scranton,
Bartholdt,	Dunn,	Lockwood,	Settle,
Bartlett,	English, Cal.	Loud,	Sherman,
Belden,	Fielder,	Magner,	Sibley,
Beltzhoover,	Forman,	Maguire,	Sickles,
Berry,	Funk,	Mahon,	Simpson,
Black, Ill.	Funston,	McAleer,	Sipe,
Blair,	Geary,	McDannold,	Somers,
Boutelle,	Gillet, N. Y.	Meredith,	Stevens,
Breckinridge, Ark.	Gillett, Mass.	Milliken,	Storer,
Breckinridge, Ky.	Goodnight,	Moon,	Thomas,
Brickner,	Gorman,	Morse,	Turpin,
Broderick,	Gresham,	Murray,	Tyler,
Bunn,	Griffin,	Mutchler,	Van Voorhis, N. Y.
Burnes,	Haines,	Newlands,	Van Voorhis, Ohio
Burrows,	Hammond,	Northway,	Wadsworth,
Caminetti,	Harter,	O'Neill, Mo.	Washington,
Caruth,	Hatch,	Paschal,	Wever,
Childs,	Henderson, Iowa	Patterson,	Wheeler, Ill.
Cockran,	Hendrix,	Paynter,	White,
Cogswell,	Hepburn,	Phillips,	Whiting,
Coombs,	Hermann,	Price,	Wilson, W. Va.
Cooper, Fla.	Hicks,	Ray,	Wise,
Cover, Wis.	Hines,	Reyburn,	Woomer,
Cornish,	Hooker, N. Y.	Richards, Ohio	Wright, Pa.
Cover,	Hopkins, Ill.	Richardson, Mich.	
Crawford,	Hopkins, Pa.	Ritchie,	
Curtis, N. Y.	Hulick,	Robinson, Pa.	

So the motion was not agreed to.

The following pairs were announced:

Until further notice:

Mr. LISLE with Mr. FLETCHER.

Mr. ALLEN with Mr. COGSWELL.

Mr. DOCKERY with Mr. DINGLEY.

Mr. GRESHAM with Mr. VAN VOORHIS of New York.

Mr. CARUTH with Mr. RUSSELL of Connecticut.

Mr. BERRY with Mr. FUNSTON.

Mr. GOODNIGHT with Mr. HENDERSON of Iowa.

Mr. CAMINETTI with Mr. BELDEN.

Mr. HATCH with Mr. CURTIS of New York.

Mr. BRECKINRIDGE of Arkansas with Mr. HOPKINS of Illinois.

Mr. SCHERMERHORN with Mr. MILLIKEN.

Mr. WASHINGTON with Mr. BOUTELLE.

Mr. SOMERS with Mr. WHITE.

Mr. MUTHLER with Mr. WADSWORTH.

Mr. TURPIN with Mr. MORSE.

Mr. RICHARDS with Mr. SCRANTON.

For this day:

Mr. LOCKWOOD with Mr. HULICK.

Mr. RUSK with Mr. SHERMAN.

Mr. GORMAN with Mr. GILLETT of Massachusetts.

Mr. BLACK of Illinois with Mr. LEFEVER.

Mr. HUNTER with Mr. FUNK.

Mr. WHITING with Mr. LOUD.

Mr. MCALLEER with Mr. THOMAS.

Mr. O'NEIL of Massachusetts. Mr. Speaker, I do not know whether my colleague [Mr. COGSWELL] has obtained leave of absence or not, but I know he is sick and unable to be here.

The SPEAKER. The gentleman from Massachusetts has indefinite leave of absence.

The result was then announced as above recorded.

The SPEAKER. The question now recurs on the motion of the gentleman from Illinois [Mr. SPRINGER], that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 3225) to suspend the operations of the law imposing a tax of 10 per cent upon notes issued during the period therein mentioned.

The motion was agreed to.

## TEN PER CENT TAX ON STATE BANK NOTES.

The House accordingly resolved itself into Committee of the Whole House on the state of the Union, Mr. RICHARDSON of Tennessee in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the purpose of considering the bill the title of which the Clerk will report.

The title was again reported.

Mr. WHEELER of Alabama. Mr. Chairman, there seems to be some misunderstanding with regard to the time I was to have, and, rather than interfere with members of the committee, I shall not insist upon going on this morning, but shall depend upon getting the floor later to complete my speech.

Mr. TRACEY. Mr. Chairman, I ask unanimous consent that the gentleman from Alabama be permitted to proceed this morning.

The CHAIRMAN. The gentleman from Alabama is satisfied with the arrangement that has been made.

Mr. TRACEY. Very well; I will not press the request.

Mr. BROSIUS. Mr. Chairman, the bill before the committee known as the Brawley bill figures, as we all understand, from what has already been said, only as John Doe or Richard Roe, to bring into court the real party to the controversy. It will, therefore, claim no part of my attention further than to say that there seems to be no necessity for the passage of the bill, as no paper has yet been produced, as far as I am aware, from any section of the country that was issued by any individual or banking association in violation of law. The character of paper, the issue of which would make the issuer amenable to law, is sufficiently set forth in the opinion of the Attorney-General, which I shall append to my remarks.

The real question presented by the amendment to the bill which has been proposed and will be offered, presents to us alternative propositions. Shall we have a national banking currency exclusively, or shall we have a composite currency consisting of two parts, one emanating from Federal, and the other from State jurisdiction. It is that narrow question to which I invite the attention of the committee. I can not now recall the utterance of any statesmen upon the subject of currency so well calculated to place our minds in a proper attitude for an appreciative discussion of the question as a passage from each of two memorable speeches of two leading contemporary statesmen of the two foremost countries in commerce and civilization.

I refer to the remarks of Sir Robert Peel in 1844, and the still more clear and striking utterance of Daniel Webster about the same time. I will trespass upon the patience of the committee long enough to read the passages to which I refer. The first is from Sir Robert Peel's speech, upon the occasion of introducing his memorable banking bill, before the committee of the whole of the House of Commons in 1844. Speaking of a sound currency, he said:

There is no contract, public or private, no engagement, national or individual, which is unaffected by it. The enterprises of commerce, the profits of trade, the arrangements to be made in all the domestic concerns of life, the wages of labor, transactions of the highest and the lowest amounts, the payment of the national debt, the provision for the national expenditures on the one hand and the command which the coin of the lowest denomination has over the necessities of life on the other, are all affected by the decision to which we come on the great question I am about to introduce to the consideration of the committee.

Daniel Webster about the same time uttered these words:

A sound currency is an essential and indispensable security for the fruits of industry and honest enterprise. Every man of property or industry, every man who desires to preserve what he honestly possesses or to obtain what he can honestly earn has a direct interest in maintaining a safe circulating medium; such a medium as shall be a real and substantial representative of property, not liable to vibrate with opinions, not subject to be blown up or blown down by the breath of speculation, and made stable and secure by its immediate relation to that which the whole world regards as of permanent value.

A disordered currency is one of the greatest of political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive of its happiness. It wars against industry, frugality, and economy, and it fosters the evil spirits of extravagance and speculation. It is the most effectual of inventions to fertilize the rich man's

field by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation these bear lightly on the happiness of the mass of the community compared with a fraudulent currency and the robberies committed by depreciated paper.

I think these sentiments are calculated in some measure to inspire us with a proper appreciation of the importance of the business we have in hand.

#### THE NATIONAL SYSTEM.

Our present national banking system has been in operation more than thirty years. No other system ever in vogue in this country has been comparable with it in subserving successfully the ends of a banking system. The benefits it has conferred, the blessings it has bestowed upon our people, are beyond the power of human calculation. It has supplied us with a uniform, sufficient, safe, and until recently with an elastic volume of currency. Its national character made it the pride of our people. Its uniformity promoted their convenience. Its safety made it equally valuable and equally current in all parts of the Union. If it lacked in any respect being as perfect a device for supplying our people with a sound paper currency as the wit and wisdom of man ever conceived, that lack can easily be supplied without destroying the system or superseding it by an inferior one.

#### TO BE OVERTHROWN.

It is now proposed in deference to a sentiment hostile to national banks, which I regretfully admit has been growing in recent years, to repeal the statute imposing 10 per cent tax on State bank circulation, to the end that every State may put in the field competitors of the national banks in supplying currency for the use of our people. Such competition between different kinds of currency can not fail to disturb the people's confidence in some portion of our money; and is not possible for mind to conceive the extent of the evils which will be entailed upon our people if their representatives in Congress permit such a scheme to succeed.

#### EVILS OF STATE BANKING.

The history of State bank circulation is well calculated to deter us from returning to so imperfect and mischievous a system, especially in those sections of the Union which suffered most from the ravages of a spurious and uncurrent currency, the West and South. Yet, strange paradox, in these very sections the sentiment which is pressing this change has its widest prevalence.

The evils suffered under that ancient banking régime were not equally distributed. New England suffered least, the Middle States more, and the South and West most. The history of those times shows that it was comparatively easy and inexpensive for the New England banks to redeem their notes at par in Boston, and for all banks in a similar area around New York to do the same in that city.

But the merchants and bankers of the Eastern and Middle States set their own price in many instances on the notes of Southern and Western banks, thus subjecting the business of those sections to such discount as they saw fit. The average cost of Southern and Western exchange upon New York in 1860 has been estimated at from 1 to 1½ per cent, and the amount of that exchange on that one city has been estimated at \$300,000. If there is anything on earth that would subject a Southern or Western State to-day to unspeakable mortification it would be to have an arbitrary discount of from one to two dollars on the hundred levied on their currency in New York or Boston, as was done in the good old days to which some desire to return, when a traveler going from New York to Chicago with a capital of \$1,000 could pay traveling expenses by buying the Chicago notes in New York at a discount and selling them at par at the end of his journey.

A MEMBER. That was a good scheme.

Mr. BROSIUS. It was a good scheme, but you do not want the system which made that scheme possible.

The old system of State banking was carried on under a variety of laws, but there were general features common to all, and it will be sufficiently accurate for a general view to say that the security of the note holders consisted chiefly of a small coin reserve and the solvency of the bank's debtors. The banks could loan an amount double their capital stock—that is, its capital stock—and an equal amount of its own notes. When the collapse came it was often found that only a small portion of their debtors were able to pay.

Under that system we had distressing collapses, suspensions, and breakdowns of banks in 1809, 1814, 1825, 1834, 1837, 1839, 1841, and 1857, resulting in losses to the extent of millions of dollars to note holders and depositors, besides entailing disastrous confusion upon the business of the country.

#### STATE LAWS NOT ENFORCED.

In many instances where the law was most exacting in its provisions for the protection of note holders and depositors, the consequences were most disastrous, so inadequate were the State authorities to the task of enforcing the law. In New York, under the "safety-fund" system in 1841 and 1842, eleven banks failed with liabilities on account of circulation of \$1,548,583, and on account of other debts, \$1,010,375, making a total of \$2,558,933, while the safety fund amounted to \$86,274.

In 1849, Millard Fillmore, then comptroller of the State of New York, in his annual report said the practice of granting special charters to safety-fund banks became so shameless and corrupt that it could be endured no longer, and in 1838 the Legislature sought a remedy in the general banking law.

#### EXPERIENCE IN SEVERAL STATES.

Under the free-banking act of New York, passed in 1838, stocks of the State or of the United States, or bonds and mortgages on real estate, worth double the amount of the mortgages, were deposited by the bank upon which the comptroller of the State issued an equivalent amount of circulating notes. Previous to the year 1843, twenty-nine of these banks, with an aggregate circulation of \$1,233,374, had failed, and their securities, consisting of stocks, bonds, and mortgages, amounting to \$1,555,338, were sold for \$953,371, entailing a loss of \$601,966.

#### OHIO.

In the State of Ohio, in 1856, an act was passed establishing the safety-fund system with a personal liability clause added. In that year thirty-six of the banks organized under the law had failed, their notes being entirely worthless, while eighteen others were in a process of liquidation, their notes being quoted at 50 to 75 cents on the dollar.

#### INDIANA.

In Indiana in 1852 a general banking law was passed, which provided that United States stocks or stocks of the several States should be deposited with the auditor as security for circulating notes. In 1856, of ninety-four banks under this law, fifty-one had suspended and their notes were selling at from 25 to 75 cents on the dollar.

#### ILLINOIS.

The State Bank of Illinois was established with numerous branches in 1821. It was managed by the Legislature. In a short time the notes of this State bank were quoted at 75 cents on the dollar, then at 50, later at 25 cents, and finally ceased to circulate altogether.

In the State of Illinois there were eighty-nine bank failures in 1861 and 1862, and their paper was reduced to 38 per cent in some instances. From these failures and the depreciation of the notes the people lost several millions of dollars directly, saying nothing of the many more millions lost by derangement of business and ruin to private interests.

#### KENTUCKY.

In Kentucky, in 1820, the Bank of the Commonwealth of Kentucky, with \$3,000,000 capital, was chartered by an act which pledged the public faith for the redemption of its circulation and setting aside certain lands as a guaranty fund. The notes of the bank in a short time were worth 50 cents on the dollar, and the circulation was finally suppressed and destroyed.

#### TENNESSEE.

In Tennessee the State Bank at Nashville was incorporated in 1820, with \$1,000,000 capital. The loans were to be secured by mortgages on real estate worth double their amount. Lands and other funds were pledged for the redemption of the circulation, which was guaranteed by the State. The notes of this bank were soon at a discount of 10 per cent. In 1832 the bank was closed at a considerable loss to the State.

#### MISSISSIPPI.

In Mississippi, in 1838, the Union Bank was established with a capital of \$15,500,000. The State authorized the loan of \$15,000,000 in 5 per cent bonds to be loaned to the bank, for the payment of which the faith of the State was pledged. Five millions of dollars of these bonds went to Pennsylvania, for which \$5,000,000 of cash went in payment. These loans were repudiated and have never been paid.

#### MICHIGAN.

In Michigan, the "safety fund" system was inaugurated in 1836; but it was a great failure there as in New York, and was soon abandoned. In 1837 a general banking law was passed, under which was organized that splendid succession of monetary institutions known in history as "wild-cat banks." Observe the exacting provisions in that act for safeguarding the deposits and circulation. The stock was not to be less than \$50,000-

30 per cent of which was to be paid up before the bank commenced operations.

Securities were required to be approved by the treasurer and clerk of the county and deposited with the auditor-general of the State for the payment of all debts contracted and the redemption of all notes put in circulation, which securities were to consist either of bonds and mortgages on real estate or in bonds executed by resident freeholders of the State. Bank commissioners were to visit and inspect the banks every three months. Monthly statements of the condition of the banks were required to be made and published, and no bills were to be issued unless bearing the indorsement of the bank commissioners after an examination of the specie in the vaults of the bank and administering a stringent oath to the directors.

Under such a well-guarded law the "wildcat banks" came into being, prospered like green bay trees for a season, preying upon an unsuspecting people by means of fraudulent devices which were a great credit to their ingenuity, but a severe reproach to their morality. Banks were founded and issued circulating notes without one dollar of capital. The bank of Sandstone had no assets of any kind, but liabilities amounting to \$38,000. The Exchange Bank of Shiawassee threw open its safe to disclose seven coppers, while it had bills in circulation to the amount of \$22,261, and so on to the end of a heart-rending chapter of spurious banking under a State law, entailing a loss to the community in a short time that it is not possible to estimate, but the outstanding bank notes, worthless as the paper on which they were printed, were roughly estimated at \$1,000,000.

This was not all, for the mortgages given to secure the liabilities of the banks remained. In 1845 the supreme court of the State declared these invalid and the banking law itself unconstitutional, null and void, a profoundly impressive commentary on the safety of municipal obligations, State stocks, and even the plighted faith of Commonwealths as a security for a bank currency.

#### LESSONS OF HISTORY.

This glimpse at the experience of our people with State currency (volumes would fail to graphically portray it) shows that the conspicuous features of its history are confusion, disaster, and ruin. It is punctuated with calamity. It has been the common curse of all the States, the painted courtesan of finance, whose function was destruction. She is now dead; let not her light be relumed else she will betray more States.

#### WHAT THE FATHERS SAID.

A currency to be sound and satisfactory must be national. This was a profound conviction with the fathers of the Republic. They regarded it as indispensable to the prosperity of the country. It was on this principle that Hamilton advocated the first bank of the United States, and that Madison supported the second. In his message to Congress in 1815 President Madison said:

It is, however, essential to every modification of the finances that the benefits of a uniform national currency should be restored to the community. The absence of the precious metals will, it is believed, be a temporary evil, but until they can again be rendered the general medium of exchange it devolves on the wisdom of Congress to provide a substitute which shall equally engage the confidence and accommodate the wants of the citizens throughout the Union.

#### OUR FINANCIAL EXPERIENCE.

But putting aside all the support which the proposition derives from the authority of the statesmen of the past, and looking at it in the light of principle and reason alone, it is absolutely invulnerable to attack.

Contemplate for a moment the financial experience of this country. It has been most extraordinary. Without summoning the ghost of our continental currency, we have seen hundreds of millions of dollars, the circulation of a portion of our country, engaged in an unfortunate attempt to break up our family housekeeping, like the apples of Sodom, turn to ashes in the hands of the people, sweeping away great blocks of the wealth of its holders.

We have seen other hundreds of millions of bank notes issued by State institutions depreciate in value, lose their currency, and become worthless in the hands of their unhappy holders. On the other hand we have witnessed a currency exchanged for the wealth of the country to carry on a war for the preservation of the Union, appreciate from the value of 36 cents to the dollar to the par of gold. From the ragged edge of worthlessness it rose in a few fleeting years to the value of specie the world over, commanding its face in gold in every commercial city on the globe. This achievement of unrivaled splendor in finance was due to wise legislation and the invincible integrity of the American people.

#### SOUND MONEY AND NATIONAL HONOR.

One of the first steps we took after the war in our splendid march to the imperial place we now hold among the nations was

to make our paper currency the equivalent of the world's money and equally good everywhere the flag floated. By our steadfast adhesion to the principle of national currency we have maintained the national honor and kept our money good. After so many years of such a currency, Mr. Chairman, all provincial schemes of finance, all local currencies and State bank notes are anachronisms. In an age of steam and electricity, when intelligence flies on electric wing and commodities are transported with a speed and safety only possible to the marvelous instrumentalities of our day, commerce and currency are twin sisters, living and journeying in loving companionship.

Whither one goes the other must also. Where ships sail, steamers ply, or cars run, over all the water and roadways of the land on which the exchanges of the country fly to and fro like mighty shuttles weaving the wondrous web of interstate commerce, there should the nation's currency be current. The bank note that pauses for inspection and discount at the bank of a river, or about-faces for fear of insult at a State boundary, is a ragged tramp, a limping vagabond, which would be a disgrace and reproach to this grand, imperial Republic.

#### OBJECTIONS TO STATE BANKS.

Now, Mr. Chairman, the objections to a State bank currency are obvious, numerous, and serious.

#### CURRENCY AN AGENCY IN COMMERCE.

In the first place the currency of the country is an agency in carrying on commerce and trade and ought to be created and controlled by Federal authority. It is no more suitable for a State to issue and regulate the circulating medium of the country than to regulate its interstate commerce. The Federal Government under the Constitution controls interstate commerce in order that customs duties or other obstructions at State lines may not interrupt the free currents of commerce. Similarly Congress should control and regulate our currency in order that free interstate circulation may not be obstructed by discount or cost of exchange at State lines.

Mr. COBB of Alabama. Will the gentleman allow a question?

Mr. BROSIUS. With pleasure.

Mr. COBB of Alabama. Do you believe in the power of Congress to prescribe the instrumentalities of commerce?

Mr. BROSIUS. I believe that it is within the power of Congress to regulate all interstate commerce.

Mr. COBB of Alabama. Well, do you believe that Congress has power to prescribe the instrumentalities by which commerce may be carried on?

Mr. BROSIUS. No; Congress has the power and it is its duty to regulate the commerce between the States. I do not mean to say by that that it can direct whether the commodities in which commerce deals shall be hauled in a cart or a wagon. But I say whatever instrumentalities are used in conducting the interstate commerce of this country are under the control and direction of the Federal Government.

Mr. COBB of Alabama. That is to say, Congress may regulate the instrumentalities which commerce provides for itself.

Mr. BROSIUS. I do not know, without taking too much time to inquire, exactly what you mean.

Mr. COBB of Alabama. Why does not the same principle apply in the one case as in the other?

Mr. BROSIUS. I will not take time to inquire what the gentlemen mean by "instrumentalities." But I have stated no new principle, and I have given no new definition. I can not now, in the limit of time allowed me, go into a discussion of the details of that proposition. I have submitted that idea for what it is worth.

#### MONGREL CURRENCY.

Now, in the second place, it seems to me that the diversity in the sources from which this State currency will emanate must in the nature of things produce a mongrel currency, a currency as varied in its character as Joseph's coat in its color. When the national banking system was established there were sixteen hundred and forty-two banks in the United States, established by the laws of twenty-eight different States. In this interesting cluster of institutions supplying the nation with currency you could find one or another feature of every system and scheme of banking devised by the wit of man. Over them there was no common supervision, no common source of safety. They were equally independent, inharmonious, and insecure. Their notes were good, bad, and worthless by turns.

When one institution failed suspicion rested upon all others in the vicinity, and the same virus of doubt infected them all. Overissues and the insecurity of the circulation were the bane of the system. Mr. Fenton, of New York, on the floor in 1863, in the discussion of this subject, referred to these evils, and to show that the securities for the bank circulation were inadequate he pointed out the fact that in the year 1861 the aggregate bank circulation of the country amounted to \$200,000,000.

Of this amount only \$30,000,000 was secured. The remainder, about \$170,000,000, was issued by irresponsible parties and was unsecured. In 1862 the circulation of the loyal States was \$167,000,000. The State securities for this amount of bank currency were about \$40,000,000, leaving \$127,000,000 inadequately provided for.

Mr. TALBERT of South Carolina. State banks?

Mr. BROSIUS. Yes; of which \$200,000,000 he stated that about thirty millions were adequately secured, and the remaining one hundred and seventy millions were inadequately secured.

Mr. TALBERT of South Carolina. I wish to ask the gentleman if he has any statistics showing the relative proportion of failures amongst the national banks, since their existence, as compared to the State banks?

Mr. BROSIUS. I have not the statement at hand.

Mr. TALBERT of South Carolina. The question is whether there has not been as great a proportion of failures, during the existence of the national banks, as there was amongst the State banks?

Mr. BROSIUS. I think not; although I have not the figures at hand.

In only nine of the States out of the thirty-four had the principle of securing circulation by State bonds been adopted. Re-establish the system and the recurrence of the mischiefs incident to it will inevitably follow, no doubt in a less aggravated form, but sufficiently marked to make it very desirable to avoid the consequences which must ensue when the bank notes of forty-four States, each maintaining its own peculiar system of banking, are competing candidates for public use and favor.

Under the existing conditions of the several States no degree of uniformity in the circulating notes would be possible. Some of the State constitutions prohibit the issue of notes by banks. Others forbid the double liability of stockholders. Still others require ample securities to be filed with the auditor-general before notes are issued, and then they must be registered and countersigned by the State officers, as in Pennsylvania. Without enlarging upon the idea, it is obvious to every one that the diversity in the constitutions of the States, the dissimilar and incongruous provisions now existing—and they could not be changed at once—would introduce inextricable confusion into the circulation the moment it would cross the border of the State of its origin. The theory that it would circulate wholly within the State is at variance with all experience and all reason. It could not be kept within any circumscribed limits territorially unless it was so bad, so uncurrent, that nobody would have it out of sight of the bank that issued it.

Prof. Jevons well says that a home currency that can not be drained is not practicable. You can not disconnect home from interstate trade. If a currency is not good out of the State in every interstate transaction, there must be a calculation of the value of the money, the rate of discount and cost of exchange.

Mr. TALBERT of South Carolina. Suppose we had a national uniform currency, each State issuing its pro rata share under some State banking system, would not that meet the objection?

Mr. BROSIUS. If we had a national uniform currency issued in that manner, I am not prepared to say that it might not be issued by the States under certain restrictions and limitations.

Mr. TALBERT of South Carolina. That is my idea.

Mr. BROSIUS. But I would answer the inquiry by asking another: In what respect could the State issue a national uniform currency any better than the United States?

Mr. TALBERT of South Carolina. It would localize and decentralize it.

Mr. BROSIUS. It would localize and decentralize it, the gentleman says; but when Senator Collamer, in 1863, was arguing against the law imposing this tax, he argued that these national banks were local banks. They are local banks; they are established in your community; they are officered by men who are acquainted with the wants of the community; they are in possession of all the knowledge and experience of the community, and therefore there can not be, in the nature of things, any bank more local than the national banks located in the respective communities.

Mr. TALBERT of South Carolina. I only wanted to call attention to the idea that I introduced before your committee, not for the purpose of interrupting the gentleman.

#### LOSS FROM COUNTERFEITING.

Mr. BROSIUS. In the third place, the liability to losses by counterfeiting is a grave objection to a State bank currency, in a great country like this where there are so many States, and necessarily so many banks. The currency is for the use of all, the ignorant as well as the informed. It is received by the people under the compulsion of necessity. The masses are not bank-note experts. They do not know what banks are good or what securities are reliable, and they ought to be protected from loss

from bad notes for the same reason they are guarded from injury from false weights and measures.

Mr. TALBERT of South Carolina. They are being educated, though.

Mr. BROSIUS. They must simply take it upon faith, and when doing so they walk by faith and not by sight. With the notes of varied form, color, and inscription issued by the banks of forty-four States, the United States would be a paradise for counterfeiters. Every trader would require a counterfeit detector, and no man could safely receive a note without minute inspection. How much this would confuse, impede, and embarrass business, and how great the losses it would entail, is beyond human calculation.

From the literature of the period immediately prior to the establishment of our national banking system I have gleaned a few facts on the subject of counterfeiting which are highly instructive at this time. It seems that in 1862 the notes of over twelve hundred banks were counterfeited. There were in existence over three thousand kinds of altered notes, seventeen hundred varieties of spurious notes, and four hundred and sixty varieties of imitations. This was made possible by the great variety of bank notes in use, there being at a moderate estimate over seven thousand kinds of genuine bills in circulation.

The following statement is said to be reliable for the years named:

	1850.	1862.
Number of banks	1,409	1,500
Number whose notes were not counterfeited	463	253
Number of kinds of "imitations"	1,462	1,851
Number of kinds of "alterations"	1,119	3,033
Number of kinds of "spurious"	224	1,635

If it was thus with a variegated currency issued by the banks of twenty-eight States what will be the measure of our affliction when the paper-issuing mills of forty-four States are in full operation?

Mr. TALBERT of South Carolina. Do the national-bank notes have no counterfeits?

Mr. BROSIUS. Very few.

Mr. LIVINGSTON. What do you propose to do to furnish a sufficient amount of currency in lieu of that? Let us hear from you on that.

Mr. BROSIUS. My friend anticipates me, and I am afraid my time will be exhausted before I come to that question. I should be delighted to speak upon that if I had time, because I have some views on that subject.

#### NO WAY TO RESTRICT OVERISSUES.

Now, in the fourth place, it is worthy of note that the Federal Government, under your State banking régime, could exercise no power whatever to restrict the overissue of your notes, and the consequent depreciation of the currency which would come in competition with our national-bank notes, incurring the risk of depreciating them also; so that in point of fact the whole volume of our paper currency would be at the mercy of the States, whose banks could issue any amount within the limits prescribed by the State law.

As the Comptroller of the Currency says, we would have a chain of sovereignties furnishing our currency and like all other chains it would be no stronger than its weakest link. The channels of circulation would be filled with a currency which the Government, under existing law, could not receive in payment of its revenues, a currency which the citizen who desired to pay his Federal taxes would have to take to a broker and convert into money that a United States collector could receive without risk.

Mr. LIVINGSTON. If our currency is perfectly good, it would drive out the national currency from circulation.

Mr. BROSIUS. I think that is full of peril; and it might be that if your State currency was perfectly good it would drive the other currency out of circulation.

Mr. LIVINGSTON. That is all there is in it.

Mr. BROSIUS. But does my distinguished friend from Georgia believe that any note could issue under the auspices of the State of Georgia that could drive the national notes out of existence?

Mr. LIVINGSTON. Yes, on account of the interest.

Mr. TALBERT of South Carolina. It would be cheaper.

Mr. BROSIUS. These interruptions divert me from the course of my argument, but I can not help it, because my mind follows a magnet, you know, just like a steel shaving, and I must stop to speak upon that point just now, for it relates to the fifth objection to State currency.

## INSECURITY OF STATE BONDS.

This objection is of less gravity now, I admit, than formerly, but still to be reckoned with when we are considering the problem of a safe and satisfactory currency. Here public belief in soundness and safety is the first requisite. Slight causes may shake the public faith and impair efficiency. The bonds of States which will be likely in some instances to be used to secure circulation may not be safe—at least they will not command the public confidence in an equal degree with national bonds. What has happened in the past may be a denotement of what is possible in the future, and I therefore invite you to a glimpse into the history of State securities which would not have been of great value as the basis of circulation.

## REPUDIATION OF STATE DEBTS.

As a general rule the States can repudiate their debts at their pleasure, and their creditors are without remedy. A very few of the States have provided remedies more or less effective against themselves. States are not so liable now as formerly to incur heavy indebtedness, as in most instances the power to contract debt has been very much restricted by constitutional provision. In only five States has the Legislature unrestricted power to contract debts. These are New Hampshire, Vermont, Massachusetts, Connecticut, and Delaware.

In view of what States have done in the way of repudiation it is not easy to forecast what may occur in the future. A little retrospect may be instructive as well as admonitory.

Take the State of Georgia, whose currency would most likely be based upon her State bonds. Now, if my friend from Georgia [Mr. LIVINGSTON] will bear with me I want to say, in all candor and sincerity, when you contemplate the amount of your State bonds that were repudiated in the past years; when you think of the state of anxiety and unrest and distrust prevailing in your State in consequence of the fact that your bonds were in the courts, that your State creditors were in pursuit of the government, you must easily see that a currency based upon bonds that were thus discredited could not command the complete and perfect confidence of the people—

Mr. LIVINGSTON. Mr. Chairman—

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Georgia?

Mr. BROSNIUS. I will not have time, unless it is something that is right in this connection.

Mr. LIVINGSTON. I want to suggest to the gentleman that the bonds of my State are above par, not only in this country, but in Europe; and if the State legislation of my State had been against the honest payment of honest debts that could not have been the condition now. Therefore, you can just relieve your mind of any trouble about the good standing that Georgia has here and abroad.

Mr. KILGORE. Ditto for Texas.

Mr. TALBERT of South Carolina. And also South Carolina.

Mr. BROSNIUS. It gives me the profoundest satisfaction to know that at last the bonds of the State of Georgia are at a premium, and likewise the State of Texas, because it has not been many years since they were not at a premium.

Mr. KILGORE. They were in the hands of Republicans then, were they not?

Mr. BAILEY. The same thing was true of Pennsylvania once, was it not?

Mr. BROSNIUS. Not at very much of a discount.

Mr. BAILEY. Just a moment.

Mr. BROSNIUS. Will you guarantee me time?

Mr. BAILEY. Yes. It was the default of Pennsylvania that provoked Sydney Smith to utter the calumny that the Americans were a people who preferred any load of infamy, however great, to any load of taxation, however small.

Mr. BROSNIUS. Sydney Smith did not say that because it was a fact. He said it because it was a witty thing to say; and Sydney Smith would always sacrifice the truth for a bon mot or a smart saying.

Mr. BAILEY. He said it because Pennsylvania repudiated her bonds.

Mr. BROSNIUS. If my friend will have the kindness to remember, I can not yield all my time to interruptions.

Mr. BAILEY. You mentioned Texas.

Mr. BROSNIUS. And I am not through with Texas yet; but I do not want to be further interrupted.

Mr. BAILEY. And Texas is not through with you yet.

Mr. BROSNIUS. But now I am on the State of Georgia.

Mr. LIVINGSTON. And she can stand all the assaults you can make on her.

Mr. BROSNIUS. Why, certainly; Georgia is a great State; but when you compare her with Pennsylvania, my friend, it is Hyperion to a satyr. [Laughter and applause.] Why, let me

tell you, my friend, that a few years ago—my friend will take all that I say good naturedly—

Mr. LIVINGSTON. Why, certainly.

Mr. BROSNIUS. A body of Georgia journalists visited Pennsylvania. They went to Gettysburg and ascended Round Top, and looked out over that landscape of incomparable splendor. They all took their view, and the remaining Georgia gentleman, whose name I have forgotten, a tall man, lank, thin, with a plantation hat on, walked up on Round Top and looked over that magnificent expanse; and his appreciation of the superb beauty of that Pennsylvania landscape impelled him to exclaim: "Gentlemen of Georgia, behold! God made that country! Now, tell me who in the devil made East Georgia?" [Great laughter.]

Mr. LIVINGSTON. I want to suggest to the gentleman that the Georgia watermelon and goober crop is greater than any crop in Pennsylvania, leaving out cotton. [Laughter.]

