By Mr. CURTIS of New York: A bill (H. R. 7248) to provide punishment for the crimes of aggravated mutiny and desertion to the enemy in time of war, and to abolish the penalty of death for other crimes—to the Committee on the Judiciary.

By Mr. HOUK: A bill (H. R. 7252) to authorize the construction of a bridge over the Tennessee River at Knoxville, Tenn.—to the Committee on Interstate and Foreign Commerce.

By Mr. DURBOROW: A joint resolution (H. Res. 183) to instruct the officers in charge to keep the Smithsonian Institution, or the National Museum, the Botanical Gardens, and the Washington Monument open on every week day from 9 a. m. to 6 p. m., and on Sundays from 9 a. m. to 4 p. m., and not less than three evenings every week from 7 to 10 o'clock—to the Committee on Public Buildings and Grounds.

By Mr. RICHARDSON of Tennessee: A concurrent resolution to print the annual report of the Commissioner of Fish and Fisheries for the fiscal year ending June 30, 1894—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. CABANISS: A bill (H. R. 7249) for the relief of Abner Abercrombie—to the Committee on Pensions.

By Mr. CURTIS of Kansas: A bill (H. R. 7250) for the relief of Burrell Cronkhite—to the Committee on Military Affairs.

By Mr. HICKS: A bill (H. R. 7251) to relieve Aaron Loungkin from the charge of desertion—to the Committee on Military Affairs.

By Mr. SNODGRASS: A bill (H. R. 7253) for the relief of David Bandy, of Hamilton County, Tenn.—to the Committee on Military Affairs.

By Mr. BLAND: A bill (H. R. 7254) to pension Rufus Phillip, a soldier of the Mexican war—to the Committee on Pensions.

By Mr. MAGUIRE: A bill (H. R. 7255) for the relief of Albrecht West, late of the United States Navy—to the Committee on Claims.

By Mr. RAYNER (by request): A bill (H. R. 7256) to pay certain claims heretofore certified by the Secretary of the Treasury—to the Committee on Appropriations.

By Mr. ROBERTSON of Louisiana: A bill (H. R. 7257) for the relief of Henry Ware—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:

By Mr. COVERT: Petition of James E. Snedecor and others, of Hemstead, N. Y., in favor of Government control of telegraphs—to the Committee on the Post-Office and Post-Roads.

Also, petition of A. J. Woodruff, M. D., and other citizens of Babylon, N. Y., in favor of Government control of telegraph and telephones—to the Committee on the Post-Office and Post-Roads.

By Mr. CRAIN: Petition of citizens of Isabel, Tex., for passage of an act recognizing the services of military teleraph operators—to the Committee on Military Affairs.

By Mr. DAVIS: Petition of citizens of Illinois, in favor of electing the President, Vice-President, and United States Senators by direct vote of the people, and for direct legislation in the interest of the people—to the Committee on Election of President, Vice-President, and Representatives in Congress.

By Mr. HARRIS: Petition of citizens of Marysville, Dodge City, Lawrence, Pleasanton, and Topeka, all of Kansas, for passage of an act recognizing the services of military telegraph operators—to the Committee on Military Affairs.

By Mr. HOLMAN: Communication of William P. Squibb, George W. Squibb, Nicholas, Oester, and Frederick Roslenberg, of Lawrenceburg, Ind., with relation to the question of a policy of increasing the tax on spirits sold in bonded warehouses—to the Committee on Ways and Means.

By Mr. KIEFER: Communication from the St. Paul (Minn.) Chamber of Commerce, against proposed abrogation of the reciprocity treaties in the Wilson tariff bill now before Congress—to the Committee on Ways and Means.

Also, preamble and resolutions by the board of directors of the St. Paul (Minn.) Chamber of Commerce, against the Coxey issue—to the Committee on Ways and Means.

By Mr. LOUD: Petition of citizens of San Jose, Cal., favoring reduction of tax on proof spirits to 90 cents per gallon and increase of tax on beer to $1 per gallon—to the Committee on Ways and Means.

Also, petition of letter-carriers of San Francisco, Cal., favoring the passage of House bill 5294—to the Committee on the Post-Office and Post-Roads.

By Mr. MCNAGNY: Resolutions of Union No. 37, Cigar Makers' International Union of America, of Fort Wayne, Ind., relating to the proposed duties on cigars and tobacco—to the Committee on Ways and Means.

Also, petition of citizens of Ligonier, Ind., for the passage of an act recognizing the services of military telegraph operators—to the Committee on Military Affairs.

By Mr. MEREDITH: Papers to accompany House bill 7228—to the Committee on War Claims.

By Mr. RITCHIE: Memorial of Ohio State Medical Society, protesting against proposed reduction in number of assistant surgeons in the United States Army—to the Committee on Military Affairs.

By Mr. RUSSELL of Connecticut: Protest from residents of Connecticut, against the application of the income-tax provision of the Wilson tariff bill to building and loan associations—to the Committee on Ways and Means.

By Mr. STORER: Petition of Rev. A. B. Austin and members of the York Street Methodist Episcopal Church, of Cincinnati, to pass House bill 6683—to the Committee on Interstate and Foreign Commerce.

By Mr. WRIGHT of Pennsylvania: Petition for special act granting arrears of pension to Isabella Lowe, as widow of Christopher Lowe, private Company K, Two hundred and tenth Pennsylvania Infantry Volunteers, certificate No. 207123—to the Committee on Invalid Pensions.

SENATE.

TUESDAY, *May 29, 1894.*

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

Prayer by Rev. EDWARD B. BAGBY, Chaplain of the House of Representatives.

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.

ADJOURNMENT OVER DECORATION DAY.

Mr. VOORHEES. I move that when the Senate adjourn today, it adjourn to meet on Thursday, day after to-morrow.

The motion was agreed to.

HOUSE BILLS REFERRED.

The bill (H. R. 3715) granting to the village of Dearborn certain land for village purposes, was read twice by its title, and referred to the Committee on Public Buildings and Grounds.

The bill (H. R. 4961) granting certain rights over Lime Point military reservation, in the State of California, was read twice by its title, and referred to the Committee on Military Affairs.

The bill (H. R. 6969) for the relief of Benjamin F. Poteet, was read twice by its title, and referred to the Committee on Public Lands.

WESLEY MONTGOMERY.

The bill (H. R. 6211) for the relief of Wesley Montgomery was read twice by its title.

Mr. ALLEN. That is in substance the same bill that we passed a few days ago, and I ask for its present consideration.

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment.

Mr. ALLISON. What committee reports the bill?

The VICE-PRESIDENT. It is a House bill.

Mr. BERRY. A bill of similar character was reported from the Committee on Public Lands and passed the Senate a few days ago. This is a House bill for the same purpose.

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

PETITIONS AND MEMORIALS.