Mr. BROSNIUS. Now, I would say to my friend (of course these are pleasantries and we understand it) that in the State of Georgia the Legislature in 1872 passed the first of a series of acts of repudiation of the bonds issued in aid of railroads and other public improvements amounting to over \$9,000,000. In 1877, by constitutional provision, the Legislature was prohibited from appropriating any money for the payment of any portion of the repudiated obligations. Now, the only point I make on that is, and I do it not for the purpose of reflecting on your State—

Mr. LIVINGSTON. Do you pretend to say that those bonds were just and legal?

Mr. BROSNIUS. I do not say they were; but that raises the very question. Their validity, constitutional and legal validity, would always be in question. Where the bonds, or a portion of them, of any State are thus discredited, the people have no means of differentiating the bad from the good, and it brings them all into disrepute, and it could not fail to impair the confidence of the people in their circulation. Now, let us glance at the situation of the bonds of some other States, as gentlemen seem willing to go into that subject.

## LOUISIANA.

The debt of Louisiana in 1871 was over \$41,000,000, contracted to a considerable extent in the promotion of public improvements. In 1874 the Legislature commenced the arduous task of getting rid of that incumbrance. It was finally settled in 1884 by a constitutional provision which canceled unpaid obligations amounting to some \$27,000,000.

## ARKANSAS.

In Arkansas a debt of many millions was created through a series of years in aid of banks, railroads, and levees. The legislative repudiation of a large part of this indebtedness commenced in 1879, and the work was concluded in 1884 by a constitutional amendment prohibiting the payment of any portion of the bonds which were under popular ban, amounting to between twelve and thirteen million dollars.

## TENNESSEE.

Tennessee's debt was contracted largely for railroads and other public improvements. Some \$27,000,000 of bonds were issued in aid of railroads, and large amounts for other public purposes, including the purchase of the Hermitage. She commenced to extricate herself from her financial difficulties in 1869, and ended in 1883 by an act which classified the debt, and scaled it down, one part 24 per cent; another part 21 per cent; a third part 20 per cent, and a fourth part 50 per cent, resulting in repudiation to the amount of some \$16,000,000.

## VIRGINIA.

In Virginia the subject of scaling down the State debt was the football of politics so many years that all are more or less acquainted with it. The Riddleberger law, which I believe furnished a basis for final settlement, if indeed it can be said to be settled up to this day, provided that the debt should be scaled from \$31,102,571 to \$19,665,196, a deliberate repudiation of about \$11,500,000.

## MISSISSIPPI.

Mississippi in 1838 issued \$5,000,000 of bonds in payment of stock of the Union Bank of Mississippi. They were sold to Nicholas Biddle of Pennsylvania. In 1841 the governor recommended that the \$5,000,000 be repudiated. In 1841 the Legislature refused to repudiate them, but the people reversed that judgment by electing a Legislature in 1842 which passed the act of repudiation.

In 1832 \$2,000,000 bonds were issued for stock in the Planters' Bank. These bonds were sold in Philadelphia at a price which yielded the State a premium of \$250,000. In 1852 the question of repudiating these bonds was submitted to a popular vote and

repudiation was sustained by a majority of 4,000 votes. The fate of all these bonds was finally sealed by a provision in the constitution of Mississippi adopted in 1875 that the State should never redeem or pay any of the bonds known as the Union Bank bonds or the Planters' Bank bonds.

## FLORIDA.

The State of Florida issued bonds for banking purposes in 1833 (it was then a Territory) to the amount of \$3,900,000. These were subsequently repudiated. In 1853 the State issued another series of bonds amounting to \$4,000,000, in aid of the Jacksonville, Pensacola and Mobile Railroad and the Florida Central. These were also repudiated about 1873, making with interest about \$8,000,000.

## ALABAMA.

The State of Alabama by her funding act of 1876 repudiated liabilities which had been accumulating for many years, on account of bonds in aid of internal improvements, and for other purposes, amounting to about \$15,000,000.

## NORTH CAROLINA.

North Carolina by a series of acts from 1848 to 1858 issued bonds in aid of railroads and internal improvements amounting to over \$8,000,000. During the war large amounts of indebtedness were incurred for purposes other than the prosecution of the war, and after the war certain other bonds were issued in large amounts. In 1879 an act was passed funding a portion of the debt and repudiating the balance, amounting to nearly \$13,000,000.

## SOUTH CAROLINA.

In South Carolina, by act of 1878, a protracted controversy over her debt was finally concluded in the repudiation of about two-thirds of it, or a sum approximating \$5,000,000.

Now, supposing the currency of the South had been based upon these bonds, and you had had no national currency, would the Southern States have developed, prospered, and blossomed as they have within the last twenty years?

Mr. LIVINGSTON. These bonds were issued by scalawags who came from your country after the war, and they were not signed properly either by the governor or the secretary of state.

Mr. BROSIUS. That is neither an argument or an answer to my proposition.

Mr. LIVINGSTON. It was the result of the war.

Mr. BROSIUS (continuing). Whether they were properly signed or properly issued in conformity with the provision and limitation of your constitution or the requirements of your statutes, how could your people tell?

Mr. LIVINGSTON. Then why are they at a premium to-day?

Mr. BROSIUS. I can not tell, excepting because the State of Georgia has been prospering and your people have been improving and have departed from the ways of their unregenerate days.

Mr. LIVINGSTON. It is because they pay their honest debts.

Mr. BROSIUS. That is the best reason in the world, because no man can form a better character in a community than in that way.

Now, Mr. Chairman, this colloquy has served to emphasize the fifth objection I have to State currency; and whether it is in Georgia or Pennsylvania or elsewhere, it is utterly impossible for you to have a uniform currency that will command the confidence of your people and the people outside of the State.—I will here append a tabulated statement of the extent of the repudiation in the States I have named:

*Table showing the amount repudiated and scaled down between the period when the debt was greatest and June, 1880, in the States named.*

States.	Highest point reached by debt.	Amount repudiated and scaled down.
Virginia	\$47,390,839	\$18,045,613
North Carolina	29,900,045	26,270,534
South Carolina	24,782,906	17,607,452
Georgia	20,197,500	9,863,500
Florida	5,512,268	4,120,911
Alabama	31,952,000	20,338,330
Mississippi	3,226,847	2,847,362
Louisiana	40,416,734	12,473,646
Tennessee	41,863,405	16,177,584
Total		154,524,856

This shows a total of \$154,524,856 of debt repudiated by the States named.

Such a state of things could not fail to disturb seriously the

value of the State securities. The fluctuations appear in the following statement:

*Fluctuations in State securities from 1872 to 1879 in States named.*

States.	1872.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	Average.
Virginia	50	42	35	35	44	39	36	36	38
North Carolina	21	29	21	30	19	24	24	33	25
South Carolina	34	27	15	28	31	32	31	11	26
Georgia	73	87	68	81	98	101	104	107	90
Alabama	90	57	25	43	26	26	29	60	45
Louisiana	68	50	19	25	35	39	61	67	46
Arkansas	50	30	19	12	15	11	8	7	19
Tennessee	65	79	69	38	44	42	35	33	53

This table exhibits in a graphic manner the influence of repudiation on State credit.

The legal justifications of the States which have been put forward rest upon these grounds:

1. The bonds were not authorized by law.
2. The laws authorizing them were unconstitutional.
3. The laws authorizing them had not been strictly complied with.

It is easily seen that defenses of this character bring into distinct view the difficulties to be encountered by the Government in selecting State securities for a safe basis of national currency. It would tax the time, skill, and learning of the legal department of the Government to investigate and determine with safety and satisfaction whether the laws in the different States under which bonds had been issued were constitutional, and whether they had been complied with in every particular.

What an illimitable vista this scene would open of litigation, lawyers' agencies, and instrumentalities to determine the manifold questions which would arise relating to the validity and value of bonds. The contemplation of it appalls the mind and demonstrates the impracticability of the scheme.

Mr. TALBERT of South Carolina. The States might issue a national currency, as I have suggested, under some kind of arrangement that possibly might be made.

Mr. BROSIUS. Now, Mr. Chairman, I have given five objections, one for each finger on your hand, to a State currency. They may not be weighty to others, but to my mind they are satisfactory, convincing, and conclusive.

## AN ADMONITION.

Sometimes our real dangers are correctly discerned by those not in close sympathy with us. While our State bank currency was yet in vogue the London Times gave us a piece of valuable information, which I commend to those who have an inclination to return to the system which it criticises. Speaking of our situation, that paper said:

By the want of a paper currency that would be taken in every State of the Union at its nominal value, the Americans have suffered severely. The different States were, as to their bank notes, so many foreign nations, each refusing the paper of the other, except at continually varying rates of discount. Frequently there was a greater loss on paper taken or sent from an Eastern to a Western State than on English bank notes converted into American money in Vienna. Only adepts and regular money changers could tell whether a note was current or not; the paper of broken or suspended banks remaining in circulation long after their value had departed. The difficulties of the Government have compelled it to issue paper that will pass current in any part of the territory. Through the evils of the war, the people, at least, will gain that deliverance from the previous confusion of their currency which to Europeans appeared a barbarism. If the social storm sweeps away the "wildcat" and bogus banks of the Union, it will have left some small compensation for the wreck of better things.

That is the admonition you get from across the water.

Mr. LIVINGSTON. Another admonition that we got from there was to repeal the purchasing clause of the Sherman act. We get a good many things of that kind from across the water.

Mr. BROSIUS. That observation is contraband of war and ought not to go into the RECORD, but I do not object. I have not time, however, to pursue it at present.

I want to read now to my Virginia friends, who are enthusiastic for the repeal of this law, what a Virginia judge said a few years ago. Judge Hughes, of Virginia, in his work on the currency question, says:

What can be plainer than the great truth that the day of municipal restrictions upon trade, of local currencies, and provincial schemes of finance and banking is ended forever in this country. With prophetic forecast the founders of the Republic gave to the National Congress the control of the commerce and currency of the continent. That control can never revert to the States. At this era of national development to talk of State banks of issue, State systems of currency, and local policies of finance, is to betray a provincial ignorance of public affairs and of the living times; is to resurrect ideas that now excite in the intelligent mind no other sentiment than of pitying disdain. Only the smallest politicians in the narrow circles of the most remote interior localities can afford to broach such ideas. Real statesmanship has dismissed them from all thought in its expanded consideration of the affairs of the American continent. In considering the subject of currency for this country, I should trifle with the attention and insult the intelligence of the reader if I should bestow any considerable time or argument upon State banks of issue, or currencies regulated by State laws. Congress

has wisely, by the votes of both political parties, taxed them out of existence; and no national party will ever be found in this country willing to call them again into existence.

Now, I want to read a paragraph from a small book published by a gentleman who is perhaps as well informed upon the subject of finance as anyone connected with either branch of the Congress of the United States. I refer to my distinguished colleague on the Banking and Currency Committee, the gentleman from Massachusetts [Mr. WALKER].

I find it in a little work which, in my judgment, contains the clearest and most satisfactory exposition of the rudimentary principles of banking and finance that I know of anywhere.

[Here the hammer fell.]

MR. LIVINGSTON. Mr. Chairman, I move that the gentleman's time be extended twenty minutes.

MR. HARTER. Extend it without limit.

The request of Mr. LIVINGSTON was unanimously agreed to. MR. BROSIUS. I read this, Mr. Chairman, because I think it expresses the exact truth upon this subject, and I read it with great pleasure, coming from my distinguished friend from Massachusetts. On page 50 of this little book on Money, Trade, and Banking, speaking of the national banks, he says:

No financial contrivance at the present time is any more thoroughly the natural product of past experience than the national-bank system of the United States. Every consideration urges its extension with some slight modifications, to the extent of supplying all the circulating demand notes, as it does now all the banking facilities required by the business of the country. Its creation was but putting into the form of statute law the recognized conditions of safe banking and prohibiting any other. The universal acquiescence and approval of the system recognizes the certainty of the continuance of what now is, because it is the result of inexorable business laws, of ages of business habits.

MR. LIVINGSTON. I suggest to my friend from Pennsylvania that he put alongside that the assertion of Mr. Chase, who said that all the—

MR. BROSIUS. One moment, Mr. Chairman. If my friend will consider for a moment, he will see the impropriety of injecting into my speech the testimony of another witness.

MR. LIVINGSTON. You have given us Mr. WALKER's testimony.

MR. BROSIUS. Yes, in support of my argument, not of yours.

MR. LIVINGSTON. Well, this is not mine; this is Mr. Chase's.

MR. BROSIUS. But you are quoting it as an offset to what I have said, and I prefer to have it appear in your speech rather than in mine.

MR. LIVINGSTON. It is the Secretary of the Treasury of the United States that I want to quote.

THE CHAIRMAN. Does the gentleman from Pennsylvania [Mr. BROSIUS] yield?

MR. BROSIUS. I do not.

THE CHAIRMAN. The gentleman from Georgia is not in order.

MR. WALKER rose.

THE CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Massachusetts [Mr. WALKER]?

MR. LIVINGSTON. I hope not; as he would not yield to me.

MR. BROSIUS. If the remark is pertinent to this branch of the subject, I will yield to the gentleman from Massachusetts. I have yielded to the gentleman from Georgia.

MR. LIVINGSTON. No; you have not. You refused to allow my question.

MR. WALKER. The book from which the gentleman from Pennsylvania has just been reading was written fourteen years ago, and the system of banking there recommended embraced bonds as a basis. The scheme which I now advocate, and which I explained in my speech of yesterday, is identical with that stated in the volume referred to, except that the bonds are eliminated and reserves in coin required. However, I stand by every word of what the gentleman has read.

MR. BROSIUS. Now, while it is perfectly true, as my friend from Massachusetts has stated, that this book was written some years ago (and I anticipated that he would make this suggestion), yet this volume was reprinted, republished, and redeclared as the views of the gentleman from Massachusetts in 1891. But I commend the gentleman. There is nothing wrong in his modifying his views, because he is a progressive man; he grows with the development of civilization and increasing knowledge; and I am glad that he stands up for the views of to-day, not the views of 1891 and previous years. That is to be commended; and I do not speak of it with a view of finding fault. But I think the gentleman was nearer right in 1891 than he is in 1894. He, however, knows a great deal more about the question than I do. It has been his study, as he has told us, for twenty-five years; and while I must adhere to my own views, I do it with the greatest diffidence and modesty when opposed to the views of my distinguished friend.

Now, Mr. Chairman, having stated these objections as they

lie on my mind, I want to say that if we are unmindful of the lessons of experience, blind to the history of years of financial afflictions almost more than we could bear, and deaf to the admonitions of friend and foe, we will most likely yield to the solicitation of the stupendous folly of "State bank currency, and lament the consequences at our leisure."

#### UNIFORMITY OF NATIONAL CURRENCY.

But the advantages of a national are not less obvious than are the evils of a State currency. First, it is uniform. All notes of the same denomination are substantially identical in form, color, decoration, engraving, and finish, and are recognizable in all parts of the country, wherever they may be printed. A note issued in Maine is as quickly identified as a national note in California or Texas as in the State of its origin. This uniformity promotes the circulation of the notes and increases their usefulness by equalizing exchange all over the country.

But there is another aspect, and that we sometimes overlook—the moral aspect of the question. I believe that this uniform currency promotes patriotism in this country. It keeps constantly in the hands of the people and before their eyes the symbols of national power and solicitude for the interests of the people. The notes issued by the national banks keep the citizen in touch with his Government. It cultivates a sense of national pride; and it promotes community of interest between the citizen and the country. Community of interest! There is a note [holding up a note]. Every man who has in his hand a national note of that kind has constantly before his mind's eye a witness that appeals to him in the strongest possible way to uphold the honor and the credit of the United States underlying that note.

I might go farther. I will go farther. If the national banking system had been in vogue in the United States in 1860, and a uniform national currency based upon the security of bonds of the United States had been in circulation throughout the Union, it is not beyond the range of possibility that the greatest war of modern times would have been averted. Treason and rebellion might have been nipped in the bud by that generous sentiment, that deep feeling of nationality and love of country which such wide and prevading common interests would have inspired in all our people.

#### ITS SAFETY.

In the second place this currency is safe. This is its crowning excellence. The people of the United States will not be content with any kind of a currency which does not enjoy absolute immunity from danger. It must be superior to accident or chance. It must not require an argument to demonstrate its safety. A man who holds it must suffer no disquietude; he must eat well and sleep well; he must enjoy perfect tranquillity of mind so far as his money is concerned. Why, sir, if a man's money is questioned, it at once becomes debatable. If it is suspicious somebody will suspect it. If you think it possible that your cook may put some poison into your breakfast, you will eat it with great misgiving, if indeed you touch it at all. It is just so with your money. To doubt your money is to damn it.

Now, Mr. Chairman, our national bank notes stand these supreme tests. No fact could shed greater luster upon this great financial system than that, with a total issue of over \$1,500,000,000 in the last thirty years, no note-holder of any part of that enormous sum has ever lost a cent; an excellence so superb and unique as to realize the paradox that a note of a broken bank is just as good as that of a sound one. The people of the United States have enjoyed this absolute safety, this perfect peace of mind for so many years they will be content with nothing less.

#### ITS ELASTICITY.

In the third place, Mr. Chairman, it is, or may, be an elastic currency. I know it is quite common nowadays to hear complaints of the nonelasticity of our bank-note currency. This complaint is of recent origin, and there is much less ground for it than many suppose. There is no reason why national banks can not supply as elastic a currency as any other kinds of banks. The quality of elasticity does not have its origin in the source from which authority to issue notes emanates, but rather in the authority itself and the inducement to issue them. From the union of power and profit springs elasticity. The authority to issue without the incentive to do so is as abortive as the inclination to issue without authority to do so. Any system of banks, whether national or State, which have authority to issue notes, and there is sufficient incentive in the profits for them to do so, will supply all the currency the people need at all times.

The superiority of the national system lies in the union of elasticity and security. Other systems may be elastic but insecure, or secure but inelastic; but we have enjoyed a system which has combined in a superior degree both these qualities. If there has been in recent years any lack of elasticity in our national currency it is due to no infirmity of principle inherent in the national system, but to causes which will yield to judicious amendment in its administrative features and a judicious

modification of our system of government currency. For the last few years the Treasury notes have been filling the channels of circulation, excluding to some extent the national-bank notes, and national banks by reason of the restrictions and burdens imposed upon them have found it unprofitable to issue notes, and there has therefore been for several years a progressively diminishing volume of bank currency in circulation.

We have had too much Government paper which is inelastic. A Government note is never relieved from service; it never retires, but a bank currency goes out to meet a demand and returns when the demand ceases. The reflux balances the efflux. A stable equilibrium is maintained, and any serious redundancy is unlikely to occur. We want less inelastic Government paper and more elastic bank currency.

I do not say that it is possible to have a currency elastic enough to respond to every possible exigency. Even if it possessed what Horace White calls the first requisite, "freedom from limit, except the demand for its use in effecting exchanges," it would not prevent panics. When nearly \$400,000,000 of deposits are withdrawn from the banks and pocketed by the people in a period of five months, no freedom of issue consistent with safety could supply the need which must ensue upon such a state of things.

Our volume of money of all kinds in the last year has exhibited a high degree of elasticity. The estimated circulation on July 1, 1893, was \$1,593,700,000, and this increased in three months to \$1,700,000,000, and by February of this year reached, in round numbers, \$1,740,000,000. From February to May it declined to \$1,690,000,000. In other words, the past ten months have witnessed an expansion of our circulation of nearly \$150,000,000, followed by a contraction of about \$50,000,000, leaving the present volume about \$100,000,000 more than that of July 1, 1893.

The following table contains figures of interest in this connection:

<i>Treasury statement of money in circulation on the 1st of each month since July 1, 1893.</i>			
July, 1893	\$1,593,700,000	January, 1894.	\$1,723,000,000
August, 1893	1,611,000,000	February, 1894.	1,739,700,000
September, 1893	1,680,500,000	March, 1894.	1,600,800,000
October, 1893	1,701,900,000	April, 1894.	1,690,700,000
November, 1893	1,718,500,000	May, 1894.	1,691,700,000
December, 1893	1,726,900,000		

The change in the character of the circulation is shown by the following statement:

	July 1, 1893.	May 1, 1894.
Gold coin	\$403,633,000	\$497,394,000
Standard silver dollars	57,029,000	52,655,000
Subsidiary silver	65,400,000	59,125,000
Gold certificates	92,970,000	69,990,000
Silver certificates	326,489,000	330,305,000
Currency certificates	11,935,000	57,270,000
Treasury notes of 1890	140,661,000	141,026,000
United States notes	320,875,000	284,443,000
National-bank notes	174,731,000	199,082,000

*Statement of the present circulation as compared with that of the corresponding date in preceding years.*

May 1—	May 1—
1887.	\$1,319,600,000
1888.	1,372,000,000
1889.	1,414,200,000
1890.	1,437,900,000
1891.	\$1,529,300,000
1892.	1,613,500,000
1893.	1,599,000,000
1894.	1,691,700,000

The national banks have shown a creditable capacity to meet increased demands by adding to their circulation from July 12 to October 3, 1893, nearly \$30,000,000, and I insist that whatever is possible in the way of mitigating the severity of our periodical money disturbances by the quality of elasticity in our currency can be better secured by a properly organized national banking system than by any other that the wit or wisdom of man can devise.

It may be made a marvel of flexibility, providing local supplies of currency, and responding promptly to every ordinary demand. It is simple in its mechanism, inexpensive in its operation, and adapted to the conditions and needs of our people. I think of nothing in history or legend which so admirably illustrates its adaptation to the fluctuating needs of our communities as the fabled tent of an Eastern prince, which, when unfolded in the nursery, was just large enough to cover the children at their play. When erected in the cabinet chambers of the king it was large enough to take in all the officers of state, and when pitched on the field of battle would shelter all the armies of the empire.

In this connection I desire to remind our friends from the South, who animadverted with so much severity upon the national banking system, that they owe a debt to that system which they will never be able to pay. I have before me the figures which express the growth and development of the Southern States dur-

ing the decade between 1880 and 1890. It is almost phenomenal, and I do not hesitate to assert that a sound national currency was a conspicuous agency in that development.

These are the figures:

*Statement showing the development in the Southern States in ten years.*

	1890.	1890.	Per cent of increase.
Population	17,556,920	14,638,036	19.9
Whites	11,361,996	9,007,187	26.2
Colored	6,194,924	5,631,749	10.0
Wealth	\$9,751,815,635	\$6,698,000,000	62.5
State debt (net)	\$96,460,136	\$115,195,252	18.4
Public debt	\$183,772,353	\$189,345,464	3.0
State revenues	\$26,533,280	\$13,249,866	100.0
Bank capital	\$171,690,670	\$92,575,000	86.1
Capital invested	\$2,339,170,000		
Railroad mileage	41,118	19,572	110.1
Men employed	188,731	86,250	118.8
Railroad equipment	\$1,301,026,740	\$612,080,600	110.9
Manufactories	56,714	34,563	64.2
Capital	\$551,483,900	\$170,366,230	207.0
Value of product	\$742,865,200	\$315,924,704	135.2
Cotton mills	334	161	107.4
Cotton seed products	\$54,191,600	\$16,353,182	231.4
Pig iron product, tons	1,684,663	290,772	480.9
Steel product, tons	183,625	4,380	4,121.0
Coal product, tons	17,536,456	3,820,550	382.9
Precious metals, value	\$712,789	\$225,176	218.0
Total minerals, value	\$35,608,615	\$3,643,020	87.5
Lumber output	\$102,122,100	\$35,080,151	183.4
Forest products	\$123,908,800	\$46,972,062	163.8
Land under crops, acres	75,551,429	54,679,145	38.1
Agricultural machinery	\$120,750,000	\$67,372,500	79.2
Cotton product, bales	7,776,215	5,733,675	3.6
Value	\$340,268,005	\$258,524,911	32.6
Fruit, value	\$24,020,500	\$9,064,173	171.0
All farm products	\$984,707,000	\$611,679,145	60.9
Live stock	8555,905,108	\$330,066,883	54.1
Schools	65,647	44,260	50.1
Teachers	74,055	49,182	50.5
Pupils enrolled	3,359,173	2,018,640	67.0
Attendance	2,181,109	1,391,743	56.9
School revenues	\$14,707,396	\$5,307,081	163.6

Such a currency, Mr. Chairman, will bless any nation wise enough to create and maintain it. On such a currency no statesman should lay his hand in violence. The blow you strike, my Southern friends, at such a currency will fall upon yourselves. It is a hitless sword you draw in this contention.

The closer your clutch of the steel,  
The deadlier the blow you would deal;  
Deeper wound in your hand is made,  
And your own blood reddens the blade.

Mr. LIVINGSTON. Will the gentlemen tell us why the Republican platform over in Pennsylvania asked for \$40 per capita?

Mr. BROSIUS. Well, that is not kind of the gentleman. [Laughter.] My friend from Georgia has come again. It was Hamlet that said—

Angels and ministers of grace defend us!  
Thou com'st in such a questionable shape, that I will speak to thee.

My friend asks how it was that the Republican convention the other day in Pennsylvania adopted a provision providing for \$40 per capita of circulation. Now, my friend, I do not know. Do you? [Laughter.]

Mr. LIVINGSTON. I do not. I would like to find out.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BROSIUS. Why, Mr. Chairman, I understood my time was without limit. If I was under a misapprehension, I would like to have five or ten minutes to close.

The CHAIRMAN. The request was for twenty minutes, and the Chair submitted it to the committee.

Mr. LIVINGSTON. As the gentleman refused to allow me to interrupt him for an inquiry when I got his time extended before, I move that it be now extended for ten minutes.

The CHAIRMAN. Without objection, the gentleman will proceed for ten minutes.

There was no objection.

Mr. BROSIUS. I am very much obliged to my friend, and really feel almost unwilling to longer claim the attention of the committee, but I have been interrupted repeatedly; and the fact is, I rather like to be interrupted; but when I am it deprives me of the opportunity to say what I wish to, and I can only say some things by omitting to say a great many other things, as my friend knows.

But my friend from Georgia has asked me a very pertinent question, and I answer him by saying that I do not know why that provision was put into the platform unless it was simply that the Committee on Resolutions thought it a proper mode of expressing the conviction of the Pennsylvania Republicans that we ought to have sound money and enough of it. You know that sometimes we use figures, not to express a definite idea

literally conveyed. When the boy came in and told his mother there were "a thousand cats" in the garden he did not mean a thousand cats, but it was only his mode of expressing the idea that there were a great many.

Mr. LIVINGSTON. I would suggest to the gentleman that last year's State convention had something of the same kind in it. Is that a repetition of the cat story?

Mr. BROSIUS. Certainly; this year is a part of the heritage of last year. It is merely a figure of speech [laughter], and expresses the idea that Pennsylvania Republicans want enough money and want it good, and they believe that enough is as good as a feast.

Mr. TALBERT of South Carolina. They will have to change the present system then to get it.

Mr. WILLIAM A. STONE. They want good money, and it will be observed that there is no suggestion of State bank issues in that provision.

Mr. BROSIUS. I want to make another explanation in order to be sure to cover the ground. Sometimes you see a very lovely face with a little black spot on the cheek. Now the art of the ladies in improving their appearance is very fine. They put that on their faces to increase their beauty by the contrast. That little spot makes the immaculate loveliness of their complexion blaze in the eyes of every beholder and thus serves a good purpose.

Mr. LIVINGSTON. A little piece of hypocrisy, in other words. [Laughter.]

Mr. BROSIUS. Now, it may be that that forty-dollar plank in the Pennsylvania platform is just the little patch of black which by contrast brings into distinct view the superior excellence of the platform.

Mr. LIVINGSTON. A piece of hypocrisy.

Mr. BROSIUS. Mr. Chairman, there are some other things I should like to say, but I must conclude my remarks. I want to say in relation to some of the observations of my dear friends, as I ought to call them, from Georgia and Tennessee—for I do think these gentlemen [Mr. BLACK and Mr. COX] are very lovable men—and I should like to have half a day to go through their speeches, to point out their errors and commend their excellences.

But this I can not do, but I will say to my friend, the gentleman from Georgia [Mr. BLACK], that his eulogy on the sentiment of liberty entertained by the people of his section did not fall with the greatest grace from his lips. If he means by that, liberty in its broad sense, as apprehended by the people of the United States to-day, I would say to him that that kind of liberty was not evolved from within, but was imposed from without, as far as the South is concerned; and I should like to add that if he means liberty in that broad sense, if he declares that the people of that section are in favor of that broad liberty, human liberty, I am heartily glad to know it.

I want to see the people of that section prosper. I would be willing to see that country develop until it fills the measure of that eloquent description of Georgia's lamented son, Mr. Grady, when he spoke of it as the fairest and richest domain of earth; where is centered all that can please and prosper human kind, where a perfect climate above a fertile soil yields to the husbandman every product of the temperate zone; where by night the cotton whitens beneath the stars, and by day the wheat gathers the golden sunshine in its bearded sheaf; where in the same field the clover steals the fragrance of the wind and the tobacco catches the quick aroma of the rain; where are mountains stored with exhaustless treasures, forests vast and primeval, and rivers that run wanton to the sea. I will concede all that to you, and then I will say that I want to give you a sound national currency, that through that agency you may make that fair land bloom and fruit for mankind throughout the ages; but you can never do it without a sound currency.

#### THE BETTER WAY.

Mr. Chairman, our national system of currency must not be destroyed or impaired. We must perpetuate it as long as we command the means of doing so. I would not only maintain it, but I would improve and perfect it in every way possible; I would increase its facilities by lightening its burdens; I would make it profitable to banks to be useful to extend their service, enlarge their accommodations, and increase their circulation as need requires; I would enable them to issue circulation to the par value of the bonds deposited; I would reduce the tax on their circulation; I would so amend the law as to make their reserves more useful than they now are in times of stringency.

I would do more than that. If necessary to maintain the system I would adopt the suggestion of a recent Comptroller of the Currency and refund the 4 per cent bonds in 2 per cents, running for a long term of years. If this were done to the extent of the bonds now used for banking purposes, the saving to the people for the remaining years of the life of the 4 per cent bonds

would be many millions. If all our 4 per cents could be exchanged for 2 per cents, the saving up to the maturity of the bonds in 1907 would be many more millions, as the Government actuary in the following communication of a year ago clearly shows:

UNITED STATES TREASURY DEPARTMENT,  
Office of the Government Actuary, January 16, 1893.

DEAR SIR: In answer to your letter of the 13th instant in relation to the exchange of bonds, referred to me for answer, I beg to submit the following:

"What would be the saving to the Government if it should exchange its 4 per cent bonds at their market value for 2 per cent bonds at par, having forty years to run?"

"Also, if it exchanged only those four held to secure the national bank circulation?"

I have computed the saving of interest until July 1, 1907 only, the date of maturity of the fours.

Par value of outstanding fours, January 1, 1893	\$559,502,400.00
Market value of fours January 1, 1893, at 113½	635,137,374.00
Value of twos exchanged at par for fours	635,137,374.00

Quarterly interest paid on fours	5,595,924.00
Quarterly interest that would be paid on the twos	3,175,636.87
Quarterly saving of interest	2,420,237.13

Present value, as of January 1, 1893, of quarterly savings of interest, to July 1, 1907, money at 2 per cent reinvested quarterly

Present value, as of January 1, 1893, of \$75,544,974, principal in excess of principal of fours, due forty years hence. Money at 2 per cent, reinvested quarterly	\$121,500,400.00
	31,012,300.00

Present value of net saving to the Government

Par value of fours held January 1, 1893, to secure national bank circulation	\$87,578,100.00
Market value of these fours January 1, 1893, at 113½	8131,309,650.00
Value of twos exchanged at par for these fours	152,441,452.75
	152,441,452.75

Quarterly interest paid on these fours	1,343,093.50
Quarterly interest that would be paid on the twos	762,207.39
Quarterly saving of interest	580,889.20

Present value, as of January 1, 1893, of quarterly savings of interest, to July 1, 1907. Money at 2 percent, reinvested quarterly

Present value, as of January 1, 1893, of \$18,181,802.75, principal in excess of principal of fours; due forty years hence. Money at 2 per cent, reinvested quarterly	\$29,183,376.00
	8,163,417.00

Present value of net saving to the Government, in accordance with the above proposition

I believe that these are the figures that you require; if not, I would be pleased to furnish you with any others that I can.

Respectfully yours,

JOS. S. MCCOY,  
Government Actuary

Hon. M. BROSIUS,  
United States House of Representatives.

That the payment of a portion of our debt would linger for a time in the lap of delay would do us no harm, even if we had the means of paying it; but as we can not reasonably hope to have a plethora of revenue in the near future, and in all likelihood will be compelled to pay the remaining debt at a very moderate pace, the refunding would be in entire harmony with the probable situation of our finances for some years to come. We would by this means diminish our interest and place our banking system on a stable basis for years to come—two splendid achievements. And certainly the plan is not less worthy of acceptance because it carries a double blessing to our people.

This, in my judgment, would be preferable to any of the schemes of State bond, municipal bond, or corporation bond security for circulation, which have been proposed as substitutes for national bonds. It would be acceptable to our people if rightly understood, for they will not willingly relinquish what has brought them such manifold blessings. They have tasted the luxury of a national system of currency which has been a conspicuous agency in a national career of unrivaled splendor, and they will not voluntarily surrender it for any inferior system. They will not imitate the folly of the man who requested this epitaph to be placed on his tombstone:

I was well;  
I wished to be better.  
I took physic,  
And here I lie.