Mr. ALLISON presented the petition of M. Stalher and sundry other citizens of Story County, Iowa, praying for the enactment of legislation to fix the pay, allowances, pensions, retirement, and rank of the veterinarians of the United States Army; which was referred to the Committee on Military Affairs.

He also presented resolutions adopted at a meeting of the Sons of the Revolution Society of the District of Columbia, held in the city of Washington, May 15, 1894, favoring the publication at an early day of the Revolutionary records, rolls, etc.; which were referred to the Committee on the Library.

He also presented the petition of Charles Jones and sundry other citizens of Newton, Iowa, praying for the enactment of legislation providing for the issuance of $500,000,000 of full legal-tender Government money, and with the same to construct a

railroad from New York City to San Francisco, Cal.; and also praying for the suspension of the coinage of gold and silver; which was referred to the Committee on Finance.

He also presented petitions of S. J. Chester and sundry other citizens of Jefferson County; of C. Bayless and sundry other citizens of Dubuque; of James Harrigan and sundry other citizens of Dubuque; of L. Harbach and sundry other citizens of Des Moines; of B. J. Phelps and sundry other citizens of Audubon County; of John McSteen and sundry other citizens of Scott County, and of R. P. Clarkson and sundry other citizens of Park County, all in the State of Iowa, praying that the funds of mutual life insurance companies and associations be exempted from the income-tax provision of the pending tariff bill; which were ordered to lie on the table.

Mr. FRYE presented the petition of Selden Connor and 32 other policy holders of Cumberland County, Me., 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. VILAS presented petitions of A. W. Greenwood and sundry other citizens of Lake Mills; of William F. Shea and sundry other citizens of Ashland; of Fred Olcott and 42 other citizens of Polk County, and of William Evans and sundry other citizens of St. Croix County, all in the State of Wisconsin, 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. HALE presented a petition of the East Maine Conference of the Methodist Episcopal Church, praying for the enactment of legislation to suppress the lottery traffic; which was ordered to lie on the table.

He also presented petitions of Samuel F. Humphrey and 82 other citizens of Penobscot County; of E. G. Blanchard and 32 other citizens of Portland, and of William A. Martin and 43 other citizens of Aroostook County, all in the State of Maine, 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. ROACH (for Mr. WALSH) presented the petition of John Richardson, mayor, and sundry other citizens of St. Marys, Ga., praying that an appropriation be made for the purpose of increasing the depth of the channel leading into Cumberland Sound, in that State; which was referred to the Committee on Commerce.

He also (for Mr. WALSH) presented petitions of Richard Robinson and 22 other policy holders of Chatham County; of Dr. C. H. Richardson and 14 other policy holders of Macon County, and of S. C. Jones and 45 other policy holders of Muscogee County, all in the State of Georgia, 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 were ordered to lie on the table.

Mr. MITCHELL of Oregon. I present sundry petitions, containing the names of 5,000 Indian war veterans and other citizens and residents of the States of Oregon, Washington, and Idaho. The petition itself is embraced in seven lines, and I ask unanimous consent that I may read it.

The VICE-PRESIDENT. Is there objection? The Chair hears none.

Mr. MITCHELL of Oregon. It is as follows:

We, the undersigned, Indian war veterans, also citizens and residents of the States of Oregon, Washington, and Idaho, respectfully ask your honorable body to enact at the present session of Congress a law granting a pension such as has been granted to the veterans of the Mexican war; also, a land warrant for 160 acres of land to each person who served in the Indian wars in the States above set forth. As a large number of those who will be benefited by the passage of such a law are quite aged, infirm, and in needy circumstances, and are unable to give personal attention to locating warrants on public lands, we would most respectfully ask that the same be made transferable.

I ask the respectful attention of the Committee on Pensions to this petition, so numerously signed. I hope that some action may be taken at the present session of Congress looking to the placing on the pension rolls of at least the Indian war veterans of the far West.

The VICE-PRESIDENT. The petition will be referred to the Committee on Pensions.

Mr. LINDSAY presented petitions of John S. Power and sundry citizens of Fleming County; of J. H. Hickman and sundry citizens of Daviess County, and of John R. Smith and sundry other citizens of Taylor County, all in the State of Kentucky, 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 were ordered to lie on the table.

Mr. TURPIE presented a petition of sundry citizens of Floyd County, Ind., and a petition of sundry citizens of Wayne County, Ind., praying that mutual life insurance companies and associations be exempted from the proposed income-tax provision of the pending tariff bill; which, on motion of Mr. TURPIE, were referred to the Committee on Finance.

Mr. HARRIS presented a petition of sundry holders of life insurance policies in the State of Tennessee, 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.

He also presented a petition of sundry citizens of Chattanooga, Memphis, Harriman, Knoxville, and Shelbyville, all in the State of Tennessee, praying for the retention of the present tax on proof spirits, and also that the internal-revenue tax on beer and like intoxicating liquors used as a beverage be increased $1 per barrel, or sufficiently to provide the internal revenue required in the pending tariff bill; which was ordered to lie on the table.

Mr. CULLOM presented sundry memorials of life insurance policy holders of Henry, Greene, Christian, Macon, Cook, Sangamon, Carroll, La Salle, Champaign, Peoria, and Knox Counties, all in the State of Illinois, remonstrating against the taxation of the funds of mutal life insurance companies and associations; which were ordered to lie on the table.

Mr. COKE presented the petition of A. H. Coffin and sundry citizens of Grayson County, and the petition of J. H. Collins and sundry other citizens of McLennan County, all in the State of Texas, 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 were ordered to lie on the table.

MISSOURI RIVER IMPROVEMENT.

Mr. MANDERSON. I present a statement concerning the systematic improvement of the Missouri River. I move that it be printed as a document, and referred to the Committee an Appropriations.

The motion was agreed to.

REPORT OF A COMMITTEE.

Mr. SHOUP, from the Committee on Indian Affairs, to whom was referred the bill (S. 1887) providing for opening the Uncompahgre and Uintah Indian Reservation in Utah, reported it with amendments, and submitted a report thereon.

TARIFF BULLETINS.

Mr. VOORHEES. I report from the Committee on Finance Tariff Bulletins Nos. 30 to 35, inclusive, being replies to tariff inquiries in regard to the sugar and tobacco schedules. I ask that the bulletins be printed.

The VICE-PRESIDENT. It is so ordered.

BILLS INTRODUCED.

Mr. VILAS (by request) introduced a bill (S. 2065) to prevent the carrying of obscene literature and articles designed for indecent and immoral use from one State or Territory into another State or Territory; which was read twice by its title, and referred to the Committee on Post-Offices and Post-Roads.

Mr. HARRIS (by request of the Commissioners of the District of Columbia) introduced a bill (S. 2066) to provide for continuing the system of trunk sewers in the District of Columbia, to provide for sewage disposal, to lay out highways, and for other purposes; which was read twice by its title, and referred to the Committee on the District of Columbia.