[Applause.]  
I am greatly indebted to the generous indulgence of the committee.

#### APPENDIX.

TREASURY DEPARTMENT,  
OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE,  
Washington, D. C., February 7, 1894.

SIR: In reply to the questions presented in your letter addressed to this office on the 3d instant, I would say:

First. In response to a circular issued by the Commissioner of Internal Revenue in September last to collectors, reports have been received from the collection districts in which certain forms of paper, during the monetary crisis then existing, were used as substitutes for money.

Second. On the circulation of the various forms of paper (pay-roll checks and clearing-house certificates) as shown by these reports, no assessments

have been made of the tax of 10 per cent under section 19 of the act of February 19, 1875 (18 Stat., 311), for the reason—

Third. That in an opinion rendered by the Attorney-General November 21, 1893 (a copy of which is herewith inclosed), these were declared not to be such notes as were the subject of taxation under that section.

Respectfully yours,

G. W. WILSON,  
Acting Commissioner.

Hon. M. BROSIUS,  
*House of Representatives.*

DEPARTMENT OF JUSTICE, Washington, D. C., November 21, 1893.

SIR: I have the honor to acknowledge the receipt of your communication of November 15, asking my official opinion as to whether certain papers enclosed are notes within the meaning of the act of February 8, 1875, chapter 36, section 19, which reads as follows:

"That every person, firm, association other than national bank associations, and every corporation, State bank, or State banking association, shall pay a tax of 10 per cent on the amount of their own notes used for circulation and paid out by them."

The section referred to is contained in an act entitled "An act to amend existing customs and internal-revenue laws, and for other purposes." It is "to be construed in connection with those laws. It is also a part of the system adopted by Congress to provide a currency for the country, and to restrain the circulation of any notes not issued under its own authority." (*Hollister vs. Mercantile Institution*, 111 United States, 62, 63.)

If there is any doubt as to the meaning of the statute imposing this tax, the doubt must be resolved in favor of exemption. (*United States vs. Isham*, 17 Wall., 496.)

Comparing the statute in question with the other statute referred to in *Hollister vs. Mercantile Institution*, *supra*, it evidently applies only to the case of a promissory note, and does not cover other negotiable or quasi negotiable paper. For the Revised Statutes in force when the act of 1875 was passed provided for a tax upon bank circulation, "including as circulation all certified checks, checks, and all notes and other obligations calculated or intended to circulate or to be used as money" (section 3408); and they make it unlawful to "make, issue, circulate, or pay out any note, check, memorandum, token, or other obligation for a less sum than \$1, intended to circulate as money, or to be received or used in lieu of lawful money of the United States." (Section 3583.)

Three of the instruments submitted by you are plainly not notes but checks, and may be left out of consideration. The two other papers are substantially alike, one of them being as follows:

No.— ALBANY CLEARING HOUSE CERTIFICATE, ALBANY, GA. \$10.  
ALBANY, GA., August 29, 1893.

This certifies that the First National Bank, of Albany, Ga., has deposited with the undersigned officers of the Albany Clearing House securities of the value of \$20 for the payment of \$10 to said bank or bearer in lawful money of the United States, at six months from date or earlier, at option of said bank. But no certificate is to be issued bearing date later than January 1, 1894. This certificate will be received on deposit by any bank or banker belonging to the Clearing House Association of Albany at par at any time before its maturity.

\_\_\_\_\_, President.  
\_\_\_\_\_, Secretary.

Indorsed: "The following banks compose the Albany Clearing House Association: First National Bank, Commercial Bank, Exchange Bank." The paper is not signed anywhere by the First National Bank. It is plainly not an instrument upon which either that bank or the Clearing House Association could be sued in an action at common law and a money judgment recovered by proving and introducing the paper alone without further evidence. In my opinion, therefore, the paper is not a note within the meaning of the statute; and it is unnecessary to answer the further question asked by you.

Very respectfully,

RICHARD OLNEY, Attorney-General.

The SECRETARY OF THE TREASURY.

Mr. SWANSON: Mr. Chairman, there is nothing pressing the American people for settlement to-day more important and more far-reaching in its consequences than the financial question. We are confronted with conditions demanding immediate and effective solution. The national-bank system is doomed. The days of its existence are numbered. Already does it fail to answer the purposes for which it was designed. Each year will witness a greater retirement of the currency issued under this system. The United States bonds upon which this system is based have been largely retired, and the year 1907, when the residue of these bonds fall due, will make the end of this system.

The sentiment of this country is against the extension of any system which is based upon the creation and perpetuation of a large public indebtedness. The people of this country are opposed to giving the complete control and domination of the currency of this country to a few irresponsible persons, who can contract or enlarge it as their selfish interest may dictate. We are called upon to devise a system to fill the vacuum, daily becoming larger by the retirement of the national-bank currency, and to take the place of this system on its extinction.

Under the national-bank system there can be no increase of currency in the South and West. This system is based upon United States bonds. These bonds are owned principally in the Northeastern States. There are few, if any, in the South and West. The organization of a national bank in the South and West, followed by an issuance of currency, results in a contraction instead of an expansion of the currency. For instance, a national bank organized at the South will purchase \$100,000 worth of United States bonds. These will cost \$120,000.

The bank is permitted to issue under the law \$90,000 of currency. Five per cent of this is retained in the Treasury. Thus the bank receives in currency for loan in the town where located about \$85,000. It has sent out of the town to the North to pur-

chase bonds \$120,000, and received back only about \$85,000. Thus the currency in that town has been contracted about \$35,000. Thus it is clearly demonstrated that an extension of the national-bank system in the South will result in a contraction instead of an expansion of the currency. We must look to some other system besides this for an increase of currency. Every person who has addressed this House, whether Republican or Democrat, has recognized the defects and imperfections of the present system, and has recommended either a new system or amendments to the present one.

There are many financial reforms which must be made before complete relief shall come to the people and our currency assume a safe and desirable form. I shall at present only address myself to the relief at present under discussion. These are propositions to repeal the 10 per cent tax imposed by the Federal Government upon the issue of State banks and State bank associations. I can not see how any Democrat can vote for the retention of this tax. It is an exercise of the taxing power of this Government, not for the purpose of providing revenue, for not a cent is derived from this source, but for the sole, express purpose of destroying rights and privileges hitherto enjoyed by the States and people. We claim that Congress has no right to prostitute its taxing power for such unholy purposes. We claim that the vast taxing power was conferred upon the Federal Government by the States, not to destroy the rights and legitimate business of the States, but to provide itself with revenue.

This being true, the retention of the present tax is indefensible. The insertion in the last Democratic platform of a promise to repeal this tax is but the affirmation of Democratic doctrine as old as the party itself, and which had its origin at the inception of the Government.

But I shall not enter into an elaborate argument as to the constitutionality of this tax. It has been ably and eloquently presented to you by other gentlemen. I shall address myself to the advisability of repealing this tax, and thus giving the people of each State a means of supplying themselves with a currency as their needs and desires may dictate. Half of the discontent, distress, wretchedness, poverty, and want which overshadow our country result from an unjust distribution and an insufficient supply of currency.

In some sections money has accumulated in such enormous quantities that it is a drug upon the market, and there is no need, no desire for an increase. In other sections of this country the supply of currency is so scarce, so small, that it can only be obtained at the most exorbitant and usurious interest. In many sections lands are reduced half in value, the price of all products greatly depressed, business and enterprises paralyzed for a lack of money to give stimulation. The objection of the South and West to the present system as a means of furnishing currency and fairly distributing it is very just.

The distribution of money under the present system is so glaring in its inequality as to account easily for the discontent and distress which pervades the sections cursed with a scarcity. There would be no cause for complaint if the currency was distributed according to wealth and population. But the distribution is not so made. The last census discloses that the average wealth per capita in the United States is \$1,039. Nothing indicates more clearly the amount of currency in a State than the capital, surplus, and deposits of its banks. They really comprise most of the funds which can be utilized for loans and business. The average per capita of such bankable or loanable funds in the United States is \$95.68.

Now, if the currency was equally distributed, we would find these funds distributed among the States according to their wealth and population. But we do not find this; we find that New York has \$1,430 per capita of wealth, and \$291.55 per capita of such funds. Thus New York has not quite 50 per cent more than her per capita of wealth, yet over 300 per cent more than her fair share of currency. Massachusetts has \$1,252 per capita of wealth, and \$236.52 of funds. Thus Massachusetts has only about 25 per cent more than her average per capita of wealth, and yet nearly 400 per cent more than her average per capita of currency.

But mark the contrast in the Southern States. North Carolina has \$361 per capita of wealth and \$7.89 of funds. Thus this State has one-third her average of wealth per capita, and yet not one-twelfth her just average of currency per capita. Alabama has \$421 per capita of wealth and \$8.94 of funds. Thus this State has nearly half of her average of wealth, and yet not one-tenth her average of currency. Virginia has \$521 per capita in wealth and \$23.13 in funds. Thus Virginia has about half of her average of wealth, and yet only one-fourth her average of currency. Arkansas has \$403 per capita of wealth and \$6.83 of funds. Thus Arkansas has not quite one-half her average of wealth, and yet not one-fifteenth her average of currency. An examination will show that the entire South and West suffer from

this unjust and ruinous distribution of currency. The average of wealth is far in excess of their average of money.

These statistics show that the tendency of the present system is to accumulate and congest the money in a small section of the country, making the rest pay interest and tribute to it. The States where this accumulation occurs have currency more than sufficient to answer all the purposes of business and commerce. The other States are cursed with such a scarcity that business and enterprise are practically paralyzed. We are called upon to devise a system which will supply currency where needed and yet not burden the sections which have at present a superabundance. Relief of this character can be found by fulfilling that pledge in the Democratic platform providing for the repeal of the tax imposed by the Federal Government upon the issues of State banks.

When this is done you enable the people of each State and each community to solve their own difficulties as best suits them and their condition. You then enable each State to supplement its present currency with a local currency. This currency will easily and effectively perform all the purposes of local business. Nine-tenths of our debts, business, and commerce are of a local character, which can be transacted with a local currency. We will possess as much national currency as we now have. To the extent that we substitute a local currency to do local business, to that extent we increase the amount of national currency to perform our foreign and interstate business. When we do this we decentralize our financial system; we emancipate ourselves from Wall street in finance.

We confer upon the States and each community the power to utilize its credit and wealth in creating a local currency suited to its needs and wants, a currency local in its character, the issuance and circulation of which will not be governed by Wall street influences, a currency which will not leave home and accumulate in large commercial centers to engender unhealthy speculation, but which will remain at home to encourage and foster healthy enterprise and business. We badly need a local currency to supplement our present national currency.

The United States is nearly as large as Europe. Europe has as many different currencies as she has states. If she confined herself entirely to one currency, as we do, she would suffer from the same financial difficulties and calamities which inflict us. She would ever be at the complete mercy of Lombard street. All the money of Europe would gravitate to and accumulate in London, as it does here in New York, and the Continent would be barren, as is the South and West here. Money in Europe would be dependent upon speculations in Lombard street, as it is in this country upon the speculations of Wall street. Europe is indebted to the variety and local character of her currency for her freedom from this galling financial slavery, which is the curse of our country. The United States is the only civilized nation of the world which prohibits the people of its different communities providing themselves through banks with a local currency suited to their needs.

With our great stretch of territory, with our great variety of climate and conditions, with our great diversity of interests and industries, with innumerable enterprises waiting for money for development, with forty-four great, growing, prosperous States, we need, in addition to a national currency, as many if not more local currencies than Europe. When we deprive States of the privilege of responding to their immediate and local needs in this respect we pervert the principles of our Government and destroy the chief sources of our future greatness and prosperity.

The true principle of our Government is that the greatest progress and prosperity of our people will follow when there is the least interference by Government with the business and concerns of the people and States. We believe that the people and the States are better prepared to manage their private affairs than Congress. We believe that the greatest curse that can befall a people is paternalism in Government. I detest paternalism when applied to individuals. I detest and repudiate it more when applied to great and sovereign States. I do not believe there is one of the States in this Union whose people are so deficient in intelligence and patriotism that the strong arm of the Federal Government must invade its reserved rights and prevent the people of that State from carrying out their wishes in matters of finance and business, for fear that they will bring upon themselves disaster.

I believe that the people of any State are more competent to determine that question than the Federal Government. I believe that their conclusion will be wiser. The repeal of this tax does not necessarily create State banks of issue. It simply removes the destroying hand of the Federal Government and leaves their creation with the States. The people of any State who desire and need State banks can have them. Where the people of any State are opposed to them, they will not exist.

Speaking for the people of my State, I can say that I have full

confidence that they will decide this question as best subserves their interest. I shall consider myself as unworthy to represent them when by my vote I shall perpetuate the prohibitory power of the Federal Government and say by it, the people of Virginia have not good sense, intelligence, and patriotism enough to decide whether they need State banks of issue or not. The gentleman from Illinois [Mr. SPRINGER] occupies a very unavoidable position when he comes in here and implores Congress to retain this tax for fear that the people of his State, if permitted, would create State banks to their injury and detriment.

In other words, he beseeches Congress to save the people of his State from the ruin which their folly and ignorance will bring upon themselves. What a reflection upon the intelligence and patriotism of his people. I do not concur with him. I believe if this tax was repealed that the people of Illinois, if they adopted State banks of issue, would not adopt the very bad and vicious system which once prevailed there, but would adopt a good, sound system which would bring great prosperity to her people! I have this confidence in her people.

Our best leaders and wisest statesmen and financiers have urged the necessity of having a national currency supplemented by a local currency. Daniel Webster, who was one of the most conservative of American statesmen, and whose knowledge of finance and the requirements of this vast country was unsurpassed, in speaking upon this question, in 1840, to the merchants of New York, said:

My opinion is that a currency emanating partly from national authority, as broad in its origin as the whole country, and partly from local banks, organized as our banks now are, and issuing paper for local circulation, is a better currency for the whole people than ever before existed in the whole world.

His capacious and luminous mind grasped clearly our needs and requirements, and in one sentence announced that financial system most suited to a vast country like ours. We have the national currency described by him; we are suffering acutely for the local currency without which, as he says, our system is not perfect and will not answer the needs and wants of the people. [Applause.]

Mr. Chairman, the necessity for such a currency, the necessity for permitting people to take care of themselves in matters of finance, and not to depend entirely upon Government, was forcibly disclosed during the pendency of the last panic. At that time, when all currency had vanished, the banks in all sections of this country supplied its place by the issuance of certificates and other substitutes for money. The vast amount of relief furnished from this source can be estimated when we consider that the five cities—New York, Philadelphia, Boston, Baltimore, and Pittsburgh alone issued \$63,152,000.

Nearly every city in the Union obtained relief through this means. There was issued in the city of Danville, in my district, which is a large market for the sale of leaf tobacco, \$46,000 of these. But for the issuance of these the tobacco sale and all manufacturing enterprises there would have been suspended. If the banks had not availed themselves of this means of relief no one can estimate what would have been the duration and severity of the panic. All business would have been prostrated, all banks and financial institutions would have suspended, and everybody been on the verge of bankruptcy and despair. Everybody concedes that the action of the banks in issuing these saved the country from countless disasters.

When there was universal distrust these issues of the banks answered the purposes of currency, settled balances, and were accepted with perfect faith and confidence. Every one of them, I dare say, has been redeemed. They were received without discount, although under the disfavor of law and possibly liable to excessive taxation. They did incalculable good, though necessarily limited in their use as currency. Suppose this law had been repealed and each State had by good and safe law authorized the issuance of such currency, the relief would have come earlier and would have been more complete.

Favored by law, free from all possibility of taxation, a currency would have been provided adequate to all demands and sufficient to have brought complete relief. Communities and institutions would have been able to utilize without the fear of exorbitant taxation the wealth, capital, and credit possessed by them. Gentlemen favor relieving all such issue from taxation, because they concede that a great public good was subserved. If issues of this kind, being under the disfavor of law, could answer the purposes of money, could destroy the severity and arrest a panic, they can if fully favored and recognized by law be potential in preventing the occurrence of such panics. If in the time of universal mistrust and discountenanced by law, such issue will readily pass, there can be no difficulty in providing for the safe circulation and redemption of notes in normal times. This experience is a complete refutation of the dire prophecies indulged in by gentlemen who oppose repeal.

The people, urged on by dire necessity, during the last panic, despite law, availed themselves of this as the best way of relieving their distress. The question is presented to you whether you shall repeal this tax and give general relief, which can be utilized in the future to prevent or restrain panics, or whether you shall confine yourself to giving your approval to relief hitherto furnished. The necessity of such relief has been proven by the last three panics, when this right, despite law, was exercised. The necessity of permitting States and communities providing themselves with an elastic currency, expanding or contracting according to their needs, having been so clearly shown, it is the duty of this Democratic Congress to fulfill its pledge to the people and repeal this tax, and give them this great and needed privilege.

The repeal will be followed by great blessings and benefits. All business will revive, new enterprises will start, the price of all products and property enhance in value. This is no new and untried experiment. This right and privilege were never denied the States until 1865. The exercise of this right by the different States had brought great benefits and prosperity. Most of the States by experience had abandoned the bad systems which once existed, and had adopted in their stead good ones, which possessed the confidence of the people, and issued currency which sustained no discount. New York had a system which furnished the type for the present national-bank system. No one ever lost a cent by the currency issued under that system since 1843, when the present system was adopted.

The same may be said of the system of the New England and Eastern States generally. Louisiana had a system which has received high commendation and which proved a perfect protection to the holders of the notes issued under it. Most of the Southern States had systems which were safe, sound, and deserved and received the confidence of the people. The notes issued by the Bank of Indiana were always good, and every one was redeemed at par. Some few States had bad systems and the people of these States had to pay the penalty in losses sustained by them. But bad systems were an exception. The losses from State bank issues would have been very small but for the occurrence of the late civil war. Human wisdom is powerless to protect any institutions from the great losses incident to such catastrophes. State banks simply shared in the great misfortunes and losses which overtook everything.

Every loss which has been recited here or which can be recalled by any one can be traced to some defect in the law under which the banks operated, or to the corruption and mismanagement of the banks. As I have previously stated there is not a civilized nation in the world except the United States which deprives its banks and people of this means of supplying themselves with a local currency. Take the ingenious speech of the distinguished gentleman from Illinois [Mr. SPRINGER] delivered last Saturday, and that speech, when divested of its special pleadings and the prejudiced colorings always given by partisans, furnishes clear proof the success which can attend the issue of State banks. His unwilling lips are compelled to confess that in Scotland the system has worked to perfection, and that during its existence of one hundred and ninety-nine years not a single loss has resulted to the holders of its notes.

Confronted with this evidence of preëminent success and great benefit in Scotland, which overthrows his entire argument, he endeavors to escape by saying it would take us fifty or a hundred years to be able to develop or to put in operation such a system. He could not have been ignorant of two striking examples of success in this country, nearly similar to the Scottish system, which would give a complete refutation to his impeachment of the progress, intelligence, and business capacity of the American people. The chief peculiarity of the Scottish system and which gave it its great success, as he properly states, was that all the banks were practically responsible for the issue of each.

In 1834 the State Bank of Indiana, with numerous branches, was organized upon the same principle, and its operations were fully as successful as any in Scotland. In 1845 the State Bank of Ohio was organized with thirty-six branches upon the same principle, and it was highly successful. These banks brought great benefits and prosperity to the people of their States. Thus, Mr. Chairman, sixty years ago our people demonstrated that they operate successfully the Scottish system, which has received great approval and commendation from the gentleman. His argument assumes a pitiable plight when it has nothing to stand upon except a want of confidence in the intelligence, business sense, and capacity of the American people.

If, sixty years ago, we could operate a system similar to the Scottish system and equally as successful, now, after sixty years of wonderful progress and development, unsurpassed by any in the annals of the world, if the Government will only remove its restraining hand the people of these States will devise systems far surpassing that possessed by Scotland or any country.

The close vote with which the tax was imposed is clear proof that State banks were in great favor at the time of its passage, and were subserving a great good and supplying a great need.

The final vote stood 71 to 71, and only passed by the casting vote of the Speaker. If the South had been represented the tax would have been defeated by a decisive majority. The imposition of this tax by giving a monopoly to the holders of the United States bonds in issuing currency greatly enhanced the value of these bonds. The tax was imposed only for this purpose; yet so great was the favor entertained for State banks of issue that with all the corrupt and potential influence wielded by the holders of these notes, aggregating about \$3,000,000,000, the tax could only be imposed after the most stubborn and close fight.

Besides, the organization of national banks was slow until this tax was imposed and State banks of issue by law were driven out of existence. It was with reluctance that State banks were compelled to transform themselves into national banks. They were in greater favor among the people. This tax was imposed to destroy the currency of State banks, not because the currency was bad and not in favor among the people, but because it was too good and too much esteemed by the people. It was so good and stood so high in the favor of the people that they continued it in preference to the national-bank currency, and the holder of United States bonds could never substitute this currency with their currency until they had induced Congress to impose this tax and then practically destroy it. This tax should be repealed without hesitation, and the right to issue currency restored to the States.

I believe if this tax was repealed that there is not a State in this Union but that would adopt a perfectly good, safe, and sound system. I do not believe the people of any State would countenance a system which permitted the issue of "wild-cat" or depreciated currency. Wonderful progress and development has been made in banking. Experience has shown which systems are good, which are bad, which can stand all tests, and which fails. I have full confidence that the people can be trusted to select and create that system which is good and safe, and which will bring prosperity.

When the people become so that they can not have this trust given them, then is Democracy and our Government a failure. The Democratic party in its platform at Chicago expressed confidence in the ability of the people to discharge this trust. It promised relief for this prohibitory tax. I am ready to discharge this, as every other pledge and promise I made. I am willing and prefer repealing this tax without conditions, without limitations. I think it best to leave all the details to the people of each State. But if I am unable to procure this, I am willing to make concessions in order to bring relief to the people and fulfill our promise.

Since our elevation to power there has been made many classifications of Democrats. We have the "Administration" and the "antiadministration" Democrat, the "cuckoo" and the "anticuckoo." I desire to name another class of Democrats, who are true loyal Democrats, towering far above these other classes in their adherence and devotion to party and the people, and that is a platform Democrat. [Loud applause.] I am a platform Democrat. I believe in executing every pledge and every promise made in our platform.

I believe in keeping faith with the people. The people are determined that the great reforms and reliefs contained in Democratic principles shall be enacted into law. If Democrats are sent here and they prove false to their trust and pledges, the people will not desert the cause of Democracy, but will wreak their vengeance upon the traitors. They will follow the example of the Savior of mankind, who, when He entered the temple of Jerusalem, erected by the gifts and sacrifices of the Jewish people, and saw that avarice and selfishness had taken possession of the temple dedicated to the Lord, He did not desert the temple, but He drove from it those who were there for the purpose of greed and desecration.

So will it be with the people. They will not desert the temple of Democracy erected by years of devotion and sacrifice, containing their dearest memories and most precious hopes, because some who have been given trust and power have proven unfaithful and unworthy. They will arise in their majesty and might and drive from power and trust those who have broken pledges and promises to them. [Applause.]

I feel confident that there are enough Democrats in this House desirous of executing this solemn pledge and promise made to the people to carry repeal if they can only be united on some measure. We can succeed if we will compromise differences. In times of great distress like these relief should not be denied, because it does not come in the exact shape we wish. Better partial relief than none. Better substantial relief, which will uplift our people, obtained by compromise, than to lose all contend-

ing for legal abstractions. With the view of effecting a compromise of the differences among those favoring repeal, I have prepared and introduced a bill, which, if the amendment offered by the gentleman from Tennessee [Mr. COX] fails, I shall present and to which I wish to call your attention.

The first section of this bill repeals this tax imposed by the Federal Government, provided the law creating the banks or the charter of incorporation shall contain the following requirements: First, no bank shall issue notes in excess of 75 per cent of its paid up and unimpaired capital; second, that the holders of the notes shall have a first lien upon all the assets of the bank; third, that the shareholders shall be liable to those holding the outstanding notes to an amount equal to the par value of the stock held by them, and to any amount unpaid; fourth, that the notes shall be redeemed upon presentation and demand at the counter of the bank in money made a legal tender by the laws of the United States; fifth, that the banks shall be examined five times a year by some State officer, and the results of such examination published in some newspaper. The second section provides that the imposition of these requirements shall not prevent the State from imposing any other, provided they are not in conflict with these.

Let us examine the scope and effect of this bill, the amount of currency which could be issued under it, and whether the currency issued will be perfectly safe and good. Federal control and supervision will be limited to an examination of the law of the State creating these banks or to their charters. If these provisions are inserted therein the notes are not liable to taxation, and they are entirely free from all Federal interference. Upon the notes of all banks where the law creating or the charter of incorporation does not contain these requirements, the United States collector will continue to collect the present tax.

The enforcement of these provisions will be left to the States. I am not one of those who have not confidence in the good faith and integrity of the States. I believe the laws of the States are executed as rigidly, as faithfully as are the Federal laws. Under our system our dearest rights of life, liberty, and property are left to the protection of the States. There is no complaint that these great trusts have not been honestly, faithfully discharged. When we have reposed so much with marked success and safety, can we fear or hesitate to place this trust, in which the people of each State will be so much concerned? Is there a Representative on this floor who will arise and say that he believes the people of his State are unworthy of having this trust conferred, and will not faithfully execute the law?

I pause for an answer. The history of State banks show that where the law creating them was good the notes issued were good. When the law was bad, the notes were bad. Never was a complaint made of any deficiency by the State authorities in executing the law. I have more confidence in these requirements being enforced by the States than the Federal Government. Their enforcements by the States will be less influenced by political considerations. I can not see how those who favor repealing this tax without conditions, if they fail in procuring that, can refuse to vote for this bill.

This bill creates no power not at present exercised by the Federal Government. But it restricts in a large measure, it abridges to a large extent, the exercise of a power which they repudiate and detest. If the taxing power is prostituted for unconstitutional purposes, is it not our duty, if we find ourselves unable to abolish it entirely, to restrict and restrain its exercise as much as possible? This bill confers no Federal power or control; it simply excludes from Federal taxation a certain class of currency, which is now destroyed by taxation.

Next let us consider to what extent will this bill bring relief to the country. To what extent under it can there be an increase of currency? The bill provides that banks can issue notes or currency to the amount of 75 per cent of their paid up and unimpaired capital. From the last report of the Comptroller of the Currency the capital and surplus of State banks amounted to \$752,213,527. They could under this bill issue currency to the amount of \$561,160,246. This would be almost \$8 per capita, a wonderful increase, giving immediate stimulation to business and causing an enhancement in the price of products and property. Also national banks would avail themselves of the privilege and issue currency.

The capital and surplus of national banks by the same report amounted to \$929,629,949.58. Subtracting from this the amount invested in United States bonds as a basis of circulation, \$206,463,850, it leaves \$723,166,099.58 which could be utilized as a means of increasing the currency. Under this bill the currency from this source could be increased \$542,374,574.79, which amounts to about \$8 per capita. Thus with the present capital and surplus of banks under this bill there could be an increase of currency of about \$16 per capita.

This added to our present currency would give us over \$40 per

capita, about the amount possessed by France. If this currency was not sufficient to answer the demands of business and commerce, more capital would be invested in banks and the currency would be increased sufficient to respond to the demand. If this much was not needed, it would not be issued. The banks would and could only issue notes as there was a demand by business and the people. Thus it would be an elastic currency, expanding and contracting according to the requirements of trade and business. Thus this bill will provide all that is needed in volume, and no more. It will rise and fall in response to the demands of the country for currency.

This is what is badly needed in our financial system. Every healthy demand for currency should be met. The next consideration is whether the currency issued under this bill will be safe and good. The bill provides that currency shall never be issued in excess of 75 per cent of the paid-up and unimpaired capital. Thus you will always have 25 per cent more of unimpaired capital than currency outstanding. It provides that the holders of the notes shall have the first lien upon the assets of the banks. That the stockholders shall be personally liable to the holders of the notes to an amount equal to the par value of the stock held by them. These provisions will give ample security.

Under the provisions of my bill with the present banking capital there could be issued \$1,106,534,820.79. The assets from the report of the Comptroller upon which these notes would have the first lien for their redemption would amount to \$3,206,476,104. Then, if the banks issued up to the full amount permitted, there would be six dollars of assets pledged to the redemption of every one dollar of notes out. No system existing to-day anywhere provides security as great as this to note-holders.

The New York Journal of Commerce, the most intelligent and conservative financial paper in this country, in speaking of these provisions, which are the same as those contained in the Warner bill, says:

This is security doubly secure; as in most cases the guaranty would be equivalent to more than thrice the amount of the outstanding circulation. A citation from last year's experience, the most severe in the history of our banking, may serve to illustrate.

In the calendar year 1893, sixty-seven national banks were wound up by receivers. Their combined assets were as follows:

Paid up capital .....	\$11,145,000
Assets good .....	14,604,003
Assets doubtful .....	12,005,368
Assets worthless .....	8,858,239

Under this bill these banks would have been able to issue an aggregate of \$8,359,000 circulation, or 75 per cent of \$11,145,000. Under the same law the resources available for redeeming those notes would be, as follows:

Good assets .....	\$14,604,003
Doubtful assets, estimated worth .....	5,000,000
Duplicate liability stockholders .....	11,145,000

Total available assets .....

\$30,749,003

Thus the resources for protecting the notes would be about three and a half times the amount of notes to be redeemed. The duplicate liability of the stockholders would more than cover the redemption requirements; while the realizable assets would be about two and a half times the amount of circulation. The bill thus affords a ratio of guaranty to note liabilities more than double the rate provided under the national-bank act and about threefold that which renders the credit of the Bank of England note impregnable. This is the kind of note which is proposed to substitute for the old "wild cat" currency while repealing the 10 per cent tax on State bank notes.

Thus we have proof by positive experience that even in cases of the most reckless bank mismanagement, such as existed in the banks referred to, that the notes are amply protected and that there is no danger of the holders of the notes losing anything under this bill. The Bank of Indiana, which had a career of marked success and usefulness, not suspending specie payment in the severe panic of 1857, could issue notes to double its capital. The State Bank of Ohio, which was also very successful and gave no cause whatever of complaint, was permitted to issue \$200,000 for its first \$100,000 of capital, \$150,000 for its second \$100,000 of capital, \$125,000 for its third \$100,000 of capital, \$100,000 for its fourth \$100,000 of capital, and \$75,000 for every other \$100,000 of capital.

In Louisiana, where the system was also pre-eminently successful, the law provides that the bank's liability to the public, which included its circulation, should be equal to one-third its specie reserve and the other two-thirds represented by commercial paper not to run over ninety days. The banks in Louisiana did not suspend during the panic of 1857. The clearing-house certificates, which were issued with such marked success last year, amounted to 75 per cent upon the commercial paper deposited.

Thus all past experience clearly proves that notes issued under this bill will be perfectly safe, having greater security than ever heretofore provided. Besides, the examination five times a year by an officer would prevent any mismanagement of the bank. The results of their examinations being published, the people

would be apprised of the conditions of the banks and take steps to prevent any loss. Thus under this bill ample currency can be issued and it will be perfectly good, safe, and sound.

The notes being redeemed on demand in money made a legal tender by the laws of the United States, the public would suffer no inconvenience when it desired national currency for use outside of the State. All that would have to be done would be to present the notes at the bank and get for them this kind of currency. To the extent of these conditions the currency of the United States would be uniform. If a person in Virginia had a note issued in California, he would know that he has as a security for its payment all these requirements. Thus the notes would be accepted with confidence.

Mr. Chairman, nothing proves more conclusively the necessity of repealing this tax imposed upon the issue of State banks and adopting a new system in place of the national banks than the small amount of national bank notes at present in circulation. In 1860 the capital of banks in the United States amounted to \$421,880,095. The circulation of all banks amounted to \$207,102,447. By the last report of the Comptroller of Currency the capital of all banks, including surplus, amounted to \$1,781,843,476.58; while the total circulation of the banks only amounted to \$182,959,725.90.

Thus we see since 1860 we have more than four times the bank capital we then had, and yet our circulation by them has been greatly reduced. With increased demands each year for money and loans, we have fearfully diminished the means and facilities of supplying it. What folly, what stupidity. You will never witness great progress and prosperity in this country again until we remedy this, until the Federal Government shall take its restraining hand from this vast amount of capital now lying helpless and powerless, and permit it to be utilized to answer the wants and demands of the people for more currency. When this is done you will behold an immediate and immense revival in every department of business. Currency, like rich blood to the body, then will go to the remotest portion of this vast country, carrying new health, new activity, and new life. [Loud and prolonged applause.]

Mr. BROSUS. Mr. Chairman, I omitted when I took my seat to ask unanimous consent to extend my remarks so as to incorporate some matters which I could not address to the House, and I now make that request.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to print some documents in connection with his remarks and to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. HENDERSON of Illinois. Mr. Chairman, the bill and amendment proposed by the Committee on Banking and Currency, now under consideration, are not in my judgment of any great importance. And if the opinion of Attorney-General Olney, published in the RECORD in connection with the remarks made by my colleague [Mr. SPRINGER] on Saturday last, be correct, as it seems to me to be, there is no necessity for the passage of the bill, either with or without the proposed amendment. And but for the fact that the gentleman from Tennessee [Mr. Cox] has given notice of his intention to offer an amendment to the bill as an independent section, repealing the 10 per cent tax on State bank circulation, I would not say a word at this time.