He also (by request of the Commissioners of the District of Columbia) introduced a bill (S. 2067) making permanent provision for the police fund of the District of Columbia; which was read twice by its title, and, with the accompanying paper, referred to the Committee on the District of Columbia.

Mr. CULLOM. I introduce, by request, a bill to regulate railroad companies engaged in interstate commerce. I wish to state in this connection that I have not had time to examine the bill and determine whether I shall favor the measure or any portion of it; but in glancing over it I find it contains many things which will probably attract the attention of the country. I therefore introduce the bill, as I have been requested to do, and ask that it be read a first and second time, and referred to the Committee on Interstate Commerce.

The bill (S. 2068) to regulate railroad companies engaged in interstate commerce, was read twice by its title, and referred to the Committee on Interstate Commerce.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. JONES of Arkansas submitted an amendment intended to be proposed by him to the Indian appropriation bill; which was referred to the Committee on Indian Affairs and ordered to be printed.

Mr. MITCHELL of Wisconsin submitted an amendment intended to be proposed by him to the river and harbor appropriation bill; which was referred to the Committee on Commerce and ordered to be printed.

POLICY REGARDING HAWAII.

Mr. KYLE. I ask unanimous consent for the present consideration of the resolution reported by the Senator from Indiana [Mr. TURPIE] from the Committee on Foreign Relations in regard to the status of the United States Government concerning the Government of the Hawaiian Islands.

The VICE-PRESIDENT. Is there objection to the request of the Senator from South Dakota?

Mr. GEORGE. I object.

The VICE-PRESIDENT. There is objection.

Mr. KYLE. I move that the Senate proceed to the consideration of the resolution.

The motion was agreed to.

Mr. BATE. I suggest the want of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

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

Allen,	Gray,	Manderson,	Sherman,
Allison,	Hale,	Martin,	Shoup,
Bate,	Harris,	Mitchell, Oregon	Smith,
Berry,	Hawley,	Mitchell, Wis.	Teller,
Caffery,	Higgins,	Morrill,	Turpie,
Cameron,	Hill,	Palmer,	Vest,
Chandler,	Hoar,	Pasco,	Vilas,
Cockrell,	Hunton,	Peffer,	Voorhees,
Coke,	Irby,	Perkins,	Washburn,
Faulkner,	Jones, Ark.	Platt,	White.
Frye,	Kyle,	Proctor,	
George,	McLaurin,	Roach,	

The VICE-PRESIDENT. Forty-six Senators have answered to their names. A quorum is present.

Mr. KYLE. I call for the reading of the pending resolution.

The VICE-PRESIDENT. The resolution will be read.

The Secretary read the resolution reported by Mr. TURPIE from the Committee on Foreign Relations January 23, 1894, as follows:

Resolved, That from the facts and papers laid before the Senate it is unwise and inexpedient, under existing conditions, to consider at this time any project of annexation of the Hawaiian territory to the United States: that the Provisional Government therein having been duly recognized, the highest international interests require that it shall pursue in its own line of polity. Foreign intervention in the political affairs of these islands will be regarded as an act unfriendly to the Government of the United States.

Mr. KYLE. I wish to state that I will waive for the present my resolution considered yesterday, and I ask for a vote of the Senate upon the resolution reported from the Committee on Foreign Relations, which has just been read.

Mr. PEFFER. A few days ago I presented an amendment which I expected to propose at the first opportunity, and I wish to do so now, if the Secretary has it. It is simply to strike out and insert a substitute.

The VICE-PRESIDENT. The amendment submitted by the Senator from Kansas will be read.

The SECRETARY. It is proposed to strike out all after the word "resolved" and insert:

That the Provisional Government of the Hawaiian Islands having been duly recognized, the highest international interests require that it shall pursue its own line of polity without interference on the part of the United States; that intervention in the political affairs of these islands by other governments will be regarded as an act unfriendly to the Government of the United States.

The VICE-PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Kansas [Mr. PEFFER].

Mr. PEFFER. My amendment simply proposes to acknowledge the fact, and then to state the proposition without any whereas or any introductory matter. I think this simple statement of what has been done and what the United States proposes to do will relieve us of any embarrassment that comes from party affiliations, or predilections, or anything of that kind. My object is to simplify the matter, so that all can vote for it readily.

Mr. PALMER. The Senator from Alabama [Mr. MORGAN], the chairman of the Committee on Foreign Relations, stated the other day in a condensed form the substance of a resolution which might well be adopted by the Senate. It was that the United States ought not to interfere in the affairs of the Hawaiian Islands. For that I am willing to vote.

The pending resolution is more than that. This resolution refers to the existing Government, and recognizes that Government as the proper controlling force of the islands. That is a question for the people of the Hawaiian Islands, not for us. I regard the present Government as having all the authority it asserts for itself as between that Government and the inhabitants of the islands; but my own feelings are that we should let the Hawaiian Islands alone.

I am not willing to interfere in any manner for the restoration of the queen. I am not willing in any manner to countenance the existing Government. The Government does not rest upon a republican foundation. It is a mere oligarchy. It does not assume to be a government of the islands. It only assumes to be a representative of mere force. I am unwilling to recognize the rightful authority of that Government in the language of this resolution. The Government has been recognized. That is a diplomatic fact in regard to which I make no comf plaint; but while I am opposed to any interference in behalf o the queen by either moral or physical force, I am opposed at the same time to the employment of either moral or physical force to support the existing Government.

If I had my way I would adopt the suggestion of the Senator from Alabama, that we will not interfere with the control of the Hawaiian Islands by its own people, but we would discountenance interference on the part of any other government. I am not willing to aid the queen or the existing Government by any expression of sympathy for either.

Mr. VEST. Will my friend from Illinois permit me to make a suggestion?

Mr. PALMER. The Senator will permit me simply to make one remark, and that is, I am through.

Mr. VEST. I do not propose to make an argument, but I agree so entirely with the Senator from Illinois, that I propose to offer an amendment, if it receives no vote but my own. I move to amend the resolution reported from the Committee on Foreign Relations. In line 2 I move to strike out the words "under existing conditions;" in line 3 to strike out the words "at this time;" in line 4 to strike out the words "the Provisional Government therein having been duly recognized;" in line 6 to strike out "it" and insert "the people of the Sandwich Islands;" and in the same line to strike out "pursue its own" and insert "choose their form of government and;" so as to make the resolution read:

Resolved, That from the facts and papers laid before the Senate it is unwise and inexpedient to consider any project of annexation of the Hawaiian territory to the United States; that the highest international interests require that the people of the Sandwich Islands shall choose their form of government and line of polity. Foreign intervention in the political affairs of these islands will be regarded as an act unfriendly to the Government of the United States.

I offer this as an amendment.

The VICE-PRESIDENT. The question is on the amendment proposed by the Senator from Missouri [Mr. VEST].

Mr. VEST. On that I shall call the yeas and nays, in order to record my own vote.

Mr. GRAY. Mr. President, whatever I might think individually of the amendment (and I am not prepared to say that it does not express my individual notions) I have a purpose now if it can be accomplished, and that is, to procure action by the Senate in the exigency which confronts us. I think it is highly important that the Senate should make a deliverance, and I am committed to the expression of views in the resolution known as the Turpie resolution, reported some three or more months ago from the Committee on Foreign Relations. I believe that that resolution can now be passed. I think it is in the interest of humanity and of civilization that it should be passed. It seems to me it is the only thing that can be passed, and therefore I shall be compelled on that account to vote against the amendment of the Senator from Missouri.

The VICE-PRESIDENT. The question is on the amendment proposed by the Senator from Missouri.

Mr. VEST. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BUTLER. If it be in order, I should like to have a division of the question on the amendment submitted by the Senator from Missouri, and I should be glad to have it read.

The VICE-PRESIDENT. The amendment proposed by the Senator from Missouri will be read.

The SECRETARY. It is proposed to amend the resolution so as to read:

Resolved, That from the facts and papers laid before the Senate it is unwise and inexpedient to consider any project of annexation of the Hawaiian territory to the United States; that the highest international interests require that the people of the Sandwich Islands shall choose their form of government and line of polity. Foreign intervention in the political affairs of these islands will be regarded as an act unfriendly to the Government of the United States.

Mr. BUTLER. If possible, I should like to have a division of the amendment, for I am opposed to the first part of it, which commits the Government against annexation, and I am in favor of the last part of it.

Mr. HOAR. How does that amendment get before the Senate, Mr. President?

The VICE-PRESIDENT. It is an amendment proposed by the Senator from Missouri to the pending resolution.

Mr. PLATT. What has become of the amendment proposed by the Senator from Kansas [Mr. PEFFER]?

The VICE-PRESIDENT. The amendment proposed by the Senator from Kansas is a substitute for the resolution, and the proposition of the Senator from Missouri is an amendment to perfect the text. The vote is first to be taken, therefore, on the amendment proposed by the Senator from Missouri.

Mr. HOAR. If the Chair will allow me, I understand the amendment proposed by the Senator from Missouri is also a substitute. Is it not, therefore, putting the question on the second substitute instead of the first?

The VICE-PRESIDENT. The amendment of the Senator from Missouri is an amendment, as the Chair understands, to the text of the resolution.

Mr. MANDERSON. Both are substitutes, as I understand.

Mr. HOAR. The Chair is undoubtedly right, but, as I heard the amendment of the Senator from Missouri, it seemed to be a substitute. Will the Chair be kind enough to state are not both substitutes? I do not understand that the proposition of the Senator from Missouri leaves any portion of the original text whatever. If that be true, it is an entire substitute.

Mr. PEFFER. If the Senator will allow me, I did not propose my amendment in the nature of a substitute, but I intended to have stricken out part of the resolution proposed by the Senator from South Dakota, leaving the rest of it.

Mr. BUTLER. If in order, I will object to the consideration of the resolution.

Mr. PEFFER. Mine was not an amendment by way of substitute.

Mr. BUTLER. I think the resolution had better go over until to-morrow.

Mr. HOAR. I desire to move that the amendment proposed by the Senator from Missouri [Mr. VEST] lie on the table. I understand that it attacks annexation at all times and in all ways, and the best way to see what the Senate wants to say is to have a vote to lay the amendment on the table.

The VICE-PRESIDENT. The question is on the motion of the Senator from Massachusetts that the amendment proposed by the Senator from Missouri lie upon the table.

Mr. VEST and Mr. DOLPH called for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. HIGGINS (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. MCPHERSON] to the Senator from Nevada [Mr. JONES], and vote "yea."

Mr. MCLAURIN (when his name was called). I am paired with the junior Senator from Rhode Island [Mr. DIXON], and withhold my vote unless it be necessary to make a quorum.

Mr. MITCHELL of Wisconsin (when his name was called). I announce for the day that I am paired with the Senator from Wyoming [Mr. CAREY].

Mr. PALMER (when his name was called). I am paired with the Senator from North Dakota [Mr. HANSBROUGH], and for the present withhold my vote.

Mr. CAMERON (when Mr. QUAY'S name was called). My colleague [Mr. QUAY] is not present this morning. If he were here he would vote "yea."

Mr. SMITH (when his name was called). I am paired with the junior Senator from Idaho [Mr. DUBOIS]. He not being here and not knowing how he would vote, I refrain from voting.

The roll call was concluded.

Mr. MANDERSON. I am compelled to withdraw my affirmative vote on account of the absence of the Senator from Kentucky [Mr. BLACKBURN], with whom I am paired.

Mr. HOAR. The Senator from Pennsylvania [Mr. QUAY] is absent, I suggest to the Senator from Nebraska, and is not paired.

Mr. MANDERSON. Then I transfer my pair to the Senator from Pennsylvania [Mr. QUAY], and shall let my vote stand.

Mr. ALLISON. My colleague [Mr. WILSON] is detained from the Senate on account of illness. If he were here he would vote "yea."

The result was announced—yeas 36, nays 18; as follows:

YEAS—36.

Allen,	Gray,	McMillan,	Pettigrew,
Allison,	Hale,	Manderson,	Platt,
Butler,	Hawley,	Martin,	Power,
Cameron,	Higgins,	Mitchell, Oregon	Proctor,
Chandler,	Hill,	Morgan,	Sherman,
Cullom,	Hoar,	Morrill,	Shoup,
Davis,	Irby,	Pasco,	Teller,
Dolph,	Kyle,	Peffer,	Turpie,
Frye,	Lodge,	Perkins,	Washburn.

NAYS—18.

Bate,	Coke,	Jones, Ark.	Vest,
Berry,	Faulkner,	Lindsay,	Vilas,
Caffery,	George,	Pugh,	Voorhees.
Call,	Harris,	Ransom,	
Cockrell,	Hunton,	Roach,	

NOT VOTING—31.

Aldrich,	Dubois,	McLaurin,	Smith,
Blackburn,	Gallinger,	McPherson,	Squire,
Blanchard,	Gibson,	Mills,	Stewart,
Brice,	Gordon,	Mitchell, Wis.	Walsh,
Camden,	Gorman,	Murphy,	White,
Carey,	Hansbrough,	Palmer,	Wilson,
Daniel,	Jarvis,	Patton,	Wolcott.
Dixon,	Jones, Nev.	Quay,	

So the amendment was laid on the table.

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

Mr. KYLE. I think the Senator from Tennessee will give consent for about five or ten minutes to dispose of the resolution which has been pending. I think a final vote of the Senate can be taken upon it and the matter concluded.