But, believing as I do, that no greater calamity can befall this country, so far as the currency is concerned, than to go back again to the old system of State bank circulation, which prevailed for so many years, and always with such disastrous consequences to the people, I can not permit such amendment to pass without at least entering an earnest protest against it. Whether the power exists in the States under the Constitution to establish banks of issue or not, I do not think it either wise or expedient for them to do so.

The 10 per cent tax imposed upon the circulation of State banks, or State banking associations, was undoubtedly intended to be prohibitory. And its results have, as it seems to me, demonstrated the wisdom of the tax, for it has given to the country a national currency, which has been as good in one State of the Union as another, and from the day we went to a resumption of specie payments in 1879, it has been absolutely at par with gold without any discount or loss to the people whatever. Under it people have done business safely, so far as the currency is concerned, and exchanges have been merely nominal in all parts of the country.

Even when national banks have failed, the notes have been as good as gold; and no man has ever lost a dollar in receiving the notes of such banks. With our national currency a man can travel all over the country, from one State to another, and his money is perfectly good. He is asked no questions about it and suffers no discount on it. And so he can buy and sell merchandise anywhere in any of the States, and he knows what kind of

money he has to pay or to receive, and that it is good; and, therefore, he can do his trading on smaller margins, because he knows the safety and value of the money he has to pay or receive in his business transactions.

Mr. Chairman, there is nothing more desirable to the people of a prosperous country than to have a sound and reliable currency, a currency which has a fixed and steady value, and is not fluctuating from day to day and from week to week. And while the volume of such currency should be large enough to meet the demands of trade and commerce and to facilitate the exchange of commodities, it should never be obtained by any sacrifice of its soundness and reliability. The quality of the currency is quite as essential as the quantity. And I feel certain in saying that since we went to a resumption of specie payments, in 1879, we have never had in all our history so good a currency as our national banking system has given to us. Nor has the volume of the currency—gold, silver, and paper—ever been so large per capita as it is to-day.

But the gentleman from Georgia [Mr. LAWSON], in the able speech made by him a few days since, says, "National banks may be so conducted as to jeopardize the welfare of the country; they may become dangerous in the same manner that any other monopoly or syndicate is dangerous." Why, Mr. Chairman, there is no monopoly in our national banking system. It is perfectly free. A national bank may be established in any community in any State, just the same as a State bank can be established under State authority, except the national bank must give security to the people for the redemption of its notes by the deposit of United States bonds, and how a State bank circulation will be secured must depend on the legislation of forty-four different States.

National banks are just as free and independent of each other as State banks in the several States can be, or, I may say, as independent of each other as the State banks in one State, if the State bank system is revived again, would be independent of those in other States. And the danger to be apprehended from national banks suggested by the gentleman from Georgia is hardly worthy, as it seems to me, of serious consideration. If the welfare of the people may be jeopardized by national banks, how much more may it be jeopardized by going back again to the old system of State banks, to flood the country with as many kinds of currency, regulated by as many different laws as there are States and Territories in the Union?

Mr. Chairman, it does seem to me there can be no doubt in the mind of anyone familiar with the history of State banks in the several States of the Union but that heretofore in all our experience with such banks they have wholly failed to give to the country a uniform, sound, stable, reliable currency. The results of a State bank circulation have been, sooner or later, in every period of its existence disastrous to the country. It has flooded the country with all sorts of paper money, some good and well secured, but the most of it worthless and bad, with but little or no security. The vast inflation of the currency increases prices beyond real values. The wildest schemes of speculation are excited and stimulated by the abundance of the currency, and for a time everything seems prosperous. But the bubble must burst sooner or later, and it does burst.

The banks fail, the currency is worthless, and the people are involved in universal bankruptcy and ruin. I submit, Mr. Chairman, that this is not an overdrawn picture. It has been the history of State bank circulation in the past to bring about such conditions as I have described, and we should hesitate long before we return to that system of supplying the country with currency again. It will surely fail us in the future as it has in the past.

The country experienced the terrible evils of State bank circulation in 1816, 1837, and 1857, and for many years which followed each of these periods. The gentleman from Georgia [Mr. LAWSON], in his speech heretofore referred to, says:

The right to control private banking was reserved to the States and not granted to the Union, and hence their authority over the subject is exclusive and supreme.

I can not agree with the gentleman in that opinion. There is certainly no express reservation of any such right in the Federal Constitution. But, on the contrary, there are provisions in the Constitution which justify the opinion, as it seems to me, that no such right was reserved to the States. Why were the States expressly prohibited by the Federal Constitution from coining money and from emitting bills of credit, and from making anything but gold and silver coin a tender in payments? And why was Congress clothed with the power of coining money, and regulating the value thereof and of foreign coin? Was it not, Mr. Chairman, to enable Congress to regulate the currency and to give to the people a uniform, stable, and reliable currency?

As the gentleman from Georgia quoted Mr. Webster against my colleague [Mr. SPRINGER], with whom I fully agree on this

question, I will quote one of the most distinguished of Southern statesmen, John C. Calhoun, against him. In a speech in the House of Representatives, made by Mr. Calhoun in 1816, he said, as to the state of the currency of the nation, that it was extremely depreciated, and in degrees varying according to the different sections of the country. He further said—

That this state of the currency was a stain on public and private credit, and injurious to the morals of the community, was so clear a position as to require no proof.

There were, however, other considerations arising from the state of the currency not so distinctly felt nor so generally ascertained to. The state of our circulating medium was, he said, opposed to the principles of the Federal Constitution. The power was given to Congress by that instrument in express terms to regulate the currency of the United States. In point of fact, he said, that power, though given to Congress, is not in their hands. The power is exercised by banking institutions, no longer responsible for the correctness with which they manage it. Gold and silver have disappeared entirely; there is no money but paper money, and that money is beyond the control of Congress. No one, he further said, who referred to the Constitution, could doubt that the money of the United States was intended to be placed entirely under the control of Congress.

The only object, said Mr. Calhoun, the framers of the Constitution could have had in view in giving to Congress the power "to coin money, regulate the value thereof, and of foreign coin," must have been to give a steadiness and fixed value to the currency of the United States.

Mr. BOATNER. Will the gentleman yield for a question?

Mr. HENDERSON of Illinois. I do not like to do so, because I do not wish to occupy much time if I can help it; but what is the gentleman's question?

Mr. BOATNER. I merely wished to ask the gentleman whether he considered Mr. Calhoun a good authority on the Constitution?

Mr. HENDERSON of Illinois. He is as good as some other authorities that have been quoted here. I have made the quotation as a sort of *argumentum ad hominem*, but I will say that in my judgment Mr. Calhoun's argument is unanswerable; and, I submit, differs entirely from the opinion of the gentleman from Georgia in regard to the rights of the State to control private banking, if he means thereby, as I presume he does, the right of such banks to issue paper to circulate as money.

Mr. LAWSON of Georgia. It differs likewise from Mr. Webster's view, does it not?

Mr. HENDERSON of Illinois. I will come to that after a while.

No such right existed in the opinion of Mr. Calhoun. No such right existed in the opinion of Justice Story; and we have the authority of that able, eminent jurist in saying that no such right existed in the opinion of the greatest of all our jurists, Chief Justice Marshall. But I have quoted from the speech of Mr. Calhoun for a double purpose; first, to show that he did not regard the States as having the power to issue paper money under the Constitution, for he said in the same speech from which I have quoted that the power which was being exercised by the States in issuing currency was a "usurped power;" and, secondly, for the purpose of showing from his speech the bad condition of the currency of the country at that time. And it is a matter of history that the condition of the country grew from bad to worse for several years succeeding the year 1816, in which Mr. Calhoun spoke.

There were other causes that combined with the bad system of currency, in my opinion, to bring about the condition of the country from 1816 to 1824; and in fact that contributed to the bad currency which prevailed. Mr. Calhoun said gold and silver had disappeared. Where had it gone? I answer that under a low tariff it had gone to pay for work done for us in other countries, and which had better, far better, have been done by our own unemployed labor at home.

The country, however, rallied from the depression of that period, from 1816 to 1824, through causes which I do not care to discuss to-day. But the paper mills were still kept at work to give the people an abundance of money, and to make better times, and everything was booming. Corner lots grew in value in a single night, like Jonah's gourd, and a man bought a lot to-day to sell to-morrow for enough to make him rich. Money, however, was plenty, and it went from hand to hand like hot cakes. It was not safe to keep it over night. This condition of things, however, could not always continue with such a worthless system of currency, and in 1837 the crisis came, as it was bound to come.

The banks failed throughout the country; banking, as they had been, on credit and but little else than credit, and the people were reduced to absolute bankruptcy. I was old enough to remember something of the hard times which followed the terri-

ble panic of 1837, and the country did not recover from the financial distress brought about by the worthlessness of the currency we then had for a full decade. Then again came another panic in 1857, caused by the failure of the banks, which had been multiplied in all the States; and again all the business, trade, and commerce of the country was prostrated. Gold and silver had again disappeared, and there was no money in circulation but the worthless trash furnished by the State banks.

To show the condition of the country, how we had, under circumstances most favorable to prosperity, been suddenly reduced to bankruptcy and want, I will refer the committee to the message of President Buchanan, delivered to Congress in December, 1857. In that, his first annual message, he said:

The earth has yielded her fruits abundantly, and has bountifully rewarded the toil of the husbandman. Our great staples have commanded high prices, and up till within a brief period our manufacturing, mineral, and mechanical occupations have largely partaken of the general prosperity. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country in its monetary interests is at the present moment in a deplorable condition.

In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of national wealth we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the Government, which is chiefly derived from duties on imports from abroad, has been greatly reduced, while the appropriations made by Congress at its last session for the current fiscal year are very large in amount.

Now, as to what brought about this deplorable condition of the country, let Mr. Buchanan answer. He says in the same message:

It is our duty to inquire what has produced such unfortunate results, and whether their recurrence can be prevented. In all former revulsions the blame might have been fairly attributed to a variety of co-operating causes; but not so upon the present occasion. It is apparent that our existing misfortunes have proceeded solely from our extravagant and vicious system of paper currency and bank credits, exciting the people to wild speculations and gambling in stocks. These revulsions must continue to recur at successive intervals so long as the amount of the paper currency and bank loans and discounts of the country shall be left to the discretion of fourteen hundred irresponsible banking institutions, which, from the very law of their nature, will consult the interest of their stockholders rather than the public welfare.

The framers of the Constitution, when they gave to Congress the power "to coin money and to regulate the value thereof," and prohibited the States from coining money, emitting bills of credit, or making anything but gold and silver coin a tender in payment of debts, supposed they had protected the people against the evils of an excessive and irredeemable paper currency. They are not responsible for the existing anomaly that a Government endowed with the sovereign attribute of coining money and regulating the value thereof should have no power to prevent others from driving this coin out of the country and filling up the channels of circulation with paper which does not represent gold and silver.

Now, Mr. Chairman, this deplorable condition of the country described by President Buchanan continued for several years. We certainly had not recovered from the effects of the bank failures at the beginning of the war. The General Government itself was compelled to borrow money, and had not the credit to do so, except at heavy rates of interest; and President Buchanan attributed the condition of the country to an extravagant and vicious system of paper money and bank credits. He did not even admit in that case of a co-operating cause; and he clearly meant our system of State bank circulation; for after declaring it to be one of the highest and most responsible duties of government to insure to the people a sound circulating medium, the amount of which ought to be adapted with the utmost possible wisdom and skill to the wants of internal trade and foreign exchanges, he says:

Unfortunately, under the construction of the Federal Constitution which has now prevailed too long to be changed, this important and delicate duty has been dissevered from the coining power and virtually transferred to more than fourteen hundred State banks, acting independently of each other and regulating their paper issues almost exclusively by a regard to the present interest of their stockholders.

Yes, it was an unfortunate construction of the Federal Constitution, and while I prefer always to speak respectfully of the decisions of our Supreme Court, I must say I do not believe it was a right or sound construction.

Mr. Chairman, I have referred to three periods of great distress and financial ruin brought upon the people of the entire country by a State bank circulation, 1816, 1837, and 1857, and the years of depression and stagnation of trade which followed each period. But all along in the history of State banks and their issues, in the intervals between these periods, the people never had a sound stable currency. We had an abundance of what was called money—shinplasters, wildcat, and red dog—but the people were subject to constant losses every year through the failure of these banks. The most profitable employment, the most active business, was that of the "money broker," whose voice I trust will never be heard again in the land.

But, Mr. Chairman, the gentleman from Georgia [Mr. LAWSON] said in his speech heretofore referred to, that "local banks of issue are a part of our system of local self-government;" that "we inherited them from the sovereign States at the time of their entrance into the Federal Union." Now, Mr. Chairman,

with due respect to the gentleman from Georgia, I do not think that is the fact. On Tuesday, when my colleague on the Committee on Banking and Currency [Mr. BLACK] was addressing the committee I called his attention to the fact that Mr. Calhoun had said in 1816, in a speech in the House of Representatives, that at the time of the adoption of the Federal Constitution there was but one bank, the Bank of North America, with a capital of only \$400,000.

The gentleman from Alabama [Gen. OATES] said that Mr. Calhoun did make that statement, but was inaccurate. He said there were four banks. I have seen it stated somewhere that there were two banks—the Bank of North America and one other in Massachusetts. But admitting there were four, there must have been nine of the States that had no banks of issue in them when the Federal Constitution was adopted, and probably more. So that Mr. Calhoun was correct when he said in the same speech that banks were then but little known, even if he was inaccurate in stating that there was but one when there were four, and possibly some of the four were banks of deposit and not banks of issue; for he proceeded to draw a distinction between banks of discount and deposit and banks of issue, the latter of which were then but little understood, and their abuse not conceived until demonstrated by recent experience. I submit Mr. Calhoun had better opportunities of knowing the correct history of the times at that early day than we have.

The gentleman from Georgia [Mr. LAWSON], in his speech on Saturday last, quoted an opinion of Mr. Webster, from his works, in which that distinguished statesman commended a currency emanating partly from a national authority, and partly from local banks, such as we then had, and issuing a paper for local circulation as being a better currency for the whole people than ever before existed in the whole world. Mr. Chairman, Mr. Webster was a great man, and I have always had the highest admiration for him, for he was a man of great intellect. But I am not quite sure he was the best authority on questions of finance, and on a currency which is simply a promise to pay money, and not money itself. I read with great interest a few years since some of the private writings of Mr. Webster, and remember that I was much amused in reading one of his letters in which he said that in his college days he used to write theses for some of the young men in college who were his classmates, for he said they thought he was a promising young man, "And so," he said, "have my creditors thought ever since." [Laughter.]

But seriously, Mr. Chairman, it must be remembered that Mr. Webster hailed from a State which had the soundest local banks of any in the Union, and he certainly did not intend to include the abuses of the local banks which had been so severely felt throughout the entire country in his commendation.

Mr. Chairman, gentlemen tell us that conditions have changed; that the people are wiser than they were; that legislation will be safer. We have, they say, telegraphs and railroads, and that rapid communication will prevent the frauds, the wrongs, and abuses which have heretofore befallen the people in consequence of a paper circulation issued by State banks. But, Mr. Chairman, we should take warning from our past experiences and not listen to these "songs of the sirens."

Is it true that we are wiser and that legislation is safer to-day than it has been in the past? I doubt it. I doubt, even if we are wiser, that at any time in our past history there has been more of selfishness, of avarice, and greed than there is to-day in the country. When in all our past history have men been more anxious to grow rich, to accumulate wealth, than they are to-day? We are not willing to wait the slow methods of making money by honest toil and by legitimate trade and business. Such old-fashioned methods of accumulating wealth are too slow for this age of telegraphs and railroads. Everybody wants to get rich in a day, even if in doing so they do have to appropriate some other man's earnings and place them in their own coffers. Hence, the many devices of making money rapidly which prevail throughout the country.

No, Mr. Chairman, ten thousand times, no! to any proposition to go back to the sad experiences of the country brought upon it so often by a system of State bank circulation.

Whatever currency we have let it be a national currency—a currency for all the people of all the States; a currency which is uniform in value and stable, and if possible as good in one State as it is in every other State. We are one nation and one people, and let us have one currency and one standard of value for the whole country. By so doing the public welfare in all the States will be, in my judgment, better promoted. We will not have the confusion, the doubt, and uncertainty which will attend our business transactions in all our vast interstate commerce and trade if we go back again to the old system of State banks. I sincerely hope it may never be done. [Prolonged applause.]

And now, Mr. Chairman, whatever time I have left I yield to the gentleman from Pennsylvania [Mr. DALZELL].

Mr. DALZELL. I will reserve the time yielded to me by the gentleman from Illinois.

Mr. HENDERSON of Illinois. How much time have I remaining, Mr. Chairman?

The CHAIRMAN. The gentleman has twenty-eight minutes.

Mr. DALZELL. I reserve that.

Mr. TUCKER. Mr. Chairman, I rise to support the amendment offered to this bill by my friend from Tennessee [Mr. Cox], and if that is voted down, to support the amendment of my colleague, Mr. SWANSON. I shall leave the argument against the constitutionality of the tax where my honorable friend [Mr. BLACK] of Georgia has left it, for nothing could profitably be added to what he has so well said.

I have, sir, ever since I have been a member of this House voted for every proposition which in my judgment tended to increase the currency of the country, so that every dollar of the currency issued should be the equal of every other dollar.

How does this proposition concerning State banks get into this House? It comes in under a bill asking that certain clearing-house certificates should be relieved from the 10 per cent tax imposed upon them by existing law. How did the clearing-house certificates ever happen to be issued? Because of the need of a local currency during the panic last fall. We are told that the volume of currency in the country is ample for the purposes of the people; that there is ample currency to do the business of the country; and yet we find ourselves here to-day discussing a bill that has for its object and purpose the relief from taxation of a local issue of money required and demanded under the influence of a panic last fall in this country. We simply ask from the advocates of the measure which we are now considering the same measure of justice that they ask of us at this time. If the clearing houses were a necessity for local currency in a time of panic, we say that local banks of the States are needed now by the people.

Now, the question of whether the 10 per cent tax on State bank circulation should be repealed or not is one that I will not stop to discuss further than to say that I favor the repeal on these grounds: First, that it was a tax put upon the banks for the purpose of killing them, and not to raise revenue. It is a similar tax to that which we find in the Conger lard bill, and in the anti-option bill that is threatening soon to come into the House.

It is a tax that ought never to have been countenanced, because it is not levied for the purpose of revenue, but for the purpose of killing out one industry in the interest of another.

I am against it for that reason. I am in favor of the repeal of the law for another reason—that it will enable us to enlarge the volume of the currency of the country and to have, not only a national currency, but a neighborhood currency to supplement it. We have a national currency permeating the whole country; the local State bank notes will do the local business, relieving to that extent the national currency, and thereby enlarging its field of usefulness.

To a proper understanding of this question we have to determine at the outset what is MONEY. The definitions which merely describe some of the attributes of money or some of its functions, are often misleading and incomplete, and upon a proper understanding of what money really is, we think, rests the solution of the whole question. We often find a popular definition of money to be a "medium of exchange." This may be one of the attributes of money, but it is scarcely sufficient in scope and breadth. Undoubtedly money is a medium of exchange, but all media of exchange are not money. A man who checks his baggage to its point of destination and receives from the railroad company a check is able to redeem his baggage at the end of the journey by the presentation of the check.

The check is undoubtedly a medium of exchange, for without it the man can not get his trunk, but the check would hardly be considered as MONEY. The check reproduces the trunk, but, in exchange, it would produce nothing else. Its sphere of action is therefore limited to the exchange in only one case, whereas money should be and must be a medium of exchange for any article. A man gives to a friend an order on a merchant for 10 pounds of sugar. The order becomes, between the merchant and the man who delivers it, a medium of exchange for 10 pounds of sugar, but the same order would not be a medium of exchange between the merchant and the man for 10 pounds of coffee. The test, therefore, whether a medium of exchange be money or not must rest upon its universality as applicable to all exchanges, and not such as are limited to one article. This definition is too narrow, and in its application misleading.

Another popular definition of money is that it is "a measure of value." Money undoubtedly is a measure of value, but it is something more. To confine the definition of money to merely that of "measure of value" would be to rob it of its chief at-

tribute, which is value itself. If money were a mere measure of value and nothing more, then there is no reason why the substance out of which money is made should not as well be paper, leather, wood, or any other commodity, as of gold and silver. If it is a mere "measure of value," clearly it makes no difference out of what or by what substance that value is measured. It matters not whether a yard stick which measures a yard of cloth be made of wood or silver, the measure is the same. The quart cup with which the dairymen measures out his milk is just as efficient in measurement made out of tin as if it were made out of gold; and therefore, while undoubtedly to measure value is one of the functions of money, yet it would manifestly be too narrow a definition to confine it merely to that, for it not only measures value, but the money of the Constitution is VALUE ITSELF.

Another definition relied on by writers on political economy is that money is anything which is "legal tender for debts." This definition has given rise to much writing in support of it as the only just and comprehensive test of what constitutes money. Let us examine it for a moment. Under the Constitution Congress has power to "coin money and regulate the value thereof." That is, it may first coin money and may then "regulate" the value of what it has already coined. Mark the word "regulate." It does not say that Congress may first coin, and then *make or change* the value thereof; for Congress can not make value out of that which has no value—but it may *regulate or make rules concerning* the value of that coin, which value that amount of coin possesses independent of Congress.

It has power to make rules concerning what it has coined, which has its value by reason of commercial demand in the markets of the world. I do not, of course, mean that Congress can not by indirection, by creating an enlarged use for an article, enhance its value, for if Congress were to direct all money to be coined out of copper (were such a thing constitutional), by its increased use copper would be greatly enhanced in price—and the veriest High-priest of the money power will not deny that the free coinage of silver would raise the price of silver at once for the same reasons, but I mean this: A gold dollar contains 24.8 grains of pure gold as now constituted. Congress can change that and make a dollar out of 20 grains of gold; but it can not by such law when so changed make the 20 grains of gold (made into coin) equal to 24.8 grains of gold made into coin. Congress may by law make a dollar out of 20 grains of gold a legal tender in payment of debts, but it can not, when it has done this, make it equal to the one that contains 5 grains more of gold.

Congress also has power to regulate weights and measures. Suppose it should by law direct that all yardsticks should be made of a rubber substance, which in a short time would contract one foot out of the three; it could not by law make that contracted stick the equal of a three-foot yard. In short, Congress can not make that valuable which has no value, though it has power to make that which is less valuable than its face or market value a legal tender in payment of debts.

Undoubtedly Congress could reduce the amount of gold in a dollar to 20 grains and make that a legal tender in the payment of a debt of \$1, and under those circumstances if a man presents ten of such gold dollars in payment of a debt of \$10 the creditor would be obliged under the law to accept them or to relinquish his debt. But suppose at the time he makes a tender of this depreciated dollar to his creditor and forces him to take it under the law, he proposes to buy from him \$10 worth of sugar or any other commodity. The sugar is tied up and about to be handed to him over the counter and ten of these same dollars are handed to the merchant in payment for the sugar.

The merchant, then, undoubtedly has a right to decline to accept them and refuse to trade, and that which has been recognized by law as a legal tender for debt finds itself incapable of performing the functions of money in the transactions of commerce; for while it is not probable, it is very possible that the Government might, for reasons deemed sufficient to itself, in a crisis or exigency require that that should be considered a legal tender for debt which the world would not recognize as money. And while one of the functions of money is to pay debts, yet the largest function of money is to facilitate exchanges, and that which the law may compel you to take for debt may not be accepted in trade universally. Generically speaking, therefore, "legal tender for debts" would not supply the definition for money; but since the Constitution declares that Congress can regulate the value of money, and thereby make a legal tender of it for debt, whatever may be its value, we must accept "legal tender for debt" as a proper definition, narrow though it be, in our country and under our Constitution.

The most ancient money of the world, recognized in all time and in all countries, is gold and silver. The money of our country, as recognized by the Constitution, is gold and silver;

and, for the purposes of this discussion, I shall assume, without going into refinements, that under the Constitution money is gold and silver coin, used as a measure of value and medium of exchange in the commercial world, or as a legal tender for the payment of debts. Currency must not be confounded with money. All money is currency but all currency is not money, though redeemable in money. Currency, therefore, we hold to be anything ultimately redeemable in money which is recognized by law, as a legal tender, in payment of debts, or by universal consent, as a measure of value and a medium of exchange in the commercial world.

Having for the purposes of this argument settled that gold and silver is the only money recognized by the Constitution, all else we place under the head of currency which exercises all the functions of money and is valuable only in that it is redeemable ultimately in gold and silver. All money, therefore, gold, silver, and currency, we recognize as property because it is itself valuable or is redeemable in values, but all property is not money. If the gold and silver coin of the United States were to-day dumped into the ocean, the United States would be much poorer, for it would be the loss of that much gold and silver which possesses inherent and intrinsic value.

But if the \$350,000,000 of greenbacks, or the Treasury notes, or silver certificates were destroyed by a conflagration the country would be no poorer for such destruction, though individuals to whom it belonged might be. There would be just as much property in the United States as before; as many horses, cattle, acres of land, houses, etc.; as much gold and silver as before, in which all of these notes, if not destroyed, would have been ultimately redeemable. In the one case it would be the destruction of absolute values in gold and silver; in the other, merely of the evidences of title to property. The one would cause us to be poorer among the nations of the world, and the other would not affect us at all, for the paper currency could be reissued without expense. Having determined heretofore what money is, we now take up the discussion of some of the functions of money as bearing upon the pending amendments.

As the wheels of a wagon are the means by which the wagon and its load are transferred from one point to another, doing the business of local commerce, so "money" is the commercial wheel upon which is carried the business of the world. As the love of money is well said to be the root of all evil, so the use of money may be said to be a necessary means to all commerce. The farmer with his cattle upon a thousand hills is rich in beef, but may be poor in groceries.

To drive a bullock to a grocery store to be exchanged for groceries would be rather cumbersome, both to the merchant and seller, and dangerous to the inhabitants of the town or city. But when the bullock can be taken to the butcher's stall and exchanged for something (money) which may be used by the seller at the grocery store in the purchase of groceries, it is made the medium of exchange between the farmer and the butcher and then between the farmer and the groceryman; and the bullock is, in fact, the money of exchange transferred into a more compact and convenient form. The hogshead of tobacco is too cumbersome to be utilized as a medium of exchange, for, while it has value and is property, yet, in order to facilitate the demands of commerce, it must be first transformed into a convenient medium of exchange, in order that its value may be utilized in the hands of the seller.

As the bullock is valuable to the farmer when he takes it to the butcher, so nothing would be considered in exchange for it which does not itself possess value or which would not be redeemable in value, and that medium may be either gold or silver or that which may be redeemed in gold or silver. The prosperity of a country must depend upon the facility with which property in one man's hands can be exchanged for other things which he needs without the diminution of the value of such property.

The possession of 100 hogsheads of tobacco or a thousand bushels of wheat by a farmer is of no practical benefit to him beyond his personal needs, though they both have value, unless they can be transformed into other values which may be utilized by the possessor. It is of no consequence to him to be told that he is rich in the possession of either article if the condition of the country is such that a part of that which he does not need can not be utilized by him to gain other things of value which he does need. Money, therefore, may be termed the wheel which transfers all articles of value from one to another in a community, and just as the wagon is incapacitated by a broken wheel, or is useless without wheels, so property of whatever character is practically useless to its possessor, except so much as is needed for present want, unless it can be transformed into other values.

Exchange and commerce are the life of any country. Transportation facilities and the great increase in railroads have

shown what may be done to increase the commerce of the world by that one means. But however good the facilities of commerce may be, if the medium of exchange be wanting, the cars may be prepared and ready to carry our produce from one section to another, steam and electricity may be at our command, but the moving force, the medium of exchange, money—if that be lacking, transportation facilities are but a delusion and a snare.

Now, it must be admitted that the chief function of money is to facilitate the exchange of commodities. This function necessarily presupposes the prior existence of something to exchange, that is *property*. Money is the outgrowth of property, and property may well be termed the father of money. If property had never existed (if such a thing can be imagined), there would be no occasion for any medium of exchange for that which has no existence. This idea should be constantly borne in mind in the consideration of this subject. It is the foundation, in my judgment, of all true and correct notions of money. For money does not create property; it merely operates upon property after it has been created. Its province is to increase, not wealth, but the *productiveness* of wealth.

Wealth is produced by labor. Money operates to exchange it after it is produced. We have heretofore likened money in its relations to trade and commerce to the wheels of a wagon. In another sense we can very properly liken it to the wagon itself. That is, money bears the same relation to trade and barter that the wagon does to the produce of the farmer in moving and disposing of his crop; and as the wagon is the vehicle by which the crop of the farmer is moved, so money is the vehicle by which the commerce of the world is moved. The inability to exchange property depends upon several considerations, and following the above analogy and for the purposes of simplification they may be stated under three heads in this connection. I will take three classes of farmers as illustrations of my meaning.

First. Farmer A has no crop to move or sell, owing either to his failure to sow and reap, or to the subsequent destruction of that which had already been sown. To him the possession of wagons or other vehicles with which to move his crop is a matter of no concern. Of what advantage would wagons be to him if he possessed no crops to be conveyed in the wagons? So to him the abundance or scarcity of money in making sale of his crop is a matter of indifference. He is unfortunate it is true, but as there can be no trade or barter except based on commodities of value, so there can be no advantage to him to be told that there is abundance of money, the vehicle of exchange, if he has nothing to exchange for it.

Second. Farmer B is somewhat differently situated. His barns are bursting with plenty and full of cereals of all kinds. Wagons and other means of transportation are abundant. And yet he can not sell or exchange his products, or if at all at a clearly inadequate price, sometimes below the cost of production. This case presents itself very often. It is the case of ample harvests, plenty of money, but low prices or no sales, because either there is no one to buy or the parties who wish to buy can not be reached. Its solution can only be partially suggested.

The idea of barter and sale of farm products presupposes the idea that one party possesses commodities of value, that the means of transportation are at hand, and that when they reach the market he finds another ready and willing to buy. His inability to sell, therefore, in this case is reduced to two causes: first, that the merchant possesses as much of the commodity which the farmer desires to sell as he wants. And this may be on account of overproduction, not only locally but throughout the world, of the article which the farmer desires to sell, and therefore the merchant can not use it; for the local merchant really represents the market of the world, as he resells to the city merchant, and the city merchant on the coast ships it abroad, and therefore if the world has as much of that commodity as it can use the farmer's labor is lost and his profit curtailed. Or, second, there may not be an overproduction of the article in the world, but the merchant fails to buy or buys sparingly of the farmer because he in turn is unable to dispose of it, because the markets of the world are closed by commercial restrictions and tariff laws.

The world is ready to receive these commodities, but by the artificial restrictions put upon our trade with foreign countries our commerce languishes and our farmers are deprived of that market which nature and a due regard for their rights would give to them. The case of overproduction can not be met, the restrictions upon commerce can be partially relieved, and this House has recently shown by a large majority that it is in earnest in abolishing tariff restrictions upon the farmer.

The case of a third farmer, C, still remains to be considered. We will suppose that he has an abundant harvest, that the merchant desires it, and yet he has no wagons or vehi-

cles by which he can have it conveyed to market. Of what use is it to him to have a thousand bushels of wheat in his barn or 50 hogsheads of tobacco stored away if the means of transporting them to market are lacking? This is a case of inadequate supply of the vehicle of exchange, or the lack of money in a community to effect exchanges.

While, therefore, an increase of currency can be of no value to farmer A, and while we are unable to help farmer B except by the abolition of commercial restrictions, this bill may be of great value to farmer C. It will tend to provide in times of panic and commercial distress the local means the vehicle, (money) by which the farmer may more easily exchange his own products. Surely no one who passed through the panic of last fall and witnessed the farmers of the country hauling their wheat to market and then back home again, because there was no money in circulation with which to buy, though the merchant was as well off and possessed of as much property as ever before, and all because the money power holding the key to the financial door of relief, which it could open or lock at will, kept it locked for months, can fail to appreciate the relief which a safe local currency would have produced.

The question of how much money is needed by the people for the proper conduct of their business is one which I will not attempt to solve at this time. Political economists, publicists, and statesmen, so far as I have been able to examine, have contented themselves with very general statements on this subject.

The proportion which the currency should bear to the wealth of a people is a question which I will leave to others to solve or discuss, for there are too many questions incapable of solution which enter into the problem which make it unwise to attempt. It will depend upon the character of the people, their pursuits and industries, and whether they are engaged in commerce, agriculture, or industrial pursuits. For it is a proposition accepted by all that a given sum invested in commercial enterprises will not require the same amount of actual cash in the proper conduct of business as the same amount invested in agriculture would require, where banks are scarce and checks, clearing-house certificates, etc., and the other substitutes for money are not used in daily business transactions. For instance, last year the actual transactions passing through the clearing house in New York City amounted to \$31,261,037,730.42, while the actual amount of money passing in these transactions for the same period was \$1,640,151,677.66, or about 5 per cent of actual money to do this great volume of business.