Mr. HARRIS. If the resolution can be voted upon without further debate I shall not object, but if it is to lead to debate, I shall feel it my duty to object.

Mr. BUTLER. It will lead to debate.

The VICE-PRESIDENT. Is there objection to the request of the Senator from South Dakota?

Mr. VILAS. That resolution will not be disposed of without debate.

Mr. HARRIS. Then I can not consent to its further consideration at this time.

The VICE-PRESIDENT. There is objection; and the Chair lays before the Senate the unfinished business.

Mr. PEFFER. Mr. President, I am satisfied from what I have seen this morning, as I think all other Senators are, that the resolution of the Senator from South Dakota, as proposed to be amended by me, can be disposed of by a vote without any further discussion. I therefore move, with that object in view, that the pending business be laid aside temporarily, in order that we may take up and dispose of the resolution.

The VICE-PRESIDENT. The question is on the motion of the Senator from Kansas, to proceed to the consideration of the resolution of the Senator from South Dakota [Mr. KYLE].

Mr. CHANDLER. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. HIGGINS (when his name was called). I again announce the transfer of my pair with the senior Senator from New Jersey [Mr. MCPHERSON] to the Senator from Nevada [Mr. JONES], and I vote "yea."

Mr. MCLAURIN (when his name was called). I am paired with the junior Senator from Rhode Island [Mr. DIXON], and the Senator from Maine [Mr. FRYE] is paired with the senior Senator from Maryland [Mr. GORMAN]. We have arranged to transfer the pairs so that the Senator from Rhode Island will stand paired with the Senator from Maryland, and the Senator from Maine and I will be at liberty to vote. I vote "nay."

Mr. MANDERSON (when his name was called). I am paired with the Senator from Kentucky [Mr. BLACKBURN], but I transfer that pair to the Senator from Pennsylvania [Mr. QUAY], and vote "yea."

Mr. MITCHELL of Wisconsin. I transfer my pair with the Senator from Wyoming [Mr. CAREY] to the Senator from North Carolina [Mr. JARVIS], and vote "nay."

Mr. PALMER (when his name was called). I am paired with the Senator from North Dakota [Mr. HANSBROUGH], but I transfer that pair to the Senator from Georgia [Mr. WALSH], and vote "nay."

Mr. SMITH (when his name was called). I am paired with the junior Senator from Idaho [Mr. DUBOIS], but I transfer that pair to my colleague [Mr. MCPHERSON], and vote "nay."

The roll call was concluded.

Mr. FRYE. Under the transfer of pairs stated by the Senator from Mississippi [Mr. MCLAURIN] I am at liberty to vote. I vote "yea."

Mr. MCMILLAN (after having voted in the affirmative). I inquire of the Chair if the Senator from Louisiana [Mr. BLANCHARD] has voted?

The VICE-PRESIDENT. The Senator from Louisiana has not voted.

Mr. MCMILLAN. Then I withdraw my vote, as I am paired with that Senator.

Mr. PETTIGREW (after having voted in the affirmative). I observe that the junior Senator from West Virginia [Mr. CAMDEN] has not voted, and I therefore withdraw my vote.

Mr. DANIEL. I suggest to the Senator from South Dakota that we transfer our pairs. I am paired with the Senator from Washington [Mr. SQUIRE] and the Senator is paired with the Senator from West Virginia [Mr. CAMDEN]. That will enable us both to vote.

Mr. PETTIGREW. That arrangement is satisfactory to me, and I will let my vote stand.

Mr. DANIEL. I vote "nay."

Mr. CULLOM (after having voted in the affirmative). I am informed that the senior Senator from Delaware [Mr. GRAY], with whom I am paired, has not voted. I supposed he had voted as he was in the Chamber a while ago. I withdraw my vote.

The result was announced—yeas 26, nays 28; as follows:

YEAS—26.

Allen,	Hawley,	Mitchell, Oregon	Proctor,
Allison,	Higgins,	Morrill,	Sherman,
Cameron,	Hill,	Peffer,	Shoup,
Chandler,	Hoar,	Perkins,	Teller,
Dolph,	Kyle,	Pettigrew,	Washburn.
Frye,	Lodge,	Platt,	
Hale,	Manderson,	Power,	

NAYS—28.

Bate,	Daniel,	Martin,	Ransom,
Berry,	Faulkner,	Mitchell, Wis.	Roach,
Butler,	George,	Morgan,	Smith,
Caffery,	Harris,	Murphy,	Vest,
Call,	Jones, Ark.	Palmer,	Vilas,
Cockrell,	Lindsay,	Pasco,	Voorhees,
Coke,	McLaurin,	Pugh,	White.

NOT VOTING—31.

Aldrich,	Dixon,	Hunton,	Quay,
Blackburn,	Dubois,	Irby,	Squire,
Blanchard,	Gallinger,	Jarvis,	Stewart,
Brice,	Gibson,	Jones, Nev.	Turpie,
Camden,	Gordon,	McMillan,	Walsh,
Carey,	Gorman,	McPherson,	Wilson,
Cullom,	Gray,	Mills,	Wolcott.
Davis,	Hansbrough,	Patton,	

So the motion was not agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. T. O. TOWLES, its Chief Clerk, requested the Senate to furnish the House with a duplicate copy of S. 104, for the relief of Gen. N. J. T. Dana, the original having been mislaid.

The message also announced that the House had passed the following bills:

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, A. D. 1891; and

A bill (S. 1637) for the relief of Capt. John W. Pullman.

The message further announced that the House had passed the following bills and joint resolutions; in which it requested the concurrence of the Senate:

A bill (H. R. 82) to authorize the Missouri River Power Company of Montana to construct a dam across the Missouri River;

A bill (H. R. 1589) for the relief of Louis Pelham;

A bill (H. R. 3458) extending the time for final proof and payment on lands claimed under the public land laws of the United States;

A bill (H. R. 5439) for the relief of Richard Hawley & Sons;

A bill (H. R. 6576) to provide for the closing of part of an alley in square 622 in the city of Washington, D. C., and for the relief of the president and directors of Gonzaga College;

A bill (H. R. 6777) to amend an act entitled "An act to incorporate the Washington and Great Falls Electric Railway;" and

A joint resolution (H. Res. 79) for the relief of Peter Hagan.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. O. L. PRUDEN, one of his secretaries, announced that the President had on the 28th instant approved and signed the act (S. 1808) to amend the act of June 22, 1892, entitled "An act to authorize the construction of a bridge across the Missouri River at the city of Yankton, S. Dak."

THE REVENUE BILL.

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 pending question being on the amendment of Mr. PEFFER to the amendment of Mr. HALE.

A BILL TO PERPETUATE THE TERRITORIAL JURISDICTION AND THE FINANCIAL AND COMMERCIAL POWER OF GREAT BRITAIN IN AMERICA.