In the case of the New York clearing house only \$1 in currency was required to transact \$20 worth of business. The total amount of property in the United States is estimated at about \$70,000,000,000, and the amount of currency of all sorts is about \$2,000,000,000.

That is, we have \$1 of currency for about every \$35 worth of property. Whether this proportion of currency to the amount of our property is adequate or inadequate in its relations to the people of the United States I will not stop to consider, but will content myself with showing that under the operation of the false policy of our Government which has been in vogue for many years the money of the country in relation to the property of each community is unevenly and unjustly distributed, that the agricultural communities have suffered greatly, while their more fortunate brethren in certain localities have enjoyed a plethora of it. A congestion in one place, a dearth in another. Apply the mustard plaster of State banks and the congestion will be relieved and the depleted portions of the body politic restored.

It is said that the present volume of money is ample for the country. For the sake of the argument admit it. But is it properly distributed? A per capita of money of \$25 in the United States may be ample; but suppose somebody else has my per capita. When a few have it all and the balance none the many will not be satisfied. The *per capita* of the members of this House might be \$100,000, but it would be because many owned millions and most of us none.

I contend that the money of a people should be proportionate to their wealth.

This is subject to this condition or exception:

That the same amount of wealth invested in agriculture and commercial enterprises will not require the same or an equal amount of actual cash money for its proper development; but that more will be required for the agriculturist than the man engaged in manufacturing or commercial enterprises.

Now, the amount of money in circulation may approximately be ascertained through the banks, taking their capital, circulation, loans, savings, etc.

The Comptroller of the Currency, in his report in 1891, published a statement showing the aggregate capital, undivided profits of national and State banks, loan and trust companies,

and savings and private banks, etc., together with the population of each State, which is as follows:

States and Territories.	Population June 1, 1891.	All banks.	
		Capital, etc.	Average per capita.
Maine	663,000	\$81,253,068	\$122.55
New Hampshire	379,000	95,225,832	253.89
Vermont	333,000	40,981,914	123.07
Massachusetts	2,299,000	742,651,224	\$32.02
Rhode Island	352,000	127,126,389	361.15
Connecticut	764,000	109,953,331	261.72
New York	6,110,000	1,163,604,193	272.27
New Jersey	1,481,000	119,766,799	80.70
Pennsylvania	5,322,000	546,267,053	101.50
Delaware	170,000	14,886,050	81.53
Maryland	1,048,000	101,066,200	96.46
District of Columbia	236,000	20,146,171	85.37
Virginia	1,670,000	42,131,055	25.23
West Virginia	773,000	14,113,894	18.26
North Carolina	1,638,000	10,632,746	6.47
South Carolina	1,165,000	14,556,233	12.49
Georgia	1,867,000	23,682,049	12.14
Florida	405,000	8,485,786	20.95
Alabama	1,538,000	14,900,568	9.69
Mississippi	1,309,000	11,754,338	8.98
Louisiana	1,137,000	35,188,019	30.90
Texas	2,304,000	65,070,737	28.24
Arkansas	1,161,000	7,607,971	6.55
Kentucky	1,870,000	66,078,682	46.03
Tennessee	1,773,000	42,603,237	24.03
Ohio	3,720,000	220,297,991	59.22
Indiana	2,213,000	71,753,885	43.42
Illinois	3,899,000	271,513,188	69.61
Michigan	2,139,000	124,332,290	58.12
Wisconsin	1,728,000	91,828,490	53.14
Iowa	1,935,000	111,981,211	58.87
Minnesota	1,360,000	102,482,170	75.35
Missouri	2,734,000	164,047,645	60.00
Kansas	1,448,000	53,896,588	37.22
Nebraska	1,148,000	63,333,620	60.33
Colorado	440,000	40,480,478	92.00
Nevada	44,000	1,176,791	26.75
California	1,244,000	271,189,235	218.00
Oregon	333,000	17,878,204	53.69
Arizona	61,000	1,272,356	20.86
North Dakota	193,000	8,985,308	46.50
South Dakota	341,000	11,669,101	34.22
Idaho	93,000	2,588,258	27.83
Montana	145,000	20,277,490	139.85
New Mexico	157,000	4,415,963	28.12
Indian Territory	181,300	282,954	1.56
Oklahoma	115,000	480,347	4.18
Utah	214,000	15,358,062	71.77
Washington	375,000	27,859,317	74.29
Wyoming	66,000	5,373,750	81.42
Total	64,156,300	5,840,438,191	91.03

By this table we find that New Hampshire has \$253.89 per capita of money, while Alabama has \$9.69. Massachusetts has \$323.02, while North Carolina has only \$6.47. Rhode Island has \$361.15 and Arkansas only \$6.55, etc. That is, the commercial States, which need less, have a larger per capita of money than the agricultural States, that need more.

I do not claim, of course, that the per capita quantity of money is absolutely a true test of the needs of the people, or that the amount of money in each State per capita is limited or confined to the amount set forth therein, but yet it tends to show the approximate amount; for while the money of our country is constantly shifting from State to State, at the same time in the long run it will be found upon proper investigation that this table approximates the real amount of money in circulation in each State.

But this table reveals some startling facts.

Massachusetts with only three and one-half times the wealth of Virginia has nearly thirteen times as much money per capita. Rhode Island with only one-fourth more property than North Carolina has sixty times as much money per capita.

Connecticut has nearly twice as much property as Arkansas, and over forty-three times as much money.

New York with ten times as much wealth as Georgia has over twenty-two times as much money per capita.

How do these facts comport with the fact that the amount of money needed by a people ought to be proportionate to the amount of property they possess?

Now, I submit also a table with the total estimated wealth by the census of 1890 in several States, as follows:

Total property (wealth) in—

Virginia	\$862,318,070
Massachusetts	2,808,645,447
Rhode Island	504,162,352
New York	8,576,701,991
North Carolina	400,911,303
Georgia	852,409,449
Indiana	2,095,176,676
Connecticut	835,130,219
Pennsylvania	6,190,746,550
Arkansas	455,147,422
South Carolina	400,911,303

By comparing this table with the one above of the Comptroller, setting forth the banking capital of each State, we get the proportion the banking capital of each bears to the total wealth of each State, which is as follows:

	Proportion of banking capital to wealth.		
	Per cent.	Per cent.	
Virginia	5	Indiana	31
Rhode Island	25	Connecticut	29
New York	21	Pennsylvania	8
North Carolina	21	Arkansas	1
Georgia	21	South Carolina	31

This is taking banking capital as of June 1, 1891, and estimated census returns from 1890. If my premise be correct that a given amount of capital invested in agriculture requires more actual cash for its proper development than the same amount invested in commercial or industrial enterprises, the conclusions from these tables are most alarming.

The agricultural State of Virginia has 5 per cent of her wealth in bankable funds, while the commercial State of New York, that needs less in proportion, has 21 per cent. North Carolina, engaged in agriculture, has 2½ per cent of her wealth in banks, etc., while the industrial State of Rhode Island has 25 per cent.

Arkansas has 1½ per cent of her wealth in bankable funds, while Connecticut, with her industrial people, have 25½ per cent; and so the comparisons can be made all through.

The object of this amendment is, to increase the volume of currency, much needed in certain sections of the country, and to make money more plentiful to the people without decreasing its value or impairing the equality of every dollar to every other. It aims to equalize the currency of the country. If New York, Massachusetts, and Connecticut do not need more currency, as the above tables would seem to indicate, then they need not adopt the above system. If Virginia, Arkansas, etc., do need it, they can have it if this tax is repealed.

For Massachusetts, New York, and Connecticut to deny to us this privilege because they do not desire it for themselves is not in keeping with a spirit of justice and fairness. State banks possess the true instincts of gentility. They will not go where they are not invited, nor remain where they are not wanted. The States in which a large proportion of property is invested in banking do not need them, but those States whose property is stagnant and whose credits need extension demand them, or some other additional circulating medium. The adoption of this amendment does not mean war on national currency, but war on the Federal power which has worked destruction of State banks in the interest of national banks. It is not a question of whether the money of the country shall be gold, silver, Treasury notes, etc., or State bank notes, but whether the people shall have the additional currency which these banks may supply.

The one is not to supersede the other, but to supplement it; not to contract the present currency, but to add largely to its volume; not with "wild cat" money, but with money as good as gold and silver, bank notes or Treasury notes, greenbacks, etc., because ultimately redeemable in them. The adoption of this amendment means the decentralization of the currency of the country, and an equitable distribution of it according to the needs of the people and not according to the whims of the money power.

These banks will supply the local needs of the people, while leaving the gold and silver, Treasury notes, national-bank notes, etc., in undisputed possession of the field of national currency. The national currency we now have we will continue to have. Its functions will not be curtailed, nor its usefulness abridged; but, on the contrary, its sphere of action would be greatly enlarged, for, as the notes of the State banks will be ultimately redeemable in real money, their issuance will naturally call for an expansion of gold and silver currency and an increase of their coinage. The base of supply must be broadened as the drafts upon it are increased. These banks will furnish money for the neighborhood, while the national currency can be utilized in the larger development of the whole country.

In short the adoption of the State bank system will expand credits by the utilization of unproductive property and the increase of the currency in keeping with the local demands of the people. The repeal of the tax on State banks will be the emancipation proclamation to enslaved property. It means the utilization of dead capital in the extension of credits; it means the application of a galvanic battery to the dead corpse of profitless wealth, which will revivify the dead and infuse new life into the living.

It will largely increase the currency based on gold and silver, and as a necessary consequence will demand and require the increased coinage of both metals, gold and silver alike, in which the bank notes must be ultimately redeemable; it will supply the needs of the waste places of our Zion, and furnish local communities with ample currency, not dependent upon the caprice of corporations who can expand or contract the currency at will,

but a currency flexible in nature, dependent upon one principle only, and that the demand for its use by the people. Such a proposition should receive the indorsement of all parties in this House.

It is wise, conservative, and just. To those of us who represent constituencies in many places whose country homes are oftentimes comfortless and barren, while plenty smiles in mockery on every hand; whose barns are bursting with plenty, and yet whose hearthstones are desolate in the absence of necessary comforts; whose fertile fields year by year bring forth their increase in response to the toil of honest labor, but, like the Dead Sea fruit, beautiful to behold but bitter to the taste, in inadequate returns, by reason of financial stringency, the appeal for monetary relief, in whatever form, will not be in vain.

Like Tantalus, unable to reach with his parched lips the ever-receding waters for which he thirsted, though surrounded by them on every side, the Southern farmer and planter, abounding in plenty, rich in property, and surrounded on every side by those things which, if convertible to his use in other forms, would give ample comforts to himself and family, finds himself in the midst of waters thirsting, and in the midst of plenty suffering for meager comforts.

Of what use is property, or what incentive to attain it, if it be incapable of supplying human wants?

Our plea is made. Accept it, and give our people this much-needed relief. Deny it, and we will meet you with it again, in the forum, on the hustings, through the press before an enlightened public sentiment that will finally respond to our demands in the repeal of an unjust tax, in the increase of our currency on a sound and stable basis, and the restoration of the ancient prosperity of our beloved Southern land—

Where health and plenty cheered the laboring swain,  
Where smiling spring its earliest visit paid,  
And parting summer's lingering blooms delay'd.

Mr. TUCKER. I ask leave to extend my remarks in the RECORD.

Mr. REED. I object for the present.

Mr. SPRINGER. I hope the gentleman from Maine will withdraw his objection.

Mr. REED. I do not object to the gentleman from Virginia having time to finish his remarks.

Mr. IZLAR obtained the floor.

Mr. COX. One moment, before the gentleman from South Carolina [Mr. IZLAR] proceeds. Do I understand that the gentleman from Maine [Mr. REED] objects to allowing the gentleman from Virginia [Mr. TUCKER] to publish the residue of his remarks in the RECORD?

Mr. REED. I have no objection to his finishing his remarks on the floor.

The CHAIRMAN. This debate is not in order. The gentleman from South Carolina [Mr. IZLAR] is entitled to the floor.

Mr. IZLAR. Mr. Chairman, before addressing myself to the subject now under discussion, I will take this occasion to thank the distinguished gentleman from Texas [Mr. CULBERSON] for the opportunity of speaking to this measure and for the courtesy which he has extended to me. I do not flatter myself that I will be able to present any new ideas, or bring to light any undiscovered facts bearing upon this important and interesting question. If I shall so occupy the time accorded me as not to increase the grand total of lost opportunities already summed up against me I shall not only be content, but deem myself fortunate.

It is with much diffidence that I rise to speak to the pending bill. There are those around me who are not only familiar with the great economic questions which now agitate and disturb the country, but are able to discuss them with clearness and ability. Under these circumstances it would be unnatural for one who has labored in other and different fields not to feel some embarrassment in speaking upon a subject so difficult and so abstruse.

But the circumstances which now surround us are such, that no one who is desirous of affording speedy relief to the people should remain silent when the opportunity is presented of advocating a measure which he believes has for its object a healthy increase of the volume of the currency of the country—an increase which will enable every honest and industrious man "to procure as much money as his credit would justify and as he could profitably use in his business and domestic concerns."

That there is a demand for a larger circulation, or at least a more equal distribution of the present circulation, no one who is at all conversant with the present financial situation of the country can or will undertake to deny.

In various sections of the country the evidence of "hard times" is apparent, and the demand for an increased circulation is heard. Many remedies have been proposed. None, however, seem to be satisfactory to the majority of those who now control and shape the legislation of this great country.

Situated as we are, and with so many diversified interests to be fostered and protected, it is next to the impossible to obtain anything like unity of sentiment and unity of action.

But whether or not any of the proposed schemes will meet the exigencies of the occasion and relieve the people from the financial straits into which they have fallen is not now the question to be determined. The free coinage of silver has occupied the attention of this House for days and weeks, and in all its phases has been considered, and the judgment of a majority of this House has been entered.

It may be that some of the proposed measures will, to a certain extent, contribute to an increased circulation, and give to the people an opportunity of acquiring more money for their daily needs, but time will not permit me now to enter a field so fruitful of discussion, and in which the opinions of men are so diverse and conflicting.

The repeal of the 10 per cent tax on State bank issues will, in my judgment, be a step in the right direction. It will without doubt add to the volume of the currency of the country, and will in a measure, if not altogether, meet the present demand for more money. Especially would this be the result in my own State. Under our banking laws, these institutions could at once issue their bills, and do so under laws which would insure public confidence, and give ample protection to those who should take their bills in exchange for commodities and in payment of debts.

This would give us a circulating medium in South Carolina which would perform all the functions of money. I have no fears as to its reception by the people and the business public within the State. If I am not mistaken in this, then the clamor for an increased circulation will, to some extent at least, have been met. The problem of distribution which has puzzled the advocates of other measures, and which remains unsolved, does not present such a fearful barrier here. The issue will be at the place where it is needed, and the banks, whose interest it will be to see that it is put in circulation, will not be slow to accommodate the people on reasonable and fair terms.

To do this, that is to circulate their bills, the first object of these institutions will be to gain the confidence of the business public. This can only be done by establishing a credit; by wise and prudent management; and by keeping them under the control of persons of unquestioned probity and intelligence. This they will be compelled to do for their own safety and success. And when once they have gained the confidence of the people and established a credit with the business world for the same reasons they will be forced to maintain and perpetuate this confidence and credit.

The banks of my State for a long series of years were free banks, or banks of issue. And notwithstanding the liberal laws under which they were chartered and operated, I think I can safely assert, that no State banks ever stood higher in the confidence of the business public or had a wider or better credit. Their bills passed current at home and abroad. Throughout the country they were received in exchange for commodities, and used in payment of debts as readily as gold and silver—the only legal tender then recognized. Why should it be different now? It is true that the times have changed, and men have changed with them, but I do not believe that all the brains and all the honesty belonged to the men of the past, and was practiced by the men of the past. Banks have failed and doubtless will continue to fail. Men have been dishonest and will continue to be dishonest.

But is this an argument why State banks should not be allowed to issue bills based upon gold and silver as a security for their redemption? Is this an argument why the prohibitory tax of 10 per cent on State bank issues should not be removed? If so, then national banks should be abolished for the same reason. Although these favored institutions are under the supervision, direction, and control of the Federal Government, their management is in the hands of men—men of like passions and frailties as those who now, and must hereafter, conduct the affairs of State banks.

Even Federal supervision has not prevented failures, embezzlements, and losses under the national banking system.

The gentleman from Illinois [Mr. SPRINGER] who opened this debate, endeavored to frighten the advocates of this measure by presenting in panoramic form all the failures and losses which had occurred under the free banking system for a period embracing very nearly, if not quite, a century. On this point the argument of the distinguished gentleman was exhaustive; but while it showed great research and much labor, it must fail to satisfy and convince the candid searcher after truth, of either the danger of a free banking system or of the utter failure of such institutions to furnish a safe and flexible currency.

I was pleased to learn, however, that the distinguished gentleman failed to discover in his extended research any instance

where the State banks of South Carolina had failed to meet all the expectations of the business public, or by their failures had entailed heavy losses upon their depositors and bill-holders. But one instance is mentioned by the distinguished gentleman where even the bills of the South Carolina banks were at a discount, and this was during the terrible panic of 1857, and during that crisis the discount was only 4 per cent.

In a crisis like that of 1857 it could hardly be expected that the South Carolina banks, even under the most judicious and careful management, would have escaped altogether all of the evil consequences which necessarily accompany such a financial strain.

If my recollection serves me, only six out of the twenty banks then in South Carolina were forced to suspend specie payment. All of these promptly met the demand of the comptroller-general of the State for the penalty imposed by law in case of suspension, viz., 5 per cent on the amount of circulation at the time of suspension, payable monthly, until the resumption of specie payment.

The history of this great financial crisis teaches us that the same causes which brought about the financial crisis of 1837 prevailed to a larger extent in 1857. A number of causes contributed to produce this fearful financial crisis which carried in its train so much disaster and loss. These, we are told, were over-trading, undue bank expansion, long credits, excessive importations from Europe, and speculations in public lands. Bank loans and circulations had increased more rapidly than a healthy growth of commerce warranted. This, we are informed, super-induced heavy importations of foreign goods, beyond the ability of the country to pay, and also fostered the system of long credits.

Yet, under all these circumstances the South Carolina banks were able to maintain themselves, their reputation, and their credit—only six being forced to suspend, and these only for a short period.

At this time the banks in South Carolina, we are told, had specie, \$1,336,000; capital, \$15,000,000, and circulation, \$8,000,000.

If, under these circumstances they could withstand, with so much credit, the fearful financial strain of 1857, we must conclude that under a normal condition of things State banks in good credit can be relied on to furnish a safe and sufficient circulating medium which will perform all the functions of money.

It has been asked, and doubtless will be asked again, what are the advantages to be derived from State banks of issues? Time will not permit me to answer this question at length. Progress has been made, it is true, in the science of banking. But there are certain fundamental principles which must remain the same. The principal advantages to be derived from banks of issue, which existed a century ago, do I apprehend, exist now. What was true then is no less true to-day.

These institutions will, in the first place, augment or increase the active or productive capital of the States in which they are located. Mr. Hamilton, when Secretary of the Treasury, in a report made to Congress in 1790 on a national bank, speaking of the principal advantages of a bank, says:

First. The augmentation of the active or productive capital of a country. Gold and silver, where they are employed merely as the instruments of exchange and alienation, have been not improperly denominated dead stock; but when deposited in banks to become the basis of a paper circulation, which takes their character and place as the signs or representatives of value, they then acquire life, or in other words, an active and productive quality. This idea—

Says Mr. Hamilton—

which appears rather subtle and abstract in a general form, may be made obvious and palpable by entering into a few particulars. It is evident, for instance, that the money which a merchant keeps in his chest, waiting for a favorable opportunity to employ it, produces nothing until that opportunity arrives.

But, if instead of locking it up in this manner, he either deposits it in a bank or invests it in the stock of a bank, it yields a profit during the interval in which he partakes or not, according to the choice he may have made of being a depositor or a proprietor; and when any advantageous speculation offers, in order to be able to embrace it, he has only to withdraw his money, if a depositor, or if a proprietor, to obtain a loan from the bank or dispose of his stock; an alternative seldom or never attended with difficulty when the affairs of the institution are in a prosperous train. His money thus deposited and invested, is a fund upon which himself and others can borrow to much larger amount. It is a well established fact that banks in good credit can circulate a far greater sum than the actual quantity of their capital in gold and silver.

The extent of the possible excess seems indeterminate, though it has been conjecturally stated at the proportions of two and three to one. This faculty is produced in various ways. First, a great proportion of the notes which are issued and pass current as cash are indefinitely suspended in circulation from the confidence which each holder has that he can at any moment turn them into gold and silver. Secondly, every loan which a bank makes is in its first shape a credit given to the borrower on its books, the amount of which it stands ready to pay, either in its own notes or in gold and silver, at his option.

But in a great number of cases no actual payment is made in either. The borrower frequently, by a check or order, transfers his credit to some other person to whom he has a payment to make, who in turn is as often content with a similar credit, because he is satisfied that he can, whenever he pleases, either convert it into cash or pass it to some other hand as an equivalent for it. And in this manner the credit keeps circulating, performing in every

state the office of money, till it is extinguished by a discount with some person who has a payment to make to the bank, to an equal or greater amount. Thus large sums are lent and paid, frequently through a variety of hands, without the intervention of a single piece of coin.

Thirdly, there is always a large quantity of gold and silver in the repositories of the bank besides its own stock, which is placed there with a view partly to its safe-keeping and partly to the accommodation of an institution which is itself a source of general accommodation. These deposits are of immense consequence in the operations of a bank. Though liable to be redrawn at any moment, experience proves that the money so much oftener changes proprietors than place, and that what is drawn out is so speedily replaced, as to authorize the counting upon the sums deposited as an effective fund, which, concurring with the stock of the bank, enables it to extend its loans and to answer all the demands for coin, whether in consequence of these loans or arising from the occasional return of its notes.

These different circumstances—

Says Mr. Hamilton—

explain the manner in which the ability of a bank to circulate a greater sum than its actual capital in coin is acquired. This, however, must be gradual, and must be preceded by a firm establishment of confidence; a confidence which may be bestowed on the most rational grounds, since the excess in question will always be bottomed on good security of one kind or another. This every well-conducted bank carefully requires before it will consent to advance its money or its credit.

These views are so clearly expressed and are so conclusive as to the advantages to be derived from State banks of issue that I have felt justified in quoting at length. I am aware that they are familiar to all who hear me; but the source from which they come entitle them to great weight and earnest consideration, in passing upon the important question now being discussed and which in a short while must be acted upon by this House.

That it is one of the properties of a bank to increase the capital of a country is a proposition which will not, I think, be denied. By and through the medium of banks the unemployed money of individuals, if deposited or invested in bank stock, will be kept in a state of activity and made to yield a profit during the time such individuals are waiting for a favorable opportunity to employ it. For, as has been truthfully said—

In the almost infinite vicissitudes and competitions of mercantile enterprise, there never can be danger of an intermission of demand, or that the money will remain for a moment idle in the vaults of the bank. This additional employment given to money, and the faculty of a bank to lend and circulate a greater sum than the amount of its stock in coin, are to all the purposes of trade and industry an absolute increase of capital.

It is clear, at least to my mind, that the repeal of the 10 per cent prohibitory tax on State bank issues will increase the quantity of circulating money; and it is equally clear that whatever enhances the circulation will add to the ease with which every honest and industrious man of the community may acquire that portion of it which is necessary to supply his wants. This is the object which the advocates of repeal have in view, and this is the result which they have reason to expect. For, as was well said by Mr. Hamilton, in the report from which I have so freely quoted—

In proportion as the circulation of the bank is extended, there is an augmentation of the aggregate mass of money for answering the aggregate mass of demand; hence greater facility in obtaining it for every purpose.

The opinions of able men who have carefully studied the subjects about which they write and speak, while not always conclusive, are valuable, and entitled to great respect when these or kindred subjects come again under review. With the view of throwing light upon the question of the utility and security of State banks as early as 1833, it will not be out of place to refer to the opinions of Chief Justice Taney, when Secretary of the Treasury under President Jackson. It will be remembered that it was at that period that the contest arose over the United States Bank, when the policy of President Jackson towards this institution forced it into liquidation.

Secretary Taney, in a special report to Congress in December of that year (1833) on the subject of deposit banks, used the following language, which is worthy of consideration even in this day of progress and development. He said:

The State banks selected are all institutions of high character and undoubted strength, and are under the management and control of persons of probity and intelligence. \* \* \* There has not been sufficient time to perfect these arrangements, but enough has already been done to show that even on the score of expediency, a bank of the United States is not necessary, either for the fiscal operations of the Government or the public convenience; and that every object which the charter of the present bank was designed to attain may be as effectually accomplished by the State banks.

In a later communication to Congress on the deposit-bank system he reiterates his opinion that the Bank of the United States has failed to accomplish the objects contemplated in its creation, and that State banks would thenceforward not only furnish an adequate currency to the country, but be an adequate and wholesome check on each other.

These views show the esteem in which State banks were held in that day, and the confidence which the business public had in them. They show that even then, when the intercourse and communication between the different sections of the country was not only tardy, but difficult, that State banks over which there was no Federal supervision or control, could be safely relied upon as depositories for the revenues of the Government, and for furnishing an adequate currency to the country.

Since the period above alluded to, the country has grown vastly in extent, and the population has more than quadrupled itself. But while this is true, it is also true, that rapid transit and easy communication have brought the sections, as it were, nearer together; and the people are in daily and hourly intercourse and communication with each other. Under these circumstances the character and condition of any State bank can and will be known, and understood if need be, at the breakfast table each day. This fact will have a wholesome effect upon the management of State banks, and will compel them to exercise greater caution in business, and to attain to a higher degree of public confidence and business credit.

If these conclusions, fortified as they seem to be by reason and experience, be correct, then the advocates of repeal can not be charged with overconfidence as to the results which, they believe will follow from a free State banking system.

That there is much unrest and suffering among the people, particularly in the South and West, growing out of their inability to obtain, even on good security, sufficient money for carrying on their business, meeting their engagements, and supplying their wants, is an accepted fact—a fact which does not require either argument or proof to sustain it. To relieve this suffering and quiet this unrest, as far as it may be possible at this time, is one of the reasons why the advocates of repeal are urging this measure, and why they are calling upon the majority of this House to stand by the platform of the Democratic party and the pledge therein made to the people:

We recommend that the prohibitory 10 per cent tax on State bank issues be repealed.

This was the wish and will of the Democratic party as expressed in the platform adopted by the Democratic convention which met in Chicago in 1892. Upon this, along with other pledges and recommendations contained in that platform, the Democratic party appealed to the people for their approval and support. Over five and a half million of the people of this country, at the ballot box approved of the principles therein announced, and ratified and confirmed the recommendations therein contained. Is no heed to be given to the approving voice of these toiling millions? Is their plea for relief to be wholly ignored? Is their reasonable demand as to this matter to be spurned and rejected? Is the only answer to the expressed will of the people to be the old reply, "hope on, plow on?" I can not think so.

There are some, I know, who hold that the language used in the platform of the Democratic party does not amount to a pledge. That it falls short of a pledge. And that the majority of this House would not be derelict in its duty to the Democratic party, and unmindful of the expressed will of the people whom they represent on this floor, should it fail to carry into effect this recommendation. That they are free to act in this matter as their judgments may dictate, after having carefully considered the subject. I, for one, claim no such latitude of action. To me this language is as mandatory as that used in any other portion of the platform. To my mind the object is clear, the intent manifest. It is but to say that it is the sense of the Democratic party that State banks should at once be relieved from this tax; a tax which curtails their powers for good; a tax which cripples their resources; a tax which inhibits these institutions from giving an adequate currency, to meet the wants of the people; a tax which deprives the honest and industrious man from obtaining so much money as his credit will justify, and as he can profitably use in his business and domestic concerns.

This the people have approved, and at the ballot box have declared to be their will and wish. They have by their action interpreted the language of the platform, if it needed interpretation. The time has come when quibbling over words will neither ease our consciences, absolve us from our obligations, or satisfy the people, whose servants we are.

I stand for unconditional repeal. First, because the platform recommends it, and the people demand it. Secondly, because I do not find the power anywhere which would authorize Congress to regulate and name the securities or the conditions on which State banks could or should issue their bills.

The Federal Government has never undertaken the exercise of any power over State bank issues, save that of taxation; and this, in my judgment, is a questionable and doubtful power.

The sections of the statute under which this prohibitory tax is imposed read as follows:

SEC. 3412. Every national banking association, State bank, or State banking association shall pay a tax of 10 per cent on the amount of notes of any person, or of any State bank, or State banking association, used for circulation or paid out by them.

SEC. 3413. Every national banking association, State bank, or banker, or association, shall pay a tax of 10 per cent on the amount of notes of any town, city, or municipal corporation paid out by them.

It had long before been settled that the States possessed the power to grant charters to State banks; that the power was incident to sovereignty; and that there was no limitation in the Federal Constitution on its exercise by the States.

This being so, to destroy the State banks which the States had the right to create, and encourage national banks, was the object and intent with which this burdensome and unjust tax was imposed. To use the language of Mr. Justice Nelson in *Veazie Bank vs. Fenno*:

It is sufficient to add, that the burden of the tax, while it has encouraged these banks (national banks) has proved fatal to those of the States; and if we are at liberty to judge of the purpose of the act from the consequences that have followed, it is not, perhaps, going too far to say that these consequences were intended.

And Chief Justice Waite in the later case of *Hollester vs. Mercantile Institution* (111 U. S., 65), said:

It was no doubt the purpose of Congress in imposing this tax to provide against competition with the established national currency for circulation as money.

Why should Congress have thought it necessary to impose this unjust and burdensome tax to "encourage national banks" and to prevent "competition with the established national currency as money" if it had not been feared and believed that the State bank issues, if not prohibited, would furnish to the States in which they were located a safe and flexible currency which would compete successfully with the national-bank currency, and seriously affect, if not altogether displace it as a circulating medium? There is much food for thought here. The mere fact that Congress saw fit to enact these stringent and unjust laws, laws of doubtful constitutionality, is a very strong argument in favor of the free banking system, and of the value of their currency as a circulating medium.

If their issue could rise no higher than "wild-cat" and "red-dog" currency, why these stringent measures to "encourage" national banks and to prevent "competition"? Why this manifest purpose to destroy State banks by the imposition of a prohibitory tax?

The intents and purposes of the framers and makers of this law, as declared by the Supreme Court of the United States in the cases above referred to, have answered these questions.

This tax has borne harshly upon the people of the South and West by depriving them of a circulating medium which, doubtless, would have saved many of them from many of the privations which they are now enduring, and quieted much of the unrest which is now disturbing these sections of the country.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BLACK of Georgia. I move that the gentleman be permitted to conclude his remarks.

The CHAIRMAN. This is Friday, and the time for taking a recess has arrived. Under the rule the committee must rise.

Mr. SPRINGER. I ask unanimous consent that the gentleman be permitted to print the remainder of his remarks.

Mr. REED. Objection has been made, Mr. Chairman, generally to that heretofore.

Mr. SPRINGER. I hope the gentleman will withdraw his objection in this case.

Mr. REED. I have no objection to his continuing to-morrow.

The CHAIRMAN. The Chair will submit the request. The gentleman from Illinois asks unanimous consent that the gentleman from South Carolina be permitted to print the remainder of his remarks.

Mr. REED. I have made general objection heretofore and do not want to make any exception. That is the only reason I object now.

Mr. COBB of Alabama. I ask unanimous consent that the gentleman be permitted to finish his remarks.

The CHAIRMAN. This being Friday, and it now being 5 o'clock, the committee must rise.

The committee rose; and the Speaker having resumed the chair, Mr. RICHARDSON of Tennessee reported that the Committee of the Whole House on the state of the Union, having had under consideration the bank tax bill, had come to no resolution thereon.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. STORER, indefinitely, on account of sickness in his family and important business.

To Mr. JOHNSON of Indiana until Wednesday next, on account of sickness.

To Mr. BARNES, indefinitely, on account of sickness in his family.

To Mr. FLETCHER, indefinitely, on account of sickness in his family.

To Mr. SICKLES for one week.

To Mr. COBB of Alabama for to-night.

The SPEAKER. The gentleman from Indiana [Mr. BROOKSHIRE] will perform the duties of the Chair at the evening session; and the hour of 5 o'clock having now arrived, the House will stand in recess until 8 o'clock, under the rule.

## EVENING SESSION.

The recess having expired, the House, at 8 o'clock p. m., resumed its session, Mr. BROOKSHIRE in the chair as Speaker *pro tempore*.

Mr. MARTIN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole to consider bills on the Private Calendar under the rule.

The motion was agreed to.

The House accordingly resolved itself into Committee of the Whole, Mr. WEADOCK in the chair.

The CHAIRMAN. The House is now in Committee of the Whole for the consideration of bills under the rule, and the Clerk will report the first bill on the Calendar.

The Clerk read as follows:

A bill (H. R. 3158) granting a pension to Mrs. Cornelia de Peyster Black.

MRS. SUSY CONWAY.

Mr. MCCREARY of Kentucky. Mr. Chairman, there was an unfinished order on Friday evening last when the House adjourned.

Mr. ELLIS of Kentucky. A bill granting a pension to Mrs. Susy Conway.

Mr. MARTIN of Indiana. I make the suggestion that there are no unfinished orders; that whenever an adjournment takes place on Friday night everything drops back to the beginning of the Calendar as if there had been no business transacted.

The CHAIRMAN. The Chair is advised that when a bill is unfinished in the committee it comes before the committee again on resuming its session. The rule of the House so provides, as the Chair is advised.

Mr. MCCREARY of Kentucky. That has been held repeatedly.

I ask a vote on the motion of my colleague, Mr. ELLIS, to lay this bill aside with a favorable recommendation.

Mr. JONES. Mr. Chairman, I understand that when the House adjourned last Friday night the vote was being taken on the motion made by the gentleman from Kentucky, and that the House found itself without a quorum. That was the parliamentary status at the time.

The CHAIRMAN. The Chair understands that to be the case, but the vote would have to be taken over again, as this is a new session of the committee.

Mr. JONES. I simply want to say, Mr. Chairman, that this is one of those bills—

The CHAIRMAN. Does the gentleman rise to a parliamentary inquiry?

Mr. JONES. No, sir; I do not. I understood the Chair to rule that this bill came up anew, as if it had not been considered before.

The CHAIRMAN. The gentleman from Virginia.

Mr. JONES. I simply want to say that this is one of that class of bills on the Calendar which provides for an increase of the pension of a widow of an officer of the Army. I have expressed my views heretofore on this particular bill, and took occasion at a previous session to address the committee in regard to it, so that I do not care at this time to go into any discussion of the merits of this bill if it have any, further than I have already done. It does not seem to me, Mr. Chairman, that this bill ought to pass to-night with as slim a House as we have present.

I desire to make a statement for the benefit of those gentlemen who may be here to-night and who were not present on the previous occasion when the bill was discussed, that this is a bill of a character that I have always opposed, which I expect always to oppose, and which I think ought not to be passed by this House. I want it to be distinctly understood—other gentlemen can act as their consciences dictate—but I want it to be understood for myself, that if this bill is passed to-night by this slim House, that I for one will not consider it as any precedent for my action when similar bills are under discussion. I do not want any gentleman to say to me, if I oppose any other bill, and raise the question of a quorum, that I sat here silently and allowed this bill to go through to-night without protest.

I give notice, therefore, to the House that I shall insist on every bill of this character being fully discussed in the House, and that I shall not hesitate to raise the question of the absence of a quorum when it is sought to pass a bill of this character without a quorum.

Mr. CATCHINGS. Mr. Chairman, I only rise for the purpose of expressing the hope that gentlemen who are opposed to this bill will content themselves by voting against it, and not making the point of no quorum.

Of course, we all understand how extremely difficult it is to get a quorum here. Indeed, it is impossible to get a quorum at a Friday night session. I want to say that I have a good deal of

personal knowledge regarding this case. I know this lady well, and I feel a deep personal concern in the case. I believe the claim is a meritorious one, if a claim can be meritorious; and I hope, Mr. Chairman, that those who do not think this sort of legislation ought to be enacted will be content with voting against it instead of making the point of no quorum.

Mr. ELLIS of Kentucky. Now, Mr. Chairman, I ask for a vote.

Mr. MCCREARY of Kentucky. The question is on the motion to lay the bill aside with a favorable report?

The CHAIRMAN. The question is on laying aside the bill, to be reported to the House with the recommendation that it do pass.

The question was taken; and the Chairman announced that the ayes seemed to have it.

Mr. JONES. Division.

The committee divided; and there were—ayes 22, noes 8.

Mr. STALLINGS. No quorum, Mr. Chairman.

The CHAIRMAN. The gentleman from Alabama [Mr. STALLINGS] makes the point of no quorum. The Chair will appoint as tellers the gentleman from Kentucky [Mr. ELLIS] and the gentleman from Alabama [Mr. STALLINGS].

Mr. LACEY. I hope the gentleman from Kentucky [Mr. ELLIS] will not block the House another night with this bill that was taken up from the tail end of the Calendar. We waived any objection last Friday night to accommodate him, but now it seems that gentlemen who are opposed to this bill will not allow it to go through.

Mr. ELLIS of Kentucky. Mr. Chairman, in response to the suggestion made by the gentleman, I desire to say I certainly appreciate the courtesy which was extended by the House on last Friday evening, in allowing this bill to be taken up out of its order. I stated then what I have to repeat now, that I did not intend to abuse the courtesy of the House.

On that occasion I endeavored briefly to state the merits of this case. I endeavored, and members of the committee which reported the bill endeavored, to explain that this bill rested upon a different basis from an ordinary bill proposing to pension a soldier or a soldier's widow, in that the pension, if allowed, would be paid out of a fund which under the law is set apart and known as the prize fund, and that this prize fund had so accumulated that the interest upon it was in excess of the demands against it.

I may report now that I was then willing, and proposed that the bill be laid aside with a favorable recommendation, at the sum of \$35 per month. That was objected to. I then asked unanimous consent of the committee that the bill be passed without prejudice, but to retain its place upon the Calendar. All of that I did in the sincere hope that this bill might occasion no possible delay. That was objected to.

Now, Mr. Chairman, this bill is standing before the House, after I have made these two separate reasonable requests, and it does occur to me that I ought now to insist that the bill take its regular course, having done all I could in order to get it out of the way, so that just pension claims standing upon this Calendar might be taken up and disposed of, as they ought to be taken up and disposed of. I hope the objections which have heretofore been made will be withdrawn, and that the bill may be voted on at once.

Mr. PICKLER. That is right.

Mr. TALBERT of South Carolina. I should like to ask the gentleman to explain about this special fund which he says is set aside. If it will not affect the general pension fund, I should like the gentleman to explain that.

Mr. TAWNEY. It does not. There are \$30,000,000 in the fund now.

Mr. ELLIS of Kentucky. I will state to the gentleman from South Carolina [Mr. TALBERT] that under section 5059 of the Revised Statutes—I believe it is—there is a fund set aside for the purpose of paying pensions of officers and seamen, commonly known as the prize fund. That fund has increased until there are more than \$30,000,000 in it, and the interest on the fund is, I understand, in excess of all the pensions which have been allowed against it.

Mr. TALBERT of South Carolina. And can it not be expended in any other way?

Mr. ELLIS of Kentucky. It can not be expended in any other way, and this officer for whose widow this pension is being asked, spent a quarter of a century almost in the Navy, and added as much to that fund as any other sailor who ever wore a uniform, and I am unable to appreciate the virtue of objections which gentlemen make to this fair proposition to increase the pension of this widow of one of the best soldiers who ever served in the Navy.

Mr. STALLINGS. I desire to say in reply to the gentleman from Kentucky [Mr. ELLIS] that he is entirely mistaken in re-

gard to that law, and at some future time when these cases come up I will give him exactly what the statute is.

Mr. PICKLER. I demand the regular order.

The CHAIRMAN. The regular order is demanded. The tellers will please resume their places.

Mr. HEARD. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. HEARD. I rise to make a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HEARD. Mr. Chairman, I understand the gentleman to say that he did not intend, in view of the extreme courtesy extended to him by the House heretofore, to permit this bill to stand in the way of the consideration of other bills, and therefore to ask that it be withdrawn and take its place on the Calendar without prejudice.

Mr. ELLIS of Kentucky. The gentleman misunderstood me. On last Friday night I had made these several propositions with a view of withdrawing it, and when I made all the propositions which I regarded as reasonable in view of the courtesy which had been extended to me by allowing the bill to be brought up. Therefore, there is nothing left for me but to hold the bill in its place, for I feel that I have exhausted all the propositions I could make.

The CHAIRMAN. Gentlemen will take their places as tellers. [Cries of "Regular order?"]

The CHAIRMAN. The regular order is being executed.

Tellers took their places, and before the count was made.

Mr. ELLIS of Kentucky said: I ask unanimous consent, in order that the business of the House may be facilitated, that this bill may be laid aside with a favorable report at \$35 a month.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that the bill be laid aside with a favorable recommendation at the amount of \$35 per month. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

CORNELIA DE PEYSTER BLACK.

The next business on the Private Calendar was the bill (H. R. 3156) granting a pension to Cornelia de Peyster Black, widow of Henry M. Black, late colonel of the United States Army, deceased.

Mr. MARTIN of Indiana. Mr. Chairman, I ask unanimous consent, in view of the fact that this bill has been passed over several times in the absence of the gentleman who introduced the bill, that it be again passed over without prejudice.

There was no objection, and it was so ordered.

MARY E. TRICKEY.

The next business on the Private Calendar was the bill (H. R. 1196) to restore Mary E. Trickey and children of Hartwell M. Trickey to the pension rolls.

The bill was read at length.

The amendment recommended by the committee was read.

Mr. CABANISS. I ask for the reading of the report.

The report (by Mr. HARE) was read, as follows:

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 1196) to pension Mary E. Trickey, have carefully considered the same and submit the following report:

A similar bill was favorably reported in the Fifty-second Congress but failed of passage. The facts shown are as follows:

Hartwell M. Trickey served as a private in Company I, One hundred and sixth New York Infantry, from July 22, 1862, until June 22, 1865. He was pensioned at \$4 per month for gunshot wound of left forearm, and died June 11, 1889.

Mary E. Trickey applied for pension as his widow, and proved to the satisfaction of the Pension Bureau that she was married to the soldier July 2, 1872, and pension was allowed her under act of June 27, 1890, at \$8 per month, plus \$2 for each of four children from July 2, 1890. Payment of pension was suspended August 15, 1891, on information tending to show that she was not the legal widow of the soldier, and a special examination was had to determine the facts, which are as follows, as is fully shown by evidence now on file in the Pension Bureau:

The soldier while home on furlough was married November 12, 1863, at Ogdensburg, N. Y., to one Jane Ritchey, and remained with her one or two weeks at that time. Again, after his discharge, he lived with her as his wife for about one and a half years, when he went to Pennsylvania and she did not accompany him, and never afterward did they live together. The reasons for this separation do not appear. This separation seems to have been about 1867. In 1868 the present claimant, Mary E. (Montgomery) met the soldier at Pottsville, Pa., and on July 2, 1872, they were married at Wilkes-barre, Pa., and lived together continuously as man and wife from that time until his death, and they had five children.

It appears, however, that the soldier was never divorced from Jane, his first wife, and hence this so-called marriage to Mary E. was not legal. Some two or three years after the separation above referred to Jane commenced to live with one William Rogers, and they had lived and cohabited as man and wife, openly and publicly, since that time, and have a family of four children, one of whom is 20 years of age, and she is commonly known as Jane Rogers. All this is shown by her own admissions and by other evidence.

On November 29, 1890, Jane filed a claim for the accrued pension due the soldier at the date of his death, and although this had already been paid to Mary E., it was determined in the light of all the facts that it must be paid to Jane, as the former payment to Mary E. was illegal; this was accordingly done, and the name of Mary E. was permanently dropped from the rolls. The amount of accrued pension which was thus twice paid seems to have

been not more than \$13, and possibly not more than \$1, if the soldier himself lived to draw the pension for the quarter ending June 4, 1889.

Although it has been determined that Jane was legally entitled to the accrued pension, it does not follow that she is entitled to a continuous pension as widow. It is evident that she has lived as wife with Rogers both before and since the soldier's death, and, even if a common-law marriage does not arise on the death of the former husband, her relations with Rogers are clearly such as to defeat a claim by reason of the act of August 7, 1882, as to open and notorious adulterous cohabitation.

Inasmuch as the object of this bill is to pension the beneficiary as an act of justice rather than of strict legal right, and inasmuch as a considerable sum of money has already been paid her illegally, though, perhaps, through no conscious fault of her own, pension, if allowed, should date from the approval of the act.

Your committee therefore return the bill and recommend that the bill do pass, after being amended as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the act approved June 27, 1890, the name of Mary E. Trickey, as widow of Hartwell M. Trickey, late of Company I, One hundred and sixth Regiment New York Volunteer Infantry."

Also amend the title so as to read "A bill to pension Mary E. Trickey."

The CHAIRMAN. The Chair understands the amendment has been agreed to.

Mr. JONES. Mr. Chairman, I move that this bill be reported to the House with the recommendation that it lie on the table. It has been fully discussed before this committee, which I hope fully understands the character of the bill.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. JONES. Division.

The committee divided; and there were—ayes 5, noes 29.

Mr. JONES. No quorum.

Mr. HARE. Mr. Chairman, in view of the opposition which develops itself now to the favorable consideration of this bill, and in view of the fact that this bill was introduced by my colleague [Mr. OUTHWAITE], and in the passage of which he is very much interested, and the further fact that he is now absent from the Hall, I ask that the bill be withdrawn and laid aside without prejudice, to retain its place on the Calendar.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the bill may be withdrawn and laid aside without prejudice, retaining its place on the Calendar.

Mr. JONES. Mr. Chairman, I want to say that I would object to that proposition if the gentleman from Ohio who introduced the bill were present; but inasmuch as he is not present, I will not object to its being laid aside. I do not think it ought to be laid aside.

There was no objection, and it was so ordered.

MARTHA E. MILLER.

The next business on the Private Calendar was the bill (H. R. 2908) restoring the pension of Martha E. Miller.

Mr. MARTIN of Indiana. Mr. Chairman, in view of the fact that the gentleman from Iowa [Mr. HAYES] who introduced the bill and is very anxious for its passage is not present, I ask that it be passed over without prejudice.

Mr. JONES. I would like to ask the gentleman who is the author of the bill?

Mr. MARTIN of Indiana. The gentleman from Iowa [Mr. HAYES], whose seat is at my right.

There was no objection, and the bill was laid aside without prejudice.

MADISON A. THOMAS.

The next business on the Private Calendar was the bill (H. R. 1112) to correct the military record of Madison A. Thomas. The bill was read, as follows:

*Be it enacted, etc.*, That Madison A. Thomas, late a private in Company G, Thirty-fourth Regiment of Indiana Volunteers, be, and he is hereby, relieved of all penalties, deprivations, and other disabilities imposed upon him or suffered by him by reason of the charge of desertion appearing in his military record about and after the close of the war of the rebellion, and the different officers of the United States are hereby authorized and required to settle with and pay him for all bounty and back pay that he would be entitled to if no such charge existed.

The amendment recommended by the committee was read, as follows:

Strike out all after the word "rebellion," in line 8, and insert the following:

"Provided, That no pay or emoluments shall accrue by virtue of the passage of this act."

Mr. JONES. I would like to have the report read, Mr. Chairman.

The report (by Mr. BRETZ) was read, as follows:

The Committee on Military Affairs, to whom was referred the bill (H. R. 1884) to correct the military record of Madison A. Thomas, submit the following report:

The record of this soldier, Madison A. Thomas, as obtained from the War Department, shows that he enlisted and was mustered into Company G, Thirty-fourth Indiana Volunteers, on September 23, 1861, to serve three years; that he reenlisted and was again mustered into the same company as a veteran on December 14, 1863, and that his record as a soldier was good until February 5, 1865, when at Brazos Santiago, Tex., where his command

was then stationed, he is reported to have deserted. On April 2, 1865, he voluntarily returned to his command, being after the proclamation made March 11, 1865, by the President; that he then continued with his command until on or about December 1, 1865, when, at Camp Steele, Tex., he is reported to have again deserted from his command, which was retained in service until February 3, 1866, and to which he never returned.

The soldier made application to the United States War Department for the correction of his military record and for an honorable discharge, but this was refused on the technical ground that, under the law, applied to the foregoing facts, the Department had and has no legal authority to give the relief asked, for the reason that, although his first absence was cured by his return under the President's proclamation aforesaid, yet that cure or pardon was conditional on his remaining in the service until the close thereof, no matter how otherwise faithful or long continued his service may have been.

The soldier himself, who is duly vouched for as a reputable and honorable citizen of Huntington County, Ind., testifies that on February 7, 1865, while his company was stationed at Bocachica Bay, Tex., he, with others of his company, went as an escort guard in charge of teams hauling water from the Rio Grande River for the use of the troops. While there he and some of his comrades were permitted by the commissioned officer having charge of the escort to cross the river into Mexico, and having done so and attempting to return, found that the escort had gone.

Inasmuch as the place where the escort had been for water was 4 miles from camp, he feared capture by the Confederates, and he concluded to remain in Mexico until the escort would return; that the weather became so bad that no escort could return for some days, when he learned he was reported as a deserter and dropped from the rolls of his company. On learning of the President's proclamation he at once returned to his command at the first safe opportunity. He had never intended at any time to desert his command. On his return to his company he was reinstated in his command and continued to serve faithfully until long after the war had, in fact, closed, viz., December 1, 1865.

The soldier, knowing that the war was over in which he had served for more than four years, and that all resistance to the United States had ceased, without intending to desert his country, being at that time near the Mexican border, beyond which the war between Mexico and Maximilian's army was raging, left his command and engaged in said war, remaining there until the close of December, 1865, when again learning that he was reported on the rolls of his company as a deserter, he shipped at Bagdad on a schooner, which service he finally left and returned to Indiana, some eighteen months after the discharge of his company.

Two comrades of the soldier, being Amos Manning and C. B. Porter, who served with him, residing near to him, also testify to substantially the same facts, and also say that he was a first-class soldier and always performed his duty as such except the two absences referred to.

In view of the long and faithful service of the soldier, his explanation of his first absence, his pardon by the President's proclamation, and the explanation of his last absence, your committee do not believe he had a criminal intent to desert and therefore recommend the passage of the bill, with an amendment by striking out all after the word "rebellion" in line 8 and insert the following: "Provided, That no pay or emoluments shall accrue by virtue of the passage of this act."

The CHAIRMAN. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The CHAIRMAN. The question is on laying aside the bill with a favorable recommendation.

Mr. JONES. Mr. Chairman, this is another one of those bills to correct the military record of a soldier for the purpose of permitting him to get a pension. The committee has amended this bill, and has attached the usual provision, which provides that the soldier is not to recover any back pay or emoluments that might have been due him at the time of his desertion, but the intent and purpose of this bill is to pension a man who not only deserted once, but deserted twice.

He deserted the first time and was permitted to rejoin his command under the proclamation of the President, which expressly provided that he should serve faithfully until discharged if the brand of desertion was to be removed from his record. He did not serve faithfully until discharged. He deserted again, as the report shows, and therefore he was in fact twice a deserter. Now, the committee that reported this case seem to think that he was not an intentional deserter. The committee seem to think that because of his own statement made nearly thirty years after the occurrence he ought to have this stigma wiped out, ought to receive at this late day an honorable discharge and be permitted to apply for and receive a pension.

It seems to me, Mr. Chairman, that this case is a most outrageous one. It appears to me that if we undertake to pension a man who has deserted not only once but twice, and to do it on his own unsupported testimony given thirty years after the war and after the occurrence of the causes which induced him to desert, it will be a most remarkable proceeding. There is not a man who ever deserted who would not be willing to give some such plausible excuse as this man gives. I know that in the latter part of the report it is stated that two other witnesses testify to his service in the Army and to what is described as "substantially the same facts" that he states himself, but the testimony of those other witnesses is not given. The testimony of the people whose testimony would have the most weight with this committee is not furnished by the report.

The testimony that is given *in extenso* is the testimony of the deserter himself, and upon that testimony we are asked to remove these two charges of desertion and to allow this man to be honorably discharged, thus putting him in a position to receive a pension at the hands of the Government. I am opposed to this kind of special legislation, pensioning deserters, and I am specially opposed to this particular case because the records

show that this man deserted, not only once, but twice. I do not think that men who desert ought to have their military record corrected by special legislation, or should be permitted to enjoy the same privileges and receive the same emoluments as men who served their country honorably and were honorably discharged at the close of the war.

I am not willing to concede that there ought not to be some difference made between a case of this kind and the case of a man who served his country honorably during the war and was honorably discharged from the service at its close. It seems to me that this committee will be going very far if it undertakes to pension this man or any man with a record of this character. There is nothing in his record that makes him a fit subject for public charity. He does not deserve the sympathy of any honest and patriotic man.

Mr. MARTIN of Indiana. Mr. Chairman, I fully appreciate all that the gentleman who has just taken his seat has said. I desire to say in the outset that I have no inclination to recommend the granting of an honorable discharge to a man who, under all the circumstances of the case, ought not to have it. This is a bill that I introduced myself, for one of my own constituents, with whom I had some acquaintance, though I have a much larger acquaintance with the members of his regiment, the Thirty-fourth Indiana, one of the most gallant regiments that that State sent to the late war.

I have met many of this man's comrades who were with him in the service—a service which extended over more than four years and which terminated on the Rio Grande, at a time when Mexico was involved in war with Maximilian. This is not an ordinary case. It is a case where a man enlisted in the early portion of the war, on the 23d day of September, 1861, reenlisted on the 14th day of December, 1863, and served continuously without any break in his record until February 5, 1865. His regiment participated in a great many battles.

My recollection now is that it participated in the Vicksburg campaign and in the campaign in Louisiana, and was finally transferred to the Mexican border near the close of the war. Some of this soldier's comrades live in my town. I can not say that they were in the same company with him, but they were in the same regiment, and they are most reputable and excellent gentlemen.

Now, as to another point made by the gentleman from Virginia, the testimony of this soldier is corroborated by two comrades of his own company, Amos Manning and C. B. Porter. I know both gentlemen, and they are excellent and reputable citizens. They testify, as the report states, to substantially the same facts that are testified to by the soldier himself.

Every report of this kind ought to bring the truth before the House without covering up or concealing anything, and here is a report which I believe brings all the facts before the House. Now, what are the facts as to the alleged first desertion? The soldier, under a regular detail, in charge of an officer, left his camp and went to the Rio Grande, I believe, for water. He crossed with some of his friends into Mexico. Before he could get back—and there is nothing to show that he was not acting in perfect good faith—the other members of the detail had returned to camp. The testimony shows and the report states that this man's absence was without the slightest intention in the world of deserting his command.

Mr. STALLINGS. How long was he gone at that time?

Mr. JONES. He never returned.

Mr. MARTIN of Indiana. Oh, yes.

Mr. STALLINGS. How long was it before he did return?

Mr. MARTIN of Indiana. Only a few days.

Mr. STALLINGS. Does the report show that?

Mr. MARTIN of Indiana. I will read what it says:

The soldier himself, who is duly vouched for as a reputable and honorable citizen of Huntington County, Ind., testifies that on February 7, 1865, while his company was stationed at Bocachica Bay, Texas, he, with others of his company, went as an escort guard in charge of teams hauling water from the Rio Grande River for the use of the troops. While there he and some of his comrades were permitted by the commissioned officer having charge of the escort to cross the river into Mexico, and having done so and attempting to return found that the escort had gone.

Inasmuch as the place where the escort had been for water was 4 miles from camp, he feared capture by the Confederates, and he concluded to remain in Mexico until the escort would return; that the weather became so bad that no escort could return for some days, when he learned he was reported as a deserter and dropped from the rolls of his company. On learning of the President's proclamation he at once returned to his command at the first safe opportunity. He had never intended at any time to desert his command. On his return to his company he was reinstated in his command and continued to serve faithfully until long after the war had, in fact, closed, viz., December 1, 1865.

Mr. STALLINGS. Now, how long was it from the time he deserted until he heard of the President's proclamation?

Mr. MARTIN of Indiana. I can not tell you that. The report does not show.

Mr. STALLINGS. There is no way, therefore, of telling how long it was from the time he left until he rejoined his company.

Mr. MARTIN of Indiana. My impression is—if any other gentlemen present has a more distinct recollection I trust he will correct me—that under the terms of the President's proclamation the soldier was obliged to return before the 1st day of May, 1865.

I think the President's proclamation was to the effect that all soldiers who were absent from their commands without leave, or whose leaves had expired, or who were absent from any other cause, whatever it might be, might have no trouble in getting their records cured if they returned on or before the 1st day of May.

Mr. MAHON. The 1st of May, 1865.

Mr. MARTIN of Indiana. Yes.

Mr. STALLINGS. What time did this man go into Mexico?

Mr. MARTIN of Indiana. On the 7th day of February, 1865.

Mr. STALLINGS. And when did he learn of the President's proclamation?

Mr. MARTIN of Indiana. I am unable to answer that.

Mr. STALLINGS. Did he return after the President's proclamation?

Mr. MARTIN of Indiana. Yes; he returned and served until December, 1865.

Mr. STALLINGS. Was that the first desertion?

Mr. MARTIN of Indiana. Yes.

Mr. STALLINGS. Then he was absent from his command about three months.

Mr. MARTIN of Indiana. Oh, I think not so long as that.

Mr. STALLINGS. Well, it was from February until he could hear of the President's proclamation, which was about April or May.

Mr. TAYLOR of Indiana. No; the proclamation expired in May.

Mr. MARTIN of Indiana. It expired by limitation on the 1st of May.

Mr. STALLINGS. Was not the proclamation issued in April?

Mr. HARE. I think, on the 22d of April.

Mr. WILLIAMS of Mississippi. Let me ask the gentleman if these facts are testified to by the soldier alone?

Mr. MARTIN of Indiana. He testifies to them, but they are corroborated by two of his comrades.

Mr. WILLIAMS of Mississippi. Were they with him at the time?

Mr. MARTIN of Indiana. My recollection is that they were; but there may be gentlemen here who can correct me in that. I know two members of the command who testified in his behalf personally—Mr. Manning and Mr. Porter. One is a resident of Grant County and the other of Huntington County, in Indiana, near the line. I know these men personally, and they both corroborate the statement of the soldier in that regard.

Now, Mr. Chairman, I do not want to take up the time of the committee any longer than is absolutely necessary, whether you vote this resolution up or down. But I submit that this is a proper statement of the principle that should govern.

If in point of fact he left his command there with the consent of the commissioned officer in charge of it there was no intention of desertion, and I maintain that there can be no desertion under such circumstances any more than there can be the commission of any other willful crime without intent. Desertion consists, as it seems to me, in the willful intention of the man to abandon the command of which he is a member without returning; but when a man leaves his command without that intention, and intending to return, it does not constitute a case of desertion. The intention of abandoning the command to which he has sworn allegiance, and to which his service is due, constitutes the crime.

Now, I submit, on the statement of facts embodied in the report, that the intention of the soldier, his long term of service at the time—three years and six months, I believe—indicate that no desertion was intended, and, in fact, that the charge of desertion is fully and completely refuted.

Mr. LAYTON. I would like the gentleman to explain the circumstances connected with the second desertion before he takes his seat.

Mr. MARTIN. I am coming to that presently.

Mr. CABANISS. One question I would like to ask the gentleman. If he returned in accordance with the proclamation of the President, why was he marked as a deserter?

Mr. MARTIN of Indiana. He was reported as a deserter before the President's proclamation was issued. The soldier afterwards returned to his command; and you may place it, gentlemen of the committee, in the strongest light against him (my judgment is that he returned in March, although I am not able to state positively); but putting it in the strongest possible light against him, he must have returned by the 1st of May. There were no more battles fought in Texas, I believe, in the spring of 1865 after his desertion.

Mr. STALLINGS. The gentleman, I think, is mistaken. The last battle of the war was fought in Texas, and was in June, 1865. Mr. MARTIN of Indiana. Where?

Mr. STALLINGS. I have forgotten the place.

The CHAIRMAN. The Chair must insist that gentlemen who desire to interrupt a member addressing the committee, in order to prevent the confusion that prevails on the floor, shall arise and address themselves to the Chairman.

Mr. MARTIN of Indiana. Now, Mr. Chairman, to go a little further, the soldier at any rate returned, so far as that is concerned, by his own voluntary act; and I might add, in conclusion, that it seems to me under all the circumstance that if he had been arrested and court-martialed, with the evidence that this committee has presented to the House before that court-martial, and with his long service in which he never faltered once, the court-martial itself would have acquitted him of any intention to desert, and would consequently acquit him of the crime of desertion.

Now, coming along further: when he returned, whether it was the 1st of May or whatever time it may have been, the war was practically ended. He served during that summer, during the months of June, July, August, September, and October, in that climate along the Rio Grande River, which at least to a Northern man is very enervating. He stood it, however, well enough. When the 1st of December came, the facts are, without any attempt at concealment, that the war was raging in Mexico, and this soldier, feeling that the war for the Union was over—for no one will contend for a moment that there was any actual war between the Confederacy and the Federal Union at that time—in place of staying with his command, went across the Rio Grande again and engaged in the war in that country.

Mr. MARSH. On which side?

Mr. MARTIN of Indiana. I do not know. My presumption would be, from the nature of the man, that it was on the side of liberty.

Mr. TALBERT of South Carolina. Is it the object of this bill, in removing this charge of desertion, to enable this man to obtain a pension?

Mr. MARTIN of Indiana. I will say frankly to the gentleman from South Carolina that it is not my object.

Mr. TALBERT of South Carolina. Could you not insert the usual provision that he shall receive no emoluments, etc.?

Mr. MARTIN of Indiana. That has been done. That amendment has already been adopted.

Mr. STALLINGS. You say it is not your object. Is it his object to obtain a pension?

Mr. MARTIN of Indiana. I do not know. But now, Mr. Chairman and gentlemen, I want to submit one observation on that point. It seems to me that with this long service that this soldier rendered to his country, knowing him as I do, knowing that to day he is a poor man who is earning his living as best he can, without even a home of his own to shelter him, earning his living by day's work, it seems to me that if the action of the House of Representatives and of Congress should result in the clearing of this man's military record, and if he in point of fact could show that in four years' honorable and honest service given to his country he incurred wounds or disabilities during that time, that is a question between him and his country, and it seems to me one that the people of this country would not make very much question about.

Mr. STALLINGS. I understand you to say that he earns his living by his daily work?

Mr. MARTIN of Indiana. He does.

Mr. STALLINGS. And that he has no home?

Mr. MARTIN of Indiana. That is correct.

Mr. STALLINGS. Would removing the charge of desertion give him a home?

Mr. MARTIN of Indiana. No; it would not.

Mr. STALLINGS. Then the removal of the charge of desertion is simply in order to give him a pension, is it not?

Mr. MARTIN of Indiana. You may take it just as you choose. Suppose it does have that effect. In point of fact he can not obtain a pension without proof of disability, and I want to say to you further that, in my judgment, from what I have seen of him—

Mr. LANE. Would he not come in under the act of 1890?

Mr. MARTIN of Indiana. Let me finish my statement. My own judgment is, from what I have seen of the man and from what I know of these two soldiers who have testified in his behalf, and from what I know of the thirty or forty soldiers who have petitioned, men who served in that war for long terms—from what I know, my judgment is he could not prove a disability incurred in that service, for my information is he incurred none. The facts are that at the end of his service there he was strong enough to enlist in the war in Mexico, and it seems to me

that the facts here clearly show that he was not entitled to a pension under the old law. Therefore I think it does not enter into this case at all.

Mr. CABANISS. You say he deserted the second time, or left his command, about December 1, 1865?

Mr. MARTIN of Indiana. Yes.

Mr. CABANISS. How long did his regiment serve after he left the second time?

Mr. MARTIN of Indiana. I think they were discharged in February.

Mr. CABANISS. Then he left the second time three months before his regiment was mustered out?

Mr. MARTIN of Indiana. Yes. Now, Mr. Chairman and gentlemen, I am not going to detain the committee any longer. I leave it all with you on the statement of facts, on the record of this four year soldier, and I ask the members of this committee to vote as they may choose—to vote the report up or vote it down.

I am not in favor of removing charges of desertion on light cause; and yet it seems to me that to-night, as the representative of this man, and as a member of Congress who does not believe in the removal of charges of desertion on trivial grounds, I can conscientiously vote for this measure.

Mr. JONES. Mr. Chairman, I would like to ask a question of the gentleman from Indiana. I believe, however, he is through. I simply want to call his attention to some facts and ask him some questions. I understood the gentleman to say in his concluding remarks that he based this claim solely on the ground that this soldier had served honorably for four years, and that he was now poor and dependent upon his manual labor for a living. A good deal has been said about his desertion and the proof bearing upon his intention when leaving his command.

I understood the gentleman from Mississippi [Mr. WILLIAMS] to ask the question I now want to ask. I want to know what proof there is, outside of the soldier's own statement, that he did not intend to desert, and attempted to return to his command? If I could be convinced that a great injustice had been done this soldier, that he did not leave his command for the purpose of deserting, but that he left for a legitimate purpose, and when he left he could not get back to his command, I would not have any objection to this bill.

The CHAIRMAN. The gentleman from Virginia stated that he wanted to ask the gentleman from Indiana a question.

Mr. JONES. As I understood the gentleman had yielded the floor, but he can answer my question in his own time or in mine if he so prefers. He can answer in my time, as the Chair had recognized me.

The CHAIRMAN. The Chair recognized the gentleman from Virginia to ask a question.

Mr. JONES. The gentleman from Indiana had taken his seat and then I asked to be recognized.

The CHAIRMAN. The gentleman from Virginia will be recognized in his own time if the gentleman from Indiana has yielded the floor.