Mr. PROCTOR. Mr. President, the discussion of a tariff bill framed, as this one is, upon no one consistent theory, but upon a mixture of all, has necessarily taken a wide range. If it is within my power to add anything to the extended and able exposition of the pending bill, which distinguished Senators have already made, I may the more hope to do so by limiting myself to one of its phases. I shall therefore only attempt to consider, and that very briefly, its effect upon our trade and relations with the rest of the American hemisphere, and especially its bearing upon the Canadian question.

To the south of us are Spanish-American republics which in common with the United States, though under different conditions, are endeavoring to maintain the principles of self-government. They are our mutual friends and allies. Their products are different from ours, and liberal trade relations with them would not harm but help our producers. At the same time they would serve to strengthen the friendship and confidence which ought to exist between the different parts of independent America. To the north of us, stretching for 4,000 miles along our northern frontier, in the only important relic, with the exception of Cuba, of the political domination of Europe in America.

Politically Canada, if not a menace, is at least a nuisance to the United States. Her products, too, in further contrast to those of the Spanish-American republics, are the same as our own. There is surely no reason, political or commercial, why she should be especially favored in our tariff legislation, and it can not be done except to the great detriment of our home products. This bill proposes, however, to discriminate against our sister republics, which so especially deserve our consideration, and in favor of a British colony which deserves it so little, a course which equally in each case must result to the great disadvantage of our own producers, especially the agricultural classes, and the permanent injury of our largest national interests.

ADVANTAGES OF TRADE WITH THE SPANISH-AMERICAN COUNTRIES.

If there are any countries with which we ought to cultivate freer trade relations they are the Spanish-American republics. We are alike isolated from the great powers of Europe; we alike have a common interest in the maintenance of self-government upon the American continent and the exclusion of foreign political power and influence from them. As the largest and most powerful of the American nations, the United States ought naturally to exercise a preponderating influence in American affairs. Her ability to do so, however, is to a considerable degree controlled by the closeness of her relations and the extent of her intercourse with her sister republics.

Intimate trade relations between the United States and the other republics of the American hemisphere would be one of the most powerful means for bringing about so desirable a result. The products of most of those countries are entirely different from our own. They have much that we need and do not produce, or at least not in sufficient quantities for our necessities; and in like manner we have much that they need and do not produce. It is impossible to have a more favorable basis for exchange trade. It is not those who produce the same or similar things, but those who produce things unlike and dissimilar who can exchange upon a fair basis to the common benefit of both. The third section of the law of 1890 was enacted for the purpose of increasing our trade with those countries and of securing new markets for our producers. The following few brief extracts fairly indicate the great delight with which it was at first received by the Democratic press:

The New York Herald:

Harrison and Blaine, in their reciprocity policy, have come over to good old Democratic ground.

Mr. Blaine has dared to exhibit some common sense on matters which involve the welfare of sixty-five millions of people.

The Philadelphia Record:

It must be said, however, in behalf of Mr. Blaine's policy of reciprocity, that it points in the direction of commercial freedom; and for this reason, if for no other, it deserves a friendly greeting from every friend of tariff reform.

The Brooklyn Eagle:

To people of good common sense Mr. Blaine's suggestion appears to be a practical one. He does not believe in throwing away a magnificent opportunity to secure for American producers a splendid market for their wares.

The New York Times:

The recommendation [to insert a reciprocity clause in the tariff bill] is a good one, as being in behalf of a removal of some of our restrictions upon trade and in the direction of freer and more profitable intercourse with foreign nations.

The New York Commercial Bulletin:

The wisdom of Mr. Blaine's plan of reciprocity between this country and the nations of the south is coming to be more and more appreciated by public men here the more it is considered.

The New York Sun:

The hope or the dream of the commercial, if not of the political union of this continent, is in the minds of all Americans. The first steps toward making it a reality may soon be taken. Public opinion is ripening for it.

The Boston Herald:

This policy is so sound and meritorious, it is so far in keeping with all that has been said of late about the necessity of the United States securing control of the trade of this continent, that if it is repudiated, the act will be a signal instance of political shortsightedness.

The proposition was a simple one. It being proposed to remove the duty from certain necessaries of life and to continue others free, instead of doing so blindly, it was provided that it should be done for those of our American neighbors who, in return for the great advantages of our markets for their staple products, should give our producers some concession in their markets. It was simply a question whether we should get something or nothing in exchange for opening our markets freely to them. The simplicity of the proposition and its manifest advantage to us over opening those markets in the same way without any return whatever, commended itself to every sensible person.

SUCCESS OF THE RECIPROCITY AGREEMENTS.

The agreements negotiated under the reciprocity section have only been in operation about two years. In that time our producers have hardly had the time to adjust themselves to the opportunities offered them. Several of the Spanish-American republics have been harassed with political disturbances; others have suffered equally serious financial difficulties. The results are plainly not what they would have been after a longer period, but they are sufficient to demonstrate the success of the law and the much greater increase in trade which might reasonably be expected in the future.

The increase in trade with Cuba has been especially notable. Our exportation to Cuba of breadstuffs, for example, increased from less than $800,000 in 1891, to $3,500,000 in 1893; machines and tools from $2,000,000 to $4,200,000; railroad iron, nails, and spikes from $70,000 to $450,000; wire from $700,000 to $1,600,000; provisions from $2,800,000 to $5,700,000, and vegetables from $300,000 to $1,000,000.

I submit a comparative table of a few principal exports to Cuba during the fiscal years 1891 and 1893:

Articles.	1891.	1893.
Agricultural implements	$55,618	$123,421
Breadstuffs	784,979	3,519,732
Machines and tools	2,037,967	4,216,085
Railroad iron, nails, and spikes	72,318	454,237
Wire	715,208	1,164,671
Provisions	2,787,608	5,700,536
Vegetables	294,421	978,261
Wood, and manufactures of	937,579	1,751,221

Our total exports to Cuba for sixteen years prior to 1891 had averaged between eleven and twelve millions of dollars. In 1891 they were $12,000,000; in 1893 they were twice as much, or $24,157,698. At the same time the exports from Great Britain to Cuba fell from $14,500,000 in 1890 to $8,000,000 in 1892, and those of France from $2,300,000 to less than $1,000,000. The Senator from Minnesota, in his able speech during the pendency of the present bill upon "Reciprocity and New Markets," clearly demonstrated the great advantages which have accrued to our producers under adverse circumstances from the operation of the reciprocity section of the law of 1890.

Although our trade with other countries does not show such an increase as with Cuba, the only increase in our exportations last year, which fell off in the aggregrate nearly $200,000,000, was to those countries with which we have agreements under this reciprocity section. Even in those countries in which, on account of political disturbance or financial and commercial depression, there has not been much increase, we have held our own, while Great Britain, France, and other countries have lost heavily in similar trade.

OUR ADVANTAGES IN SPANISH-AMERICAN MARKETS THROWN AWAY.

Reciprocity under the existing law has met every reasonable expectation of its friends. Its prospects for the future were even brighter. And yet, in utter disregard of the positive advantages thus secured to our producers, it is proposed to throw these advantages entirely away. It is proposed, too, to effect this change at once, and arbitrarily, in a manner well calculated to wound the sensibilities of those neighbors with whom we ought to cultivate the most frank, consistent, and friendly relations. Bad as is the reversal of the policy of commercial reciprocity with the Spanish-American countries, the time selected for its abandonment is even worse.

The interest of our producers and manufacturers in foreign markets is in inverse proportion to the demands of our own. The better our home market the less the necessity of our people to sell their goods in foreign countries. Although the reciprocity clause in the law of 1890 has been a notable success, that success has been less marked than it would have been if the same act had not been particularly drawn for the purpose of protecting our own markets. There is no incentive for our people to send abroad what they can advantageously sell at home. It is a principle of free trade, or nonprotection, to divide our own markets with the rest of the world, and to endeavor to recoup ourselves by participation in theirs.

Whatever may be claimed by the friends of this bill as to its effect upon the general prosperity of the country, they must admit that its tendency will be to diminish the value of our own markets. If it should become a law, our people will need foreign markets as they have never needed them before. Under these changed conditions they would have availed themselves to a much greater extent than thus far of the advantages of our existing reciprocity agreements. At a time, therefore, when it is proposed to compel our producers to seek markets in other countries by depriving them in a measure of the nearer and more advantageous markets at home, it is to be regretted that the framers and remodelers of this bill could not have had sufficient compassion for the American people to have left them the advantages for foreign trade which the existing law gives them.

CANADA FAVORED.

The eagerness with which it is proposed to give up every advantage possessed by us in the markets of our sister republics, the treatment in this bill of their products which we are obliged to have, and the utter indifference manifested with respect to our political and trade relations with them is in striking contrast with the proposed treatment of Canada and her products. Our annual importations from Canada for the year ending June 30, 1890, the last before the existing tariff went into effect, were $39,000,000, which had been the average for ten years; $12,000,000, or 31 per cent, were admitted free of any duty; $9,500,000, or 24 per cent, were wood and manufactures of wood, and $11,300,000, or 29 per cent, were animals, breadstuffs, eggs, fruits, hay, provisions, and vegetables. The balance was largely minor agricultural products and fish.

In 1893, under the existing schedule of duties, the total importations were $38,000,000, of which $11,500,000, or 30 per cent, were free of duty; $11,300,000, or 30 per cent, were wood and manufactures of wood, and $8,600,000, or 23 per cent, were the principal agricultural products above enumerated. The balance, as in 1890, was largely fish and minor agricultural products. These figures demonstrate that the competition of Canada in our markets is almost wholly with our natural productions of agriculture and of the forest. She is the especial competitor in agricultural products of the farmers of the border States, one of which I have the honor in part to represent. The Law of 1890 was in the direction of protecting our own markets against the competition of Canada in such products. Speaking of that act, the Toronto Mail, in March, 1892, said:

It is easy to discover where the American tariff has hit us. The first article of export to which the mind reverts when the McKinley act is under discussion is necessarily barley. In 1889 we sent $6,454,000 worth across the line; in 1890 the trade fell to $4,582,000, and in 1891 to $2,849,000. It is safe to say that the barley business has been reduced by more than a half. We have not yet recovered our lost ground as regards barley by exports to Great Britain, for we sent only $75,000 worth across the ocean. This is an advance upon the exports of former years, but not a sufficient advance to warrant us in boasting that the loss of the American market has been covered. In eggs the exports to the United States have fallen from $2,156,000 worth in 1889 and $1,793,000 in 1890 to $1,074,000 worth in 1891. Here is a drop of a million dollars in two years. Efforts have been made to find a new egg market in England. We shall not be able to judge of the success of these attempts for some time, but a small increase has been made in the British trade in eggs. We sent $27,000 worth of eggs to England in 1889, $81,000 in 1890, and $83,500 worth in 1891. In horses we have reduced our American exports from $1,887,000 in 1890 to $1,215,000 in 1891. An increase has been effected in the trade with England; but we sent only $156,000 worth all told across the ocean last year.

Since the Act of 1890, Canada has made a desperate effort to build up and increase her direct trade with other countries, especially Great Britain and the British West Indian colonies. It made some little show at first, but the results demonstrate that she can not find any other foreign markets equal to our own, which are the most accessible to her and are the richest in the world. If our markets were not, as they are, better in every other respect, their very nearness would make them the best for Canadian farm products. Her action in urging her producers to seek other markets than ours has been compared to that of the father who told his boy he could not go to the circus, but if he was good he might visit his grandmother's tomb.

In the case of breadstuffs, dairy products, and eggs, the present law has been somewhat effective. In 1890 our importation of breadstuffs from Canada, including barley, corn, oats, wheat, etc., were $6,000,000. It fell to $1,800,000 in 1893. Our importation of provisions, chiefly dairy products, in 1890 was $170,000; in 1893 it was $80,000. In 1890, when eggs were free of duty, we imported from Canada 15,000,000 dozen. The importation under the present duty fell in 1893 to 3,000,000 dozen.

But the importation of hay from Canada, which amounted to $1,100,000 in 1890, was $960,000 in 1893, or only 13 per cent less. The importation of horses, cattle, sheep, and other animals, amounted in 1890 to $3,800,000, and in 1893 to $3,400,000, or only 11 per cent less. The importation of vegetables in 1890 was $1,100,000, and in 1893 the same. In view of the cheaper labor

and cheaper farm values of Canada, she has practically held her own in spite of the existing tariff in the sale of agricultural products in our markets, except only in breadstuffs, dairy products, and eggs.

EFFECT UPON THE BORDER STATES.

The statistician, Mr. Joseph Nimmo, jr., states that, as a result of careful investigation, the average value per acre of the farming lands of Vermont, exclusive of buildings, is about 12 per cent greater than the average value per acre of farming lands in Canada, and that the average rate of wages paid farm hands in Vermont is 24 per cent greater than the average rate of wages paid to farm hands in Canada. The difference in the value of the farm lands, in buildings, and other items entering into the cost of production, added to 24 per cent difference in cost of farm labor, would readily make the cost of production of farm products in my State from 30 to 40 per cent greater than in Canada, which is considerably more than the average ad valorem rate of duty imposed by the existing law.

This bill, however, as it came to the Senate, in some cases proposed to remove the duty on these articles entirely, and to reduce it upon all. The amendments intended to be proposed by the Senator from Arkansas make the reduction less in some cases, and yet even with those amendments the reduction averages from one-third to one-half. The present rates upon some of the principal products of agriculture and those proposed are as follows:

Present rates upon some of the principal products of agriculture and those proposed.