Mr. MARTIN of Indiana. I recognize the fact that whatever I say will be in the gentleman's time, with the permission of the Chair.

Mr. JONES. Of course the gentleman can answer in my time. Now, I say if this were merely a technical desertion, if this man had not in fact, in reality deserted, and this record was against him, and this bill was introduced for the purpose of repairing an injustice done him by the record, I would not hesitate for one moment as to my action. If it were such a desertion as that, he ought to stand on the same footing with other soldiers whose records are cured by the general law.

There is no statement that the gentleman from Indiana would make from his own knowledge that I would not be willing to accept implicitly; but the objection I urged to this bill when I first arose was that the report simply gave a recital by the claimant himself of the case which led to his supposed desertion, and then referred to two other witnesses, whom the gentleman from Indiana says he knows testified to substantially the same thing. The gentleman from Mississippi [Mr. WILLIAMS] asked the gentleman from Indiana if those two witnesses accompanied this soldier when he crossed the Rio Grande; and I understood the gentleman from Indiana to say that he could not answer that question; that he did not know whether they did or not.

If the gentleman can say from his own knowledge that these men accompanied this soldier and that they had been placed in the same position that he was, and were unable to get back to the command as he was unable to get back to it, that they are honorable men, and he is willing to accept their testimony and to act upon it, then I would be willing to do the same; but unless he can do that I am not willing to accept the statement of the soldier himself.

Mr. PICKLER. Will the gentleman allow me to ask him a question?

Mr. JONES. I had not gotten through with my own questions, but if the gentleman wants to ask me a question I will accommodate him.

Mr. PICKLER. Does not the gentleman from Virginia now think that when this man performed four years of honorable service in the Army that that ought to offset his doubts as to whether his evidence is correct or not?

Mr. JONES. No, sir; I do not.

Mr. PICKLER. You do not think that worth anything?

Mr. JONES. I do not think forty years of service ought to blot out his deliberate desertion under such circumstances as he deserted. The condition upon which he was permitted to return to his command after his first desertion, as set forth in the President's proclamation, was that he should serve thereafter until honorably discharged. He did not keep the condition, but again willfully deserted and entered the service of the Mexican Government, for which he received a bounty. Such a man is not entitled to an honorable discharge, and has no claims upon his country for a pension.

Such a man is a deserter and a bounty jumper and not an honorable soldier. That is my answer to the gentleman. I understand these two witnesses were not able to state the facts that I want to know; and I can well understand how they could not have stated those facts. They could not know why this man remained away from his command even if they knew why he left it.

Mr. MARTIN of Indiana. Will the gentleman yield to me?

Mr. JONES. Certainly.

Mr. MARTIN of Indiana. I do not want to make any statement here that I am not absolutely certain of. I want the committee to have full knowledge of all the facts before they take action, and therefore I ask unanimous consent that the further consideration of this bill be postponed; in other words, that it be withdrawn without losing its place on the Calendar, and in the meantime I will examine this evidence.

Mr. PICKLER. The trouble, Mr. Chairman, is that bills of this kind come up and some gentleman makes an objection, and we spend an hour or two discussing them, and then they are laid aside, and the next night they come up again and we spend another hour or so in discussion, thus cutting off other bills from consideration.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana that this bill be laid aside without prejudice?

[Mr. WHEELER of Alabama withholds his remarks for revision. See Appendix.]

Mr. MARTIN of Indiana. Mr. Chairman, I desire consent to withdraw the bill without prejudice, retaining its place on the Calendar.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. HEARD. I do not want to object, but I want the indulgence of the House to say that the gentleman from Indiana in charge of the bill [Mr. MARTIN] expressed his intention of examining the record with a view to giving the House further information upon this subject at some other time.

Now, I rise to give notice that hereafter when a bill is presented to the committee, and discussed pro and con, and permission is asked to withdraw it, I shall insist that it take its place at the foot of the Calendar, and not be brought up successively night after night to be kept constantly before the committee, and in that manner prevent the consideration of bills that would not be objected to.

The CHAIRMAN. In the absence of objection, the bill will be withdrawn.

There was no objection.

WELLS JOHNSON.

Mr. HOLMAN. Mr. Chairman, I wish to ask a favor of the committee. I am not able to regularly attend the night sessions like these young gentlemen around me, and will ask that a bill slightly increasing a pension may now be considered. It is a Senate bill which passed the Senate in the last Congress, and now comes again from the Senate.

Mr. STALLINGS. Has it been considered by the Committee on Invalid Pensions?

Mr. HOLMAN. Yes.

The CHAIRMAN. The gentleman from Indiana [Mr. HOLMAN] asks unanimous consent for the present consideration of the bill which the Clerk will report.

The Clerk read as follows:

[A bill (S. 578) granting an increase of pension to Wells Johnson.]

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Wells Johnson, of Ripley County, Ind., at the rate of \$30 per month, in lieu of the pension he is now receiving.

Mr. HOLMAN. Mr. Chairman, but a single word.

The CHAIRMAN. Is there objection to the request for unanimous consent?

Mr. HOLMAN. I wish to say a single word.

Mr. STALLINGS. Let us have the report read.

Mr. HOLMAN. This increase is only \$6 a month. This man is now receiving \$24. I have been acquainted with this soldier from childhood, and I am certain it is a proper case. The bill passed the Senate at the last session, and I was unable to get it before the House in the last Congress. It has now passed the Senate again, and I am certain that it is an unusually meritorious case.

Mr. LACEY. I object to the consideration of the bill.

Mr. STALLINGS. I ask for the reading of the report.

The CHAIRMAN. Does the gentleman object to the consideration of the bill?

Mr. LACEY. I do.

Mr. STALLINGS. I ask for the reading of the report. It is not usual to object before the report has been read.

Mr. LACEY. I object to the consideration of the bill.

Mr. STALLINGS. Will the gentleman let the report be read?

Mr. LACEY. I object to the reading of the report. We took up all of last Friday night in the consideration of a bill which was taken up out of its order, and a good deal of time has been spent in the same way this evening.

Mr. HOLMAN. This is the first time in my long experience that such an objection has been made.

Mr. WHEELER of Alabama. I hope the gentleman from Iowa will not object to this.

Mr. LACEY. I regret to object.

Mr. LANE. I wish to submit some remarks, and I will ask the Clerk to read the report in my time.

The report (by Mr. MARTIN of Indiana) was read, as follows:

The Committee on Invalid Pensions, having had under consideration the bill (S. 578) granting an increase of pension to Wells Johnson, and also the bill (H. R. 4675) for the same purpose, hereby report back the latter bill with the recommendation that it do lie upon the table, because of the favorable report hereby made upon said Senate bill.

Your committee reports that it has investigated all the evidence on file before it, including photographs showing the exact condition of the deceased leg of the beneficiary, and also the affidavits of Obediah A. Francisco, Dr. A. B. Townsend, and Dr. P. Abbott, and the petition of a dozen soldier acquaintances of the beneficiary. The affidavit of Dr. Abbott is dated May 2, 1894, upon a personal examination made by him of the applicant at that time, and of previous examinations made by him.

The condition of said beneficiary on the 2d instant is thus described by said physician, to wit:

"I have this day given said claimant a physical examination. Find him suffering as follows: Varicose ulcer of right leg; also disease of rectum and constipation; stomach and bowels badly bloated; liver enlarged, hard, nodulated, and very tender; spleen enlarged and tender; skin sallow, moist; eyes jaundiced; lid badly inflamed; heart's action frequent and irregular; pulse rate sitting 80, standing rate 90, on exercise increases to 120; right leg veins badly varicosed and oedema of leg below knee; right leg 14 inches longer than left leg; the ulcer on inner side open; size, length 2½ inches by 1½ inches. Badly emaciated, anaemic, and debilitated. No vicious habits."

This witness testifies that he has been acquainted with applicant for about twenty-nine years.

A similar bill on behalf of applicant was reported favorably by this committee in the Fifty-second Congress, but was not reached for consideration.

The report made by the Senate Committee on Pensions, and which your committee adopt, is as follows, to wit:

"The claimant in this bill is Wells Johnson, of Ripley County, Ind., late a private in Company B, Sixty-eighth Regiment Indiana Volunteer Infantry, enlisted July 23, 1862, discharged June 30, 1865, on account of disabilities incurred in the service. He applied for and is now drawing a pension of \$24 per month, upon varicose veins in the right leg, resulting ulcers, and disease of rectum and constipation.

"The medical and other testimony shows that he is now suffering from all these diseases in an aggravated form; the Pension Bureau has refused his application for an increase on the ground that he is drawing the highest rate of pension allowable under the rules.

"A photograph accompanies the evidence of the ulcers in his leg; the one is 3½ inches, the other 1 inch in circumference; they are described as constant and incurable. The soldier suffers all the time, loses sleep, is incompetent for any labor, and, as some of the witnesses state, is in a worse condition than if he had lost his leg, though his pension does not reach the amount allowed for the loss of a leg. The soldier is poor, has no family of his own, lives with his widowed mother, who is also poor, and whom he endeavored to help support. He is without means of any consequence except his pension.

"The bill proposes to increase his pension to \$30 per month; we think, under the circumstances, this increase of \$6 per month is just and reasonable.

"We therefore recommend the passage of the bill."

Mr. LANE. I move that the bill be laid aside with a favorable report.

Mr. LACEY. Mr. Chairman—

The CHAIRMAN. The question is on laying aside the bill, to be reported to the House with the recommendation that it do pass.

The affirmative vote was taken.

Mr. LACEY. Mr. Chairman, I objected to this bill being taken up out of its order, objected to the reading of the report, and then asked recognition of the Chair; and while I do not desire now to insist upon my objection, as the time has been taken to read the bill and report, I wish to call the attention of the com-

mittee to one or two facts that I think ought to be more fully understood.

I took the pains to-day to go through the records of the present Congress, and I find that although we have been in session now for nine months, there have been but two private pension bills which have passed both Houses and secured the approval of the President. One of them is a bill in favor of a Revolutionary soldier's daughter, to pension her at \$12 a month, and the other is the case of a soldier of the war of 1812, pensioned at \$50 per month. He was 101 years of age. Now these bills represent all the progress that has been made in private pension legislation during these nine months.

Mr. STALLINGS. I demand the regular order.

Mr. LACEY. This is the regular order.

Mr. STALLINGS. There is nothing before the House.

The CHAIRMAN. The gentleman from Iowa [Mr. LACEY] has the floor.

Mr. LACEY. We have in all this time succeeded in passing into law just two private pension bills. I objected to my friend from Indiana [Mr. HOLMAN] calling up this bill out of its order, because after nine months we have only succeeded in getting two bills through, and I felt that the taking up of any bill out of its order in this way was unjust to the other bills that stood upon the Calendar. This bill has been read and the report has been read notwithstanding the objection. The objection seems to be disregarded, and I do not propose now to insist upon it. I do hope that we can get along with these bills. We ought in a single evening to clear up this whole pension calendar. There are not many bills on the Calendar.

Mr. BRYAN. I should like to ask the gentleman if he has investigated to find out how many bills have passed the House?

Mr. LACEY. I do not know the number. It makes no difference how many bills pass the House; they can not become laws until they pass the Senate.

The only bills that have become laws in the present Congress are H. R. 2627, granting a pension of \$50 a month to Andrew Franklin, a soldier of the war of 1812, now 101 years of age; and the other, H. R. 5258, in favor of Hannah Lyons, daughter of a Revolutionary soldier, granting her \$12 a month.

Mr. BRYAN. Is it not true that all legislation has been suspended during the discussion of the tariff bill?

Mr. LACEY. They have passed more bills in the Senate than we have.

Mr. HOLMAN. I hope this bill will be laid aside with a favorable recommendation.

The bill was ordered to be laid aside with a favorable recommendation.

HARRIET T. VOSBURGH.

The next business on the Private Calendar was the bill (H. R. 4561) granting a pension to Harriet T. Vosburgh.

The bill was read at length.

Mr. JONES. I will ask if the bill to remove the charge of desertion against Frederick Ottstott was not before this bill on the Calendar?

The Clerk read as follows:

Calendar number, 280.

Mr. JONES. It was not in that order last Friday night.

The CHAIRMAN. The Chair is advised that that bill was not in order at the Friday night session:

Mr. HEARD. The Calendar number of that bill is 278½, instead of 280. That is the bill just read.

Mr. JONES. Mr. Chairman, I understand there is a minor report as well as the report in this case, and I ask that both be read.

The Clerk began to read the report.

Mr. STALLINGS. Mr. Chairman, if the Clerk will suspend I think we may save some time. On Friday night, two weeks ago—

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. STALLINGS. I rise to state that this bill is not properly on the Calendar, as it had been passed before; and I understand—

The CHAIRMAN. That does not make any difference.

Mr. STALLINGS. I should think it made a great deal of difference. If the bill has been passed it is not properly on the Calendar.

The CHAIRMAN. The regular order is the reading of the report.

Mr. STALLINGS. I make the point of order, then.

The CHAIRMAN. The gentleman will state it.

Mr. STALLINGS. I have already stated the facts—that this bill has been laid aside heretofore with a favorable report in this committee, and therefore there is no necessity for its being on the Calendar again.

The CHAIRMAN. The Chair will hear the gentleman on that point.

Mr. STALLINGS. I will state the facts, and that is the only way to get at the matter. Two weeks ago I objected to the consideration of this bill under a misapprehension. The gentleman from New York [Mr. CURTIS] afterwards called my attention to the facts in the case, and I subsequently asked unanimous consent that this bill be laid aside with a favorable recommendation, and that request was granted by the Committee of the Whole. Those are the facts.

Mr. MARTIN of Indiana. The facts stated by the gentleman from Alabama appear on page 5970 of the RECORD. This bill really has been laid aside with a favorable recommendation of the committee for two weeks.

The CHAIRMAN. The point of order, then, is well taken.

FREDERICK OTTSTOTTS.

The next business on the Private Calendar was the bill (H. R. 1197) for the relief of Frederick Ottstotts.

The bill was read, as follows:

*Be it enacted, etc.*, That the Secretary of War of the United States be, and he is hereby, directed to remove the charge of desertion against Frederick Ottstotts (Ottstotts), late of Company K, Fifth Regiment United States Cavalry, and issue to him an honorable discharge from the Army of the United States.

Mr. JONES. I ask for the reading of the report.

The report (by Mr. BOWERS of California) was read, as follows:

The Committee on Military Affairs, to whom was referred the bill (H. R. 1197) to remove the charge of desertion against Frederick Ottstotts, had the same under careful consideration and report the same back with a recommendation that it do pass.

A bill of a similar character was favorably reported by the Committee on Military Affairs in the Fifty-second Congress, and it passed the House. From the facts presented your committee find that the soldier rendered such services to the United States as should entitle him to the relief prayed for in the bill, inasmuch as he is now suffering from the loss of eyesight and a derangement of his mental faculties, all occasioned from the result of his military service.

He enlisted in 1855, as his military record which is herewith submitted will show, and served continuously until August 10, 1865, after the close of the war. His last enlistment was simply for the purpose of assisting in the suppression of the rebellion, but as he belonged to the regulars and not the volunteers, the case is not covered by general law. Your committee believe that after ten years of service, a portion of which was rendered during the war, resulting in physically wrecking the system of a man, the least the Government can do is to grant him an honorable discharge.

Private Frederick Ottstott enlisted May 15, 1855; was assigned to Troop K, Second Cavalry, and discharged May 15, 1860, by expiration of term of service; he reenlisted in the troop June 14, 1860; designation changed to Fifth Cavalry, and was discharged July 1, 1864, by reason of reenlistment; he re-enlisted July 1, 1864, for three years; was assigned to Troop K, Fifth United States Cavalry; deserted August 10, 1865, at Washington, D. C., and never returned to his command. The Department has no power to remove the charge of desertion under act of March 2, 1889, the only law on the subject now in force.

Mr. JONES. Mr. Chairman, I simply want to state that I do not think all the members of the committee have heard this report. There is a record attached to this report which states very explicitly what the report only refers to as a matter of inference. It states that this soldier deserted August 10, 1865, at Washington, D.C., and never returned to his command; and there is no such statement in this report as there was in the report in the case which we have just had under consideration, and which was discussed by the gentleman from Indiana [Mr. MARTIN]. In that case the point was made that it was merely a technical desertion; that the man did not intend to desert; that he had left his command for the purpose of returning, and that by reason of certain facts he was unable to get back to his command.

Now, this is a case of absolute, unequivocal desertion, without excuse, and without the slightest extenuating circumstance connected with it, so far as this report shows. This man absolutely deserted his command right here in the city of Washington, and never attempted to return. He offered no excuse for his desertion, and to this day has offered none. It is said now that he needs assistance, and that in view of his long and honorable record prior to the time of his desertion the committee thinks he ought to be pensioned.

I submit that in a case of this sort the charge ought not to be removed, where there is not one single extenuating circumstance offered by the man himself, who does not deign even to say why he deserted. He was a soldier in the regular Army and not a volunteer, not one of those men who the gentleman from Alabama [Mr. WHEELER] talked about, who went in the war and fought the country's battles without having been enlisted. I submit in all candor that this is not a proper case for the intervention of Congress.

The CHAIRMAN. The question is on laying aside the bill with a favorable recommendation.

Mr. JONES. As an amendment I move that the bill be reported to the House with the recommendation that it lie on the table.

The question was taken on the motion of Mr. JONES, and the Chairman announced that he was in doubt.

The committee divided, and there were—ayes 17, noes 18.

Mr. JONES. No quorum.

The CHAIRMAN. The gentleman from Virginia makes the point of no quorum. The Chair will appoint as tellers the gentleman from Virginia [Mr. JONES] and the gentleman from Indiana [Mr. MARTIN].

Mr. HEARD. Mr. Chairman, I ask the indulgence of the committee for a moment. At our last pension session this bill was called up, and after some discussion a motion was made similar to that made just now by the gentleman from Virginia [Mr. JONES] that the bill be reported to the House adversely. I then suggested, in view of the absence of the gentleman who had introduced the bill as well as of the gentleman who had reported it from the Committee on Military Affairs, that the right thing to do would be to place it on the Calendar and pass it over without prejudice. I now ask unanimous consent that the bill be withdrawn from the consideration of the committee with leave to take its place at the foot of the Calendar.

Mr. PICKLER. I object. I do not see any reason why we should not finish this bill.

The CHAIRMAN. Objection is made. The tellers will take their places.

The tellers took their places.

Mr. PICKLER (pending the count by tellers). I rise to a parliamentary inquiry. Whose bill is this?

The CHAIRMAN. The Chair understands that it is a bill introduced by the gentleman from Ohio [Mr. OUTHWAITE].

Mr. PICKLER. Well, if there is nobody here to look after the bill, I ask unanimous consent that the request of the gentleman from Missouri [Mr. HEARD] be granted.

Mr. JONES. The gentleman from South Dakota objected to that course a while ago, and I now renew the objection.

The committee again divided; and the tellers reported—ayes 25, noes 5.

So the bill was laid aside to be reported to the House with the recommendation that it do lie on the table.

HARRIET WOODBURY.

The next pension business on the Private Calendar was the bill (H. R. 811) to pension Harriet Woodbury, Windsor, Vt.

The bill was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and regulations of the general pension laws, the name of Harriet Woodbury, late widow of Aaron G. Firman, of Company I, Seventh Regiment Vermont Volunteers.

Mr. STALLINGS. I ask that the report be read.

Mr. JONES. Let us have both reports.

The report of the committee (by Mr. APSLEY) was read, as follows:

The Committee on Invalid Pensions have considered the bill (H. R. 811) to pension Harriet Woodbury, and submit the following report:

The petitioner was formerly the widow of Aaron G. Firman, who served in Company I, Seventh Vermont Volunteers, from November 26, 1833, until his death in the service October 2, 1834; the widow was pensioned from the death of the soldier to July 14, 1865, when she again married; pension was then paid to a minor child of soldier until October 29, 1880, when he became 16 years of age, since which date no pension has been paid. These facts are shown by the records of the Pension Bureau.

The petitioner, Harriet Woodbury, of Windsor, Vt., testifies that after her marriage to Samuel H. Woodbury she was compelled to go out to labor to support herself and invalid husband, and that he lingered along until July 26, 1865, when he died of cancer; that since his death she is left without any means and is now obliged to earn her subsistence by laboring at 25 cents per day, and that such remuneration is all the income she has. She still remains a widow.

Samuel H. R. Emery, of Bartonsville, Vt., corroborates the above and testifies that the petitioner's husband, Woodbury, while apparently healthy when she married him, was afterward afflicted with cancer, and that the petitioner had to labor for their support; that Mr. Woodbury died in 1865, leaving his widow without means, and that she now labors for her daily bread and hardly earns enough for a support.

Your committee return the bill with the recommendation that it do pass, after being amended by striking out the word "regulations" in line 5 and inserting in lieu thereof the word "limitations."

The views of the minority were read, as follows:

The minority of the Committee on Invalid Pensions submit the following statement of their views in regard to the bill (H. R. 811) to pension Harriet Woodbury:

The purpose of this bill is to restore to the pension roll, as widow of a soldier who died in 1864, his former widow who remarried in 1866 and lived with her second husband until he died in 1886. The minority have had occasion to express their views heretofore in cases of this character, and the statement made in Report No. 601 on the bill (H. R. 2908) to pension Martha E. Miller, which is equally applicable to this case, is as follows:

To pass this bill is to nullify for the benefit of this one individual the substantial limitation of the general laws that the pension of soldiers' widows who have remarried shall cease.

The objections to be urged against such bills as this are numerous. In the first place, it makes an exception of a case which is in nowise exceptional. There may be varying degrees of destitution in different cases, but it may be fairly stated that all cases of widows who have remarried and again become husbandless by reason of death or divorce present the same substantial conditions.

If any widow so situated should be restored to pension all widows so sit-

uated should be restored, and this by general enactment and not by individual private bills, whereby those who may happen to have a friend to espouse their cause secure a benefit which the modest and the unknown never think of seeking. Special pension acts are justifiable only in cases which are essentially exceptional and should not be used to grant to one that which is denied to the many, whose situation is precisely the same. But aside from this consideration, however, the soldier's widow who remarries voluntarily relinquishes her pension because she prefers to do so.

The Government can not become an insurer against an unfortunate termination of this second matrimonial venture either by divorce or death. To restore pension in case of divorce is to encourage remarried widows to seek divorces, and, in any event, it is to give them an ostensible claim upon the soldier's death and memory which they have long since renounced by preference.

Furthermore, it is not to be assumed that legislation of this character is in the line of justice or of honor to the soldiers themselves, or that it is necessarily desired or favored by the soldier classes.

A contribution from the public Treasury to the support of the widow of the soldier so long as she remains his widow, every soldier, perhaps, desires, and the common consent of the nation for thirty years has sanctioned this, but that each soldier looks forward to and desires that his services and his memory shall be the basis of a pension to his wife at some remote day beyond an intervening period of matrimonial alliance with some other husband, is by no means self-evident or fairly to be presumed.

M. R. BALDWIN.  
C. J. ERDMAN.  
JOHN J. McDANNOLD.

**The CHAIRMAN.** The Clerk will report the amendment recommended by the committee.

The Clerk read the amendment as set out in the last paragraph of the report.

**Mr. STALLINGS.** Mr. Chairman, I would ask the chairman of the Committee on Invalid Pensions who introduced this bill and also who reported it?

**Mr. MARTIN** of Indiana. It was introduced by the gentleman from Vermont [Mr. GROUT], and it was reported by the gentleman from Massachusetts [Mr. APSLEY].

**Mr. STALLINGS.** The gentleman from Vermont is not present this evening.

**Mr. MARTIN** of Indiana. It is the same bill that was discussed at length two weeks ago.

**Mr. STALLINGS.** Mr. Chairman, I have the same objections to this bill that I had when it was up for consideration two weeks ago. I do not believe that we ought to nullify the general statute in order to make an exception in the case of this woman. The general law provides that whenever the widow of a soldier remarries she loses her pensionable status. That is the general statute. If it is not a good law we ought to repeal it. If it is a good law we ought to abide by it. There is not one scintilla of evidence set out in the majority report of the committee, or in the minority report, that would justify the allowance of a pension in this case over and above hundreds and thousands of other cases of the same character.

If I were to object to this bill on the ground that it would set a precedent which would draw hundreds and thousands, yes, millions of dollars from the Treasury in cases of the same kind, that alone would be a sufficient reason; but I put my objection on a higher ground. There may, be perhaps, 10,000 or even 20,000 widows in the United States who are in a condition similar to that in which this woman stands. There is a general law which says to her and others in like condition, "You can not draw a pension as the widow of a soldier if you remarry." Now, we are asked to make an exception of this case in favor of this woman, while thousands of others are compelled to abide by the law as it exists and as it has existed for years. I see no justice in that.

Not a single reason is given in either the majority or the minority report why a pension should be allowed to this woman, and I for one can not afford to give my vote to nullify the general statute in special cases like this. I repeat, if the law is a bad one, let us repeal it; but if it is a good one, let us abide by it. No reason is given, or can be given, for granting a pension in this case better than can be given in hundreds and thousands of other cases of widows who have remarried.

The husband of this woman was no braver, no truer to the Union cause than the husbands of thousands of other women who are forbidden to draw pensions because they have remarried; yet because this one happens to have a friend in Congress we are asked to give her a privilege which is refused to others standing in a like situation. I do not believe in any such favoritism, nor will I ever while I am a member of this House vote to give a pension to an individual while it is refused to others of the same class equally meritorious.

Now, I wish to make a little digression at this point. The gentleman from Kentucky [Mr. ELLIS], in discussing the bill which he brought before the House at our last Friday night session, and again to-night, stated that we had twenty-nine millions of money in the naval pension fund. That is an error. The amount is only fourteen millions, and it draws only 3 per cent interest per annum. It brings in interest \$375,000, which goes to pay these navy pensions as far as it goes, and the estimated amount required to pay this naval pension for this year is about

four millions. Therefore the statement of the gentleman from Kentucky was erroneous.

Now, I do not desire to discuss this question any further. My mind is unalterably opposed to allowing pensions of this character unless we repeal the general statute and place all on the same footing.

**Mr. MAHON.** Mr. Chairman, I do not agree with the position taken by the gentleman from Alabama who has just taken his seat. It is a remarkable fact that every pension that comes before this House is opposed by that gentleman. Here is a committee making a favorable report, and some members of the committee making a minority report, but nobody is present to defend the one or the other. It is, I repeat, a remarkable fact that the gentleman from Alabama opposes all these pension bills.

Now, the law provides that a widow drawing a pension, if she remarries, forfeits her pension; and I have no doubt that it was passed on this principle: that as she had remarried again she had some person to support and defend her. That is the principle on which it is based, and it relieves the pension rolls just to that extent. That act ought to remain on the law books of the nation, because we have, as gentlemen have said, thousands of widows all through the country who have remarried and have been removed from the pension rolls, and the men they married are able and competent to take care of them and are doing so today—thus reducing the pension list, the number on the rolls, and the amount required to pay them.

But there is another fact in this case that we must not lose sight of. This woman's husband—her first love, her first husband—gave up his life to save this Government from dismemberment. As I understand it, this man died from wounds received in line of duty during the war. Now, she remarried, and was taken from the rolls, and properly so, under the general statute. No doubt she believed the man she married could support her. She understood full well that if she remarried she would be dropped from the pension rolls.

But, unfortunately for this soldier's widow, the man she married—her second husband—fell sick, as the record shows, and in place of being a defense and a support to her he became a burden and lingered a long time, finally dying with that terrible disease, cancer. We find her to-day absolutely destitute, with people dependent upon her, and working for 25 cents a day for her support and theirs.

I take the position that the general law should not be repealed, but should stand here to protect the Government, and let these widows who remarry and have second husbands who are able and willing to take care of them do their duty instead of requiring the Government to do it by providing support for their families.

The thousands of widows who have been remarried under such circumstances, and whose husbands are able to take care of them, are not entitled to pension. But I ask, in justice and equity, if this woman, who gave her first husband's life to the service of his country, and married again, believing that she married a man who was able to take care of her, but, on the contrary, having to take care of him for a long time in his last illness, whether she should not be restored to the position which was forfeited by the second marriage?

In her old age she finds herself without anything to support her except a little, miserable pittance of 25 or 30 cents a day. I think under these circumstances that she is justly entitled to ask the Government to restore her to the pension rolls. It is no argument against such special bills as this to say that the general statute forbids them. The House has passed, and always will pass them, and I believe these cases ought to be passed. There can not be very many of them, and it is better that the general statute should remain, and that relief should be granted in special cases by special bills, for the reason that then the House has the facts in every case before it, and can determine properly whether it is meritorious or otherwise.

I hope this bill will be passed.

**Mr. MARTIN** of Indiana. Mr. Chairman, I presented this matter very fully two weeks ago to-night to the committee, and will not detain the committee now except to make a few very brief remarks.

The number of bills of this character passed by the Fiftieth Congress at one session was 3; in the Fifty-first Congress the number was 34; in the Fifty-second Congress, 11.

Now, I present these facts for two purposes: one to show that the idea that there are thousands of these cases in existence in the United States to-day is utterly erroneous.

**Mr. STALLINGS.** I would like to ask the gentleman this question: Have you any idea how many of such cases there are?

**Mr. MARTIN** of Indiana. I have just this idea: It has gone through the length and breadth of the land that in proper cases,

where the soldier died and the widow remarried and has been a good woman, her second husband dying and leaving her destitute, that the House—I do not mean this House, but the Congress of the United States—will restore her to the pension roll.

Mr. STALLINGS. That is hardly, I would suggest, an answer to my question.

Mr. MARTIN of Indiana. Let me answer it.

I want to show the only source by which I can get the information the gentleman seeks. Notwithstanding the fact that this is known throughout the length and breadth of the country, and has been for years and years, there were thirty-four of these bills passed in the Fifty-first Congress and only eleven in the Fifty-second. The number pending before Congress at this session is only about thirty or forty, and the number favorably reported by the Committee on Invalid Pensions, during the nine months we have been in session, is only seven.

Mr. STALLINGS. Now, may I interrupt my friend right there?

Mr. MARTIN of Indiana. Yes.

Mr. STALLINGS. Is it not a fact that in the Fifty-second Congress there was a terrible fight made in this House in Committee of the Whole on this very proposition, and that the bills were defeated; and is not that the reason why there have been so few applications?

Mr. MARTIN of Indiana. No; I think not.

Mr. STALLINGS. I will state to my friend from Indiana that I heard it so stated by an old member of the House this evening.

Mr. MARTIN of Indiana. I was pretty familiar with that matter in the Fifty-second Congress, having had the honor to be chairman of that committee. My recollection now is—that I may be at fault—that no fight has ever hitherto been made upon this class of bills.

Now I speak of this for another reason. When each new Congress meets in its first session, is there not a presumption that when a certain class of cases have been acted upon favorably in preceding Congresses, by the Committee on Invalid Pensions, by the House of Representatives, by the Senate, and by the President of the United States in approval, for years and years, that the committee will feel bound to make favorable reports when bills of that kind, with proper proof, come before the committee?

Now, Mr. Chairman, just let me put this one matter to the members of this Committee of the Whole of the Fifty-third Congress. Here is the precedent, established in the Fiftieth Congress. It was followed in the Fifty-first Congress and in the Fifty-second Congress. It has been followed, after full and fair investigation, by a great majority of the Committee on Invalid Pensions in the Fifty-third Congress. Now, I put it to the members of the Committee of the Whole, sitting here to-night, are you willing now that this Committee of the Whole shall begin to break down well-established precedents of the House of Representatives, made in the past and followed by your committee honestly and conscientiously in this House?

Mr. Chairman, and gentlemen of this committee, let me appeal to you once more. Is there a single thing in the facts presented by this case which is dishonorable to this applicant or that takes away one shade of her respect for the memory of the husband who lost his life in the service? If so, what is it?

Mr. STALLINGS. I should like to suggest to the gentleman that she very readily forgot the memory of that soldier husband by marrying again.

Mr. MARTIN of Indiana. Mr. Chairman and gentlemen, I think not. I desire to suggest this fact. I believe it is true—I am sure from my knowledge of the facts that it was true upon the side of the Union in the late war—that the great body of the soldiers came from the poorer classes of the people of this country, and that when a soldier lost his life in the service he had little but his memory to leave to his widow and children. I believe you would find that true amongst the men who enlisted on the side of the Confederacy. I believe that when they died, regardless of the results of the war, the most they left to their widows and children was but a memory.

Mr. STALLINGS. I should like to suggest to the gentleman that as far as the Southern soldiers were concerned, they came both from the poor and the rich.

Mr. MARTIN of Indiana. Very well. Grant that. Now, in this case, as far as the proof shows, this woman made a second marriage, which the laws of the country recognize as honorable.

Mr. BROOKSHIRE. The law encourages marriage.

Mr. MARTIN of Indiana. The law encourages marriage. The practice of Congress in this class of cases has been, when the woman has been shown to be poor, when she married again and the second husband died, to say by its action, reported through its regular committees, that the widow of a man who gave his life in the service of his country, even if she did marry

again, shall not, when the proper facts are presented before Congress, be allowed to end her days in the poorhouse.

Mr. Chairman, in conclusion, I appeal to this Committee of the Whole of the Fifty-third Congress not to break down well-established precedents which have been made for the guidance not only of the House, but of its committees, and in this case the Committee on Invalid Pensions.

The CHAIRMAN. The question is on the motion to lay aside the bill with a favorable recommendation.

Mr. JONES. Mr. Chairman, the gentleman from Indiana talks about the establishment of precedents, and argues that the committee ought to pass this bill because a precedent has been established by the passage of other bills of this character.

Now, it seems to me that that is very narrow ground upon which to base a request that this House should pass this bill. I rather thought that every one of these special pension cases was supposed to stand upon some special ground. I had not understood that it was claimed that because one widow who had remarried had been pensioned that we ought to pension all widows who elected to remarry and who became widows for the second time. If that be true, then we ought to have the general law which has been talked about and pension them all.

It is not a question of whether special bills pensioning widows who have remarried have passed this House. The question is whether this bill presents such special merit as to entitle this widow to special legislation in her behalf. I admit, Mr. Chairman, that I am opposed to all bills of this class. I state candidly and frankly that I am opposed to all of these special bills pensioning widows who have remarried and afterwards lost their second husbands. As I understand, the ground upon which special legislation is asked ordinarily, it is that there is some special merit in the case presented. The fact that a bill of that kind has passed in some former Congress is not a question which ought to operate as binding on the minds of the members of this House.

I understood the gentleman from Indiana to say a little while ago in his general remarks that in a case of this sort a pension should be granted where a soldier had died in the service of his country. I would like to ask the gentleman if his committee has not reported cases of this sort to this House where the soldier did not die in the service of his country but died after the close of the war?

Mr. MARTIN of Indiana. Mr. Chairman, I desire to say in reply that it is utterly impossible for me to keep in mind all the cases that have been reported. If the gentleman knows of that kind of a case, I hope he will frankly state it to the House.

Mr. JONES. I think I do. My memory is not very good, but I think I have read a number of reports of cases of that sort; and I supposed that the chairman of the Committee of Invalid Pensions, who should be familiar with all this kind of legislation, and who said that in cases where a soldier died in the service of his country his widow who remarries and loses her second husband should be pensioned, meant to convey the idea that only in such case where the soldier had so died would he be willing to pension his widow who remarried.

I wanted to be apprised of the fact, if it were so. When I refer to the record of this soldier, I find that it is very different from the others I have read upon the subject. Most of those reports stated when the soldier married his first wife, whether before the war or at the beginning of the war, and whether or not she shared his privations and discomforts during the war. This report is silent upon the subject as to when this woman married the soldier upon account of whose service she asks to be pensioned. She may not have lived with him more than a single day, so far as this report shows; but it does show that in less than two years after he died she found another husband, with whom she lived for twenty years.

Mr. MARTIN of Indiana. Will the gentleman yield to me for a moment?

Mr. JONES. Certainly.

Mr. MARTIN of Indiana. It is perfectly apparent by inference, and almost amounts to a positive statement of fact, that his widow was married to the soldier sometime previous to his death, which was on October 2, 1864. He volunteered on the 26th of November, 1863. The gentleman will notice that the minor child became 16 years of age in the year 1880; consequently, the woman must have been married to the soldier at least two years, and probably longer.

Mr. JONES. It may be true that such an inference may be drawn from the facts which you now state. I said that this report did not state when this soldier was married to the woman who now wishes to be pensioned on his account, though she has since lived for twenty years as the wife of another man. Admitting that she had been married to this soldier nearly a year, as you say, he did not enter the service of the country until nearly the

beginning of 1864. It was, to be accurate, November 26, 1863, before he entered the service of his country; and the report does not show that he died on account of any wounds he received or any privations he suffered during the war. The report simply says that he died in the service. He might have died of a cancer, as the subsequent husband did.

Mr. MARTIN of Indiana. If the gentleman will permit me to interrupt him. I know the gentleman desires to be perfectly fair, and I ask him to yield to me.

Mr. JONES. Certainly.

Mr. MARTIN of Indiana. You know as a matter of fact that under the general law this child could not have been pensioned except upon proof of disease incurred as the result of service.

Mr. JONES. Unless the father died on account of disease incurred in the service?

Mr. MARTIN of Indiana. Now, in this case there was a regular adjudication in the Pension Office, and a pension was granted to the minor child of the soldier because he had incurred disease in or by reason of his service, and the child received a pension as the result of that.

Mr. STALLINGS. Will the gentleman from Virginia yield to me for one moment?

Mr. JONES. Certainly.

Mr. STALLINGS. I would like to ask the gentleman from Indiana one question. Would not the widow have received the pension that the minor child received if she had not remarried?

Mr. MARTIN of Indiana. I expect so.

Mr. STALLINGS. Then this child received a pension that the mother would have received and the pension she was entitled to in her own right until she was 16 years of age?

Mr. MARTIN of Indiana. I think so.

Mr. STALLINGS. So that a pension has been paid for the service of this soldier until the minor child was 16 years of age?

Mr. MARTIN of Indiana. The child has been pensioned for that time.

Mr. STALLINGS. The child was pensioned until it was 16, and a pension has been paid during all those years?

Mr. MARTIN of Indiana. It has been paid during that time.

Mr. JONES. Now, in answer to the statement made by the gentleman from Indiana, I will say that I am not as familiar with the general pension laws as he is, but he infers from the fact that the child mentioned in the report was pensioned for all these sixteen years that the soldier died from disease contracted in the service. That may be so, but it would have been much more satisfactory if the committee had so stated in this report. And in further reply to his suggestion, I will remind the gentleman of a fact which he knows as well as I do, that in this very Congress we have repealed an act granting a pension because we had become satisfied that the party was not entitled to a pension.

Mr. MARTIN of Indiana. Two of them.

Mr. JONES. Two of them. There are also bills now pending and upon the Calendar, one of which has been reached to-night and passed over, where two widows have been drawing pensions at the same time, or, at least, where two widows drew the back pay to which the soldier was entitled. The inference to be drawn from the report in that case, as I argued when it was brought up before, is that whilst we were asked to grant a pension to the second so-called widow, the former, or true widow, was drawing a pension at the time. I refer to the Mary Trickey case.

Now, Mr. Chairman, an inference such as that suggested by the gentleman from Indiana is not a safe ground upon which to base legislative action. It would have been much better to have set out the facts in the report. When I undertake to discuss these cases I do it upon the reports as they are presented to the House, and I think the committee presenting these reports ought to make them as full and explicit as possible. But what I want to impress on this House particularly is that this is no exceptional case. I do not know what the circumstances of this woman were before she married these soldiers.

The only ground upon which the pension is asked is that she has to earn her own living. There are hundreds and thousands of poor women in this country who have to earn their own living. It is not shown that this woman is decrepit or unable to work. So far as the report shows, she is as strong and as able to work as any other woman in the country who has to do it. There is nothing stated in this report which appeals to our sympathies. This is not an exceptional case.

This woman has no better ground for a pension than hundreds, and, I venture to say, thousands of widows; for notwithstanding the opinion of the distinguished gentleman from Indiana, I am satisfied that there are not only hundreds, but thousands of widows in exactly similar circumstances, and who would come in under a general law. I think the only reason why there

is not a general law on the subject is that we all know it would add immensely to the pension roll. I call the gentleman's attention to another thing. I remember that in the Fifty-second Congress, when a bill was under consideration to pension army nurses, my friend from Indiana said—and I know said in all sincerity and honesty—that there were not three hundred nurses in the United States who would be pensioned under that law; that the matter had been investigated, and that, from the very best information that could be collected, there would not be three hundred of them.

Now, I do not know the exact number, but I do know that over three hundred have been pensioned already under that law; not greatly in excess of that number, I admit, but a large number of cases of that character are now pending before the Pension Bureau awaiting adjudication, and we shall not know for years to come how many persons will go upon the pension rolls under a law which, at the time it was passed, Congress was assured would not apply to more than three hundred persons. I remember also that the late President Garfield, and other distinguished men upon this floor, declared over and over, at different times, that the pension roll would not exceed such and such a number, and that the aggregate amount of money to be paid would not be more than such and such an amount; yet we all know that we have long ago gone far beyond the highest limit then set both as to the number of pensioners and as to the amount of the money paid them, in spite of the predictions of those distinguished gentlemen to the contrary.

For these reasons I can not accept the statement of my friend from Indiana on this subject, though I would accept his statement as soon as that of any gentleman I know, and sooner upon this question, because I know that he has given it painstaking and conscientious consideration. The fact is, however, that no man can tell how many widows there are that are standing in similar circumstances to the one whose case is now being discussed and considered, and the gentleman is greatly mistaken if he thinks that the number will not exceed hundreds; it will run up into the thousands, aye, into the tens of thousands. The fact that a large number of such claims have not been brought before Congress up to this time is no reason for believing that they will not be presented hereafter, if only sufficient encouragement is given.

The gentleman is mistaken in supposing that it has gone out to the country that such cases as this are being pensioned here. I do not think the public understands such to be the case. If the public did understand that all that had to be done was to present a claim of this kind and the pension would be allowed, the Calendar which would be required to hold such cases would be many times larger than that upon which we are working this evening. That is one of the reasons why I think this claim and others like it ought not to be allowed.

The more of them we pass the more bad precedents we establish; and if it be true, as the gentleman alleges, that we have established precedents of this kind in the past, it is high time that we call a halt and go no farther in that direction. A bad precedent should never be followed by an honest man simply in order to establish a reputation for consistency.

I am not in the least disturbed on account of the precedents to which our attention is directed. I do not doubt that during the last three or four Congresses pension cases of every conceivable kind were passed by this House, and many of them were slipped through in the morning hour without the slightest consideration, and even without the reading of the reports being demanded, and when, probably, no one but the gentleman in charge of the bill knew anything about its nature.

I do not regard these as precedents that should be followed. When cases go through Congress without discussion, by unanimous consent, and without the slightest consideration on the part of anybody, I do not think we ought to be afterwards told, when we oppose a case which has no merit and we know that it ought not to pass, that we have passed similar cases, equally without merit, in some other Congress, when perhaps we who are now present were not members of that body and had no part in its action, and not, therefore, in any way responsible for what was or was not done. So long as I am a member of this House I shall not place my conscience in the keeping of any man, nor be guided in my action by what another may have done, unless my judgment and my conscience approve it.

Mr. NEILL. Mr. Chairman, I have come to these Friday night meetings and voted for a great many special pension laws. I am here to-night to protest against the passage of the one before us at this time.

Mr. Chairman, I have felt from motives of delicacy, which perhaps were not improper, that as an ex-Confederate I should keep silent when pensions were being discussed, and I have done so hitherto. I want to say to you, sir, and to the members of the House of Representatives of the American Congress that I

am in favor of the pension laws, notwithstanding I fell next to the box with my people. I believe it is right to pension the disabled soldiers of the Union Army. I vote for pensions to the honest disabled Union soldiers just as cheerfully as I would vote in the legislative appropriation bill to pay the President's salary or my own. But there is something in this bill that goes beyond the scope which I am willing as a representative of the people to go in voting away their money.

The laws for pensioning the Union soldiers began, I suppose, during the civil war; but section 4702 of the Revised Statutes, which was enacted in 1874, provides in brief that the widow of a soldier until she remarries shall have a pension. The general law provides that when the widow remarries her pension shall cease.

Now, there has been some talk here about a widow remarrying. I have nothing on earth to say about that. It is a delicate matter that I would not intrude upon. I do not believe that any gentleman on this floor has a right to question the privilege of a widow to remarry when she gets ready and thinks she has a good opportunity to settle herself happily in life. It is one of those matters that is beyond criticism, and ought to be with all gentlemen. But when the general law, which has been in existence since 1874, says that the pension of a widow shall cease with her remarriage, there I draw the line.

If it is right to pension a lady who has once been the widow of a soldier, and who afterwards ventured into a second matrimonial alliance, let us have a general law to pension all of them. I want to say to you frankly that I am not in favor of such a law. I am opposed to it. I believe it is right for the Republic to pension its brave soldiers and to pension their widows. But, Mr. Chairman, when you talk about the poverty of the lady who was once the widow of this soldier, who perhaps gave his life in the service of the Government, I want to tell you that in my district, and in my State of Arkansas, and in all of the other Southern States, there are many people who are very poor; there are people who do not have both bread and meat to eat every day, and yet they labor and toil the year around. And let me say to my Republican friends, who may shake their finger and say to me, "You are a rebel," that a great many of these people are negroes.

Mr. CURTIS of Kansas. Then why do not you pay them more?

Mr. NEILL. We pay them all they are worth. The negro gets the most of it.

Mr. CURTIS of Kansas. Oh, no.

Mr. NEILL. My friend, when you Republicans undertake to taunt me about the negroes, let me tell you that I was born and reared amongst them. The first sustenance of life I ever drew was from the breast of a good negro mammy, and I know more of that race than you do, or any other of your folk.

Mr. CURTIS of Kansas. Will the gentleman allow me to ask him a question?

Mr. NEILL. Yes, sir.

Mr. CURTIS of Kansas. Is it not a fact that while they do all the work you take all they earn, and bring them out in debt at the end of the year?

Mr. NEILL. No, sir; that is not a fact; the negro was a faithful race.

Mr. CURTIS of Kansas. And loyal, too.

Mr. NEILL. Yes; he was loyal to his mistress and master, and loyal to the Union cause when he went out as a soldier. I do not blame him for that. He deserved credit for his good conduct during the war. He deserves more credit than he gets from your side of the House.

Mr. CURTIS of Kansas. Well, he never got anything from yours.

Mr. NEILL. Yes, sir; he has got a good living to-day.

Mr. CURTIS of Kansas. Why, I thought you just said a moment ago that he was not getting anything.

Mr. NEILL. I said that they were toiling, some of them ill-clad and hungry, and so are white people—white women and white men, in consequence of the hard times.

Mr. CURTIS of Kansas. You will admit the truth—

Mr. NEILL. I admit the truth always, sir.

Mr. CURTIS of Kansas. You will admit the truth that the best friend the negro has is the Republican party.

Mr. NEILL. I admit the truth at all times, but I do not admit that statement.

Mr. CURTIS of Kansas. Well, will you admit this truth? And also the best friend of the Union soldier, who saved this nation while you were trying to destroy it.

Mr. NEILL. Mr. Chairman, the gentleman sought to divert me, just as his party are trying to sidetrack everything here. I want to say to these people on the other side—

Mr. CURTIS of Kansas. Mr. Chairman—

The CHAIRMAN. Does the gentleman from Arkansas yield?

Mr. NEILL. Yes, sir; I do.

Mr. MARTIN of Indiana. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Indiana. The discussion is not germane to the bill.

The CHAIRMAN. The point of order is well taken. [Laughter.]

Mr. NEILL. I yield to my good friend from Indiana. No, the discussion is not germane. I want simply to say, Mr. Chairman, that when these people attack us because they say we will not vote for pensions, they are attacking the wrong people.

Mr. MAHON. What do you say about Gen. Rosser?

Mr. NEILL. I do not know anything about Gen. Rosser. If you do, why, you take charge of him.

Mr. MAHON. I will whenever I get a chance.

Mr. NEILL. That is all right. Now, Mr. Chairman, I want to say that I am opposed to this bill, as I am to other special bills of this particular kind. We are willing—I say I am willing; I should not say "we," as I speak for myself only—I am perfectly willing to vote for a pension for every disabled Union soldier, and I will give him the benefit of the doubt, and never have hesitated to do so. Yet I am an ex-Confederate. I have met the Union soldier upon the field of battle, and if you will pardon me the egotism for saying so, I have been stricken down upon the field of battle. Yet some of the best friends I have at my home in Arkansas were Union soldiers. Their little children and my little children play together. Their wives and my wife are as intimate as sisters. I do not want any better friends than Union soldiers, but I do dislike to be attacked every time I happen to differ in my judgment with my friends about the propriety of a special pension bill. I differ with my good friend from Indiana [Mr. MARTIN], who is as good a Democrat and as good a man as there is in this House, I believe, and as honest. I differ with him on this bill. I am going to vote against it. I simply wish to express myself. Perhaps I have not done so very felicitously. It has so happened that I woke up the hot blood of my young friend over there from Kansas. I did not intend to do it. I do not want to rake up the animosities of the war. God knows I had enough of war. I do not want any more of it. I am for one flag and one country, and I am just as good a Union man as any of you. My good friend here [Col. MARSH] says he has rebel lead in his body. I am as good a Union man as he is. I respect him and honor him, but I do not think politics ought to be lugged into this discussion every time we happen to differ with our friends on the subject of a special pension bill. I want to say to you, Mr. Chairman, and gentlemen of the committee, that if it be your policy to pension every woman who at one time was married to a Union soldier, for God's sake bring in your general bill and I tell you I will vote against it. Therefore I am against this bill, as I believe it is an imposition on the taxpayers of the land which they should not be subjected to.

Mr. MARTIN of Indiana. Mr. Chairman, I ask for a vote on laying aside the bill with a favorable report.

The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. STALLINGS demanded a division.

The committee divided; and there were—ayes 38, nays 11.

Mr. STALLINGS and Mr. NEILL made the point of no quorum.

Mr. MARTIN of Indiana. There is little use for all this discussion, little use for Friday-night sessions thus far. We have exhausted a good deal of time, and it seems to me that when a majority of this committee, after a fair discussion, in which the opposition have participated, decide in favor of a bill—and I do not mean any disrespect to anyone—gentlemen ought not to insist upon this point of no quorum. I beg of the gentleman who made the point to withdraw it.

Mr. STALLINGS. I differ with the gentleman from Indiana on that point.

The CHAIRMAN. Does the gentleman withdraw the point of no quorum?

Mr. STALLINGS. I differ with the gentleman from Indiana. [Cries of "Regular order!"]

The CHAIRMAN. The regular order is demanded, which is equivalent to an objection.

Mr. STALLINGS. I insist upon the point of no quorum.

Mr. PICKLER. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Indiana. As it is now within three minutes of the time of adjournment—

Mr. PICKLER. When the House adjourns will not this bill be the regular order at the next evening session?

The CHAIRMAN. The Chair so understands.

Mr. MARTIN of Indiana. Inasmuch as it is within three minutes of the time when under the rule we are compelled to adjourn, I move that the committee rise.

The motion was agreed to.

The committee accordingly rose; and Mr. BROOKSHIRE having resumed the chair as Speaker *pro tempore*, Mr. WEADOCK, Chairman of the Committee of the Whole, reported that that committee had had under consideration sundry bills on the Private Calendar, and finding itself without a quorum, had determined to rise.

Mr. MARTIN of Indiana. Mr. Speaker, I ask unanimous consent that as to all the bills which have been favorably reported from the Committee of the Whole to-night and on preceding Friday-night sessions, the previous question be considered as ordered on the engrossment, third reading, and final passage of the bills, always subject, however, to the right of way of general appropriation bills.

Mr. STALLINGS. I will have to object to giving unanimous consent to that proposition.

Mr. PICKLER. I think the RECORD ought to show how able the gentleman from Alabama is in preventing the passage of any of these bills.

Mr. STALLINGS. Let gentleman on the Republican side bring out a quorum and pass them if they desire to do so.

Mr. PICKLER. That would not make any difference, as the gentleman could spend all the time as he has this evening. [Cries of "Regular order!"]

Mr. MARTIN of Indiana. I move that the House adjourn.

The motion was agreed to.

And accordingly (at 10 o'clock and 28 minutes p. m.) the House adjourned.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported of committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

By Mr. CLARK of Missouri, from the Committee on Claims: A bill (H. R. 3721) for the relief of Calvin Gunn. (Report No. 999.)

By Mr. LACEY, from the Committee on Invalid Pensions: A bill (H. R. 5405) for the relief of John F. Foster, late Company C, Eighth Iowa Cavalry. (Report No. 1004.)

By Mr. BALDWIN, from the same committee: A bill (H. R. 1581) granting a pension to French W. Thornehill. (Report No. 1005.)

Also, a bill (H. R. 6946) granting a pension to Sarah M. Brown. (Report No. 1006.)

By Mr. ERDMAN, from the same committee: A bill (H. R. 6186) for the relief of Maria Davis. (Report No. 1007.)

By Mr. MCETTRICK, from the same committee: A bill (S. 305) granting a pension to Annie M. Greene. (Report No. 1008.)

By Mr. BUNN, from the Committee on Claims: A bill (H. R. 5205) for the relief of Louisa J. Guthrie, widow and executrix of John J. Guthrie, deceased. (Report No. 1009.)

Also, a bill (H. R. 5170) for the relief of Dr. John B. Read. (Report No. 1010.)

Also, a bill (H. R. 2634) for the relief of P. B. Kennedy, surviving partner of Dalton & Kennedy. (Report No. 1011.)

Also, a bill (H. R. 3592) for the relief of Benjamin F. Jones. (Report No. 1012.)

Also, a bill (S. 1105) for the relief of Albert E. Redstone. (Report No. 1013.)

Also, a bill (H. R. 6236) for the relief of the heirs of Henry Herrman. (Report No. 1014.)

Also, a bill (S. 411) for the relief of Samuel Collins. (Report No. 1015.)

By Mr. HEINER of Pennsylvania, from the same committee: A bill (H. R. 5240) providing for the adjustment and payment of the claim of the American Transportation Company for dredging done at Fair Port Harbor, Ohio. (Report No. 1016.)

#### PUBLIC BILLS AND RESOLUTIONS.

Under clause 3 of Rule XXII, bills and resolutions of the following titles were introduced, and severally referred as follows:

By Mr. BINGHAM: A bill (H. R. 7290) for the construction of a dry dock at the United States Navy Yard, League Island, Pa.—to the Committee on Naval Affairs.

By Mr. HOUK: A bill (H. R. 7291) for necessary and special mail facilities on trunk lines from Toledo, Ohio, via Cincinnati and Knoxville, Chattanooga and Atlanta, Ga., to New Orleans, La.—to the Committee on the Post-Office and Post-Roads.

By Mr. MERCER: A bill (H. R. 7292) to reimburse the city of Omaha, Nebr., for money expended in the construction of pavement adjacent to Government property, and for other purposes—to the Committee on Claims.

By Mr. BOEN: A bill (H. R. 7293) to amend chapter 167 of the

acts of the Fifty-first Congress, approved April 26, 1890—to the Committee on the Judiciary.

By Mr. FLYNN: A bill (H. R. 7294) empowering fourth-class postmasters to administer oaths to pensioners, and for other purposes—to the Committee on Invalid Pensions.

By Mr. MAGUIRE: A bill (H. R. 7295) to prohibit the payment of advance wages to seamen, and for other purposes—to the Committee on Merchant Marine and Fisheries.

By Mr. HERMANN: A bill (H. R. 7296) authorizing the Secretary of War to procure medals for District of Columbia volunteers, the first to serve before April 18, 1861, for the defense of the city of Washington—to the Committee on Military Affairs.

By Mr. CATCHINGS: A bill (H. R. 7297) to incorporate the Capital Railway Company—to the Committee on the District of Columbia.

By Mr. WOLVERTON: A joint resolution (H. Res. 187) to appoint a member of the Board of Managers of the National Home for Disabled Volunteer Soldiers—to the Committee on Military Affairs.

By Mr. STRAUS: A joint resolution (H. Res. 188) for the abrogation of the extradition treaty with Russia—to the Committee on Foreign Affairs.

By Mr. RICHARDSON of Tennessee: A concurrent resolution to print the report of the Commissioner of Education for 1891-'92—to the Committee on Printing.

#### PRIVATE BILLS, ETC.

Under clause 1 of Rule XXII, private bills of the following titles were presented and referred as follows:

By Mr. CURTIS of Kansas: A bill (H. R. 7298) for the relief of F. M. McHale—to the Committee on Claims.

By Mr. GROW: A bill (H. R. 7299) granting a pension to Maria E. Baker—to the Committee on Invalid Pensions.

By Mr. HOPKINS of Pennsylvania: A bill (H. R. 7300) for the relief of William Magee—to the Committee on Invalid Pensions.

Also, a bill (H. R. 7301) granting a pension to Margaret O'Connor—to the Committee on Invalid Pensions.

By Mr. HEINER of Pennsylvania: A bill (H. R. 7302) granting a pension to Sarah M. O'Hara—to the Committee on Invalid Pensions.

By Mr. LOCKWOOD: A bill (H. R. 7303) for the relief of Barton Atkins, ex-United States marshal for the district of Alaska—to the Committee on Appropriations.

By Mr. MEREDITH: A bill (H. R. 7304) for the relief of Virginia E. Ficklin and James W. Ficklin—to the Committee on War Claims.

By Mr. PRICE: A bill (H. R. 7305) for the relief of Lessin Guidry, Lafayette Parish, La.—to the Committee on War Claims.

Also, a bill (H. R. 7306) for the relief of the estate of Charles F. Gaule, deceased, late of Lafourche Parish, La.—to the Committee on War Claims.

Also, a bill (H. R. 7307) for the relief of Charlotte Foutenette, St. Marys Parish, La.—to the Committee on War Claims.

By Mr. WHEELER of Alabama (by request): A bill (H. R. 7308) for the relief of the heirs of Joseph B. Hull, late commodore, United States Navy, retired—to the Committee on Naval Affairs.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BINGHAM: Memorial of the Philadelphia Maritime Exchange, petitioning that no action be taken to dismember the Bureau known as the Coast and Geodetic Survey or remove it to the care of other Departments, but that it be retained in the Treasury Department, as at present—to the Committee on Appropriations.

By Mr. CRAIN: Affidavits in support of House bill 6980, granting pension to Patrick Larkin—to the Committee on Pensions.

By Mr. DALZELL: Petition of certain holders of life insurance in Allegheny County (Pa.) policies, for a modification of income tax—to the Committee on Ways and Means.

By Mr. GROW: Petition for act recognizing services of the military telegraph operators—to the Committee on Military Affairs.

By Mr. HUDSON: Petition of the Lutheran citizens of Independence, Kans., against changing preamble of Constitution—to the Committee on the Judiciary.

By Mr. MCETTRICK: Petition of Richard J. McNulty and others, requesting the passage of a law in opposition to lotteries—to the Committee on the Judiciary.

By Mr. MEREDITH: Resolution authorizing the Commissioners of the District of Columbia to reconvey or quitclaim real estate described in deed referred to, to Andrew J. Curtis and Mary E. Curtis—to the Committee on the District of Columbia.

By Mr. PIGOTT: Petition of the Central Labor Union of New Haven, Conn., in favor of the purchase of all coal mines for the use of the public—to the Committee on the Judiciary.

By Mr. STRAUS: Petition for the abrogation of the extradition treaty with Russia—to the Committee on Foreign Affairs.

By Mr. WAUGH: Papers to accompany House bill 7288—to the Committee on Invalid Pensions.

Also, additional evidence to accompany House bill 7287—to the Committee on Invalid Pensions.

By Mr. WHEELER of Alabama: Papers to accompany House bill 7289—to the Committee on War Claims.

the commonweal army of Oklahoma Territory, praying for the enactment of legislation to relieve the present distressed condition of the country; which was referred to the Committee on Education and Labor.

He also presented resolutions adopted by Oak Valley Alliance, No. 1354, of Lancaster County, Nebr., favoring the right of American citizens to present their petitions in person for a redress of grievances; which was referred to the Committee on Education and Labor.

Mr. FRYE presented a petition of 14 citizens of Cumberland County, Me., praying that the funds of mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which was ordered to lie on the table.

Mr. SHERMAN presented a memorial of the East River Savings Institution, of New York City, N. Y., remonstrating against the enactment of any legislation taxing the income of savings institutions; which was ordered to lie on the table.

Mr. LODGE presented the petition of John S. Brayton and 51 other citizens of Bristol County, Mass., praying that the funds of mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which was ordered to lie on the table.

Mr. McMILLAN presented a petition of the Detroit Academy of Medicine, of Detroit, Mich., praying that an appropriation be made of at least \$10,000 for the support of the United States Army Medical Library; which was referred to the Committee on Appropriations.

He also presented a petition of George P. Hummer, mayor, and 489 other citizens of Holland, Mich., praying that an appropriation of \$15,000 be made for the improvement of Black Lake or Holland Harbor, Michigan; which was referred to the Committee on Commerce.

He also presented petitions of Frank B. Watson and sundry other citizens of Three Rivers; of Louis Slowman and sundry other citizens of Branch County; of H. A. Graves and sundry other citizens of Wayne County, and of Alexander McPherson and 220 other citizens of Wayne County, all in the State of Michigan, praying that mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which were ordered to lie on the table.

Mr. HOAR presented the petition of Charles P. Alden and sundry other citizens of Massachusetts, praying that the tax on proof spirits remain as it is, and that the internal-revenue tax on beer and like intoxicating liquors be increased \$1 per barrel; which was ordered to lie on the table.

#### REPORT OF A COMMITTEE.

Mr. PLATT, from the Committee on Indian Affairs, to whom was referred the amendment submitted by Mr. DOLPH on the 23d ultimo, intended to be proposed to the Indian appropriation bill, reported favorably thereon, and moved that it be referred to the Committee on Appropriations and printed; which was agreed to.

#### REMOVAL OF M. T. DONAHUE.

Mr. PEFFER. Sometime ago the petition of Hugh McLaughlin and 45 others, members of the Massachusetts Legislature, praying for an investigation into the circumstances attending the removal of M. T. Donahue from the civil service at Boston, Mass., was referred to the Committee to Examine the Several Branches of the Civil Service. Upon examination I find it relates exclusively to matters in the Post-Office Department, and is in the nature of an appeal asking for action on the part of the Senate looking to an investigation of affairs connected with the Post-Office Department. I think it comes exclusively within the jurisdiction of the Committee on Post-Offices and Post-Roads, and I therefore report back the petition and move that it be referred to that committee.

The report was agreed to.

#### TARIFF BULLETINS.

Mr. VOORHEES. I report from the Committee on Finance Tariff Bulletins Nos. 36 to 39, inclusive, being replies to tariff inquiries in regard to agricultural products and provisions. I ask that the bulletins be printed.

The VICE-PRESIDENT. It will be so ordered.

#### BILL INTRODUCED.

Mr. BLANCHARD introduced a bill (S. 2078) to incorporate the Capital Railway Company; which was read twice by its title, and referred to the Committee on the District of Columbia.

#### AMENDMENT TO LEGISLATIVE, ETC., APPROPRIATION BILL.

Mr. LODGE submitted an amendment intended to be proposed by him to the legislative, executive, and judicial appropriation

### SENATE.

SATURDAY, June 2, 1894.

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. W. H. MILBURN, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on motion of Mr. TELLER, and by unanimous consent, the further reading was dispensed with.

#### PETITIONS AND MEMORIALS.

Mr. TELLER. I present a memorial signed by leading citizens of Denver, Colo., remonstrating against the passage of the clause in the pending tariff bill which imposes a tax upon the premium income of mutual life insurance companies and associations. I move that the memorial lie on the table.

The motion was agreed to.

Mr. HAWLEY presented a petition of Cigar Makers' International Union, No. 42, of Hartford, Conn., praying that the protective feature of the so-called Scott-Geary Chinese laws be embraced in the proposed treaty with China; which was ordered to lie on the table.

He also presented a petition of Typographical Union, No. 47, of New Haven, Conn., praying for the passage of the bill regulating the hours of labor on certain harbor improvements; which was referred to the Committee on Education and Labor.

He also presented the petition of John C. Byxbe and 41 other citizens of Hartford and New Haven, Conn., policy holders in life insurance companies, praying that the funds of mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which was order to lie on the table.

Mr. MANDERSON presented a petition of sundry citizens of Staunton, Va., praying for a continuance of the present bounty on sugar; which was ordered to lie on the table.

Mr. WHITE presented a petition of the Iroquois Club, of San Francisco, Cal., praying for the governmental control of the Central and Union Pacific Railroads; which was referred to the Committee on Pacific Railroads.

He also presented a memorial of the Humboldt Chamber of Commerce, of Eureka, Cal., remonstrating against the abolition of certain customs districts in the State of California; which was referred to the Committee on Commerce.

He also presented a petition of the Humboldt Chamber of Commerce, of Eureka, Cal., praying for the enactment of legislation providing for the speedy construction of the Nicaragua Canal; which was ordered to lie on the table.

Mr. PETTIGREW presented a petition of sundry citizens of Minnehaha County, S. Dak., praying that in the passage of any law providing for the taxation of incomes, the funds of mutual life insurance companies and associations be exempted from taxation; which was ordered to lie on the table.

Mr. HARRIS presented a petition of the Hamilton County League of Building Associations of Cincinnati, Ohio, praying that the funds of building and loan associations be exempted from the proposed income-tax provision of the pending tariff bill; which was ordered to lie on the table.

Mr. COCKRELL presented a petition of sundry citizens of Jackson County, Mo., praying that in the passage of any law providing for the taxation of incomes, the funds of mutual life insurance companies and associations be exempted from taxation; which was ordered to lie on the table.

Mr. ALLEN presented a petition of the Hitchcock County District Grange, No. 5, Patrons of Husbandry, of Estelle, Nebr., praying for the speedy passage of the pending tariff bill and the enactment of legislation providing for an increased volume of money; which was referred to the Committee on Finance.

He also presented the petition of John R. Furlong, general of