Article.	Duty under—			Average ad valorem under—		
	Present law.	House bill.	Amended Senate bill.	Present law.	House bill.	Amended Senate bill.
Animals:						
Horses:				*Per cent.*	*Per cent.*	*Per cent.*
At less than $150 each	$30 per head	20 per cent	20 per cent	31.55	20	20
$150 and over	30 per cent	do	do	30	20	20
Cattle:						
One year old or less	$2 per head	do	do	43.53	20	20
More than one year old	$10 per head	do	do	63.22	20	20
Sheep:						
Less than one year old	75 cents per head	do	do	22.01	20	20
One year old or more	$1.50 per head	do	do	25.35	20	20
Breadstuffs:						
Barley	30 cents per bushel	25 per cent	30 per cent	64.68	25	30
Barley malt	45 cents per bushel	35 per cent	40 per cent	36.30	35	40
Corn*	15 cents per bushel	20 per cent	20 per cent	22.20	20	20
Corn meal*	20 cents per bushel	do	do	24.58	20	20
Oats*	15 cents per bushel	do	do	35.99	20	20
Oatmeal	1 cent per pound	do	15 per cent	17.82	20	15
Wheat*	25 cents per bushel	do	20 per cent	20.42	20	20
Wheat flour*	25 per cent	do	do	25	20	20
Dairy products:						
Butter	6 cents per pound	4 cents per pound	4 cents per pound	32.88	21.92	21.92
Cheese	do	25 per cent	do	42.96	28.64	28.64
Milk	5 cents per gallon	Free	3 cents per gallon			
Vegetables:						
Potatoes	25 cents per bushel	10 cents per bushel	15 cents per bushel	51.96	20.78	31.17
Beans	40 cents per bushel	20 per cent	20 per cent	40.63	20	20
Peas:						
Dried	20 cents per bushel	20 cents per bushel	do	18.10	18.10	20
Split	50 cents per bushel	50 cents per bushel	do	15.84	15.84	20
Apples:						
Green or ripe	25 cents per bushel	Free	20 per cent	33.93	Free	20
Dried	2 cents per pound	do	do	42.41	do	20
Eggs	5 cents per dozen	Free	3 cents per dozen			
Hay	$4 per ton	$2 per ton	$2 per ton	43.31	21.65	21.65
Poultry:						
Live	3 cents per pound	2 cents per pound	2 cents per pound	32.51	21.67	21.67
Dressed	5 cents per pound	3 cents per pound	3 cents per pound	53.93	32.34	32.34
Straw	30 per cent	Free	15 per cent	30	Free	15

*To be admitted free of duty from any country which imposes no import duty on the same product when exported from the United States.

Lumber, which aggregates one-third of our entire importation from Canada, it is proposed to make entirely free. The products of no other country have been treated with such effusive generosity. There has not been wanting evidence, heretofore, that free traders and so-called tariff reformers were partial to British interests. This bill certainly abounds in partiality to those interests on this continent. Such tariff revisions as it proposes is at the expense of our own agricultural industries. It is at the expense, too, of large national political interests.

RECIPROCITY WITH CANADA NOT FEASIBLE.

Canada is to receive these advantages without any concession being required of her. We once tried so-called reciprocity with Canada in natural products, and it was a failure. "There is no such thing as reciprocity in trade between two nations in the same identical commodity of which both produce a surplus." In this fact lies the difference in our trade relations with Spanish-American countries and with Canada. With the former genuine reciprocity is possible because our products are unlike, with the latter it is impossible because they are the same. The political status of Canada also precludes the possibility of any reciprocity agreement that would be favorable to us. Ex-Secretary of State Foster, in speaking of reciprocity with the Spanish-American countries, said:

It may be asked, why not extend it to our Canadian neighbors on the north? The first answer is that with our tropical neighbors, whose products are so dissimilar to ours, reciprocity is a simple matter; but when we come to deal with a country having thousands of miles of conterminous territory and with like products and industries, the question becomes more complex. But this is not the insuperable difficulty. The fact that Canada does not possess the right of negotiating her own treaties, but must have them negotiated for her by a distant power which is controlled by economic principles entirely different from those of both the United States and Canada, constitutes the chief barrier to any arrangement. So long as other interests than those of Canada are to control, negotiations for commercial reciprocity must prove a failure. It is the duty and the interest of the United States to cultivate the most intimate and liberal commercial relations with such of our neighbors as recognize American (in its broadest sense) as paramount to European influence on this hemisphere. To all such countries we should open the doors of trade as wide and as freely as the interests of our own established industries will permit. Beyond that the spirit of genuine Americanism does not require nor permit us to go.

The result of the reciprocity treaty with Canada of 1854 is clearly seen in its effect upon our relative exports to and imports from that country. The following statement shows the total values of the imports into the United States from British North American possessions, and of our corresponding exports from 1850 to 1893, inclusive:

Total values of merchandise imported into the United States from the British North American Possessions and imported into the British North American Possessions from the United States during each year from 1850 to 1893, inclusive.

Years.	Imports into the United States from the British North American Possessions.	Imports into the British North American Possessions from the United States.	Excess of imports into the United States.	Excess of imports into the British North American Possessions.
1850	$5,179,500	$11,608,641		$6,429,141
1851	5,279,718	14,263,751		8,984,033
1852	5,469,445	13,993,570		8,524,125
1853	6,527,559	19,445,478		12,917,919
1854	8,784,412	26,115,132		17,330,720
1855	15,118,289	34,362,188		19,243,899
1856	21,276,614	35,764,980		14,488,366
1857	22,108,916	27,788,238		5,679,322
1858	15,784,836	23,210,837		6,426,001
1859	19,287,565	30,761,618		7,474,053
1860	23,572,796	25,871,399		2,298,603
1861	22,724,489	28,520,735		5,796,246
1862	18,515,685	30,373,212		11,857,527
1863	17,191,217	29,680,955		12,489,738

Total values of merchandise imported into the United States, etc.—Continued.

Years.	Imports into the United States from the British North American Possessions.	Imports into the British North American Possessions from the United States.	Excess of imports into the United States.	Excess of imports into the British North American Possessions.
1864	$29,608,736	$7,952,401		
1865	33,264,403	27,269,158	$5,995,245	
1866	48,528,628	27,905,984	20,622,644	
1867	25,044,005	25,239,459		$195,454
1868	26,261,378	22,644,235	3,617,143	
1869	29,293,766	21,680,062	7,613,704	
1870	36,265,328	21,869,447	14,395,881	
1871	32,542,137	27,185,586	5,356,551	
1872	36,346,930	33,741,995	2,604,935	
1873	37,649,532	47,223,171		9,573,693
1874	34,365,961	53,430,424		19,064,437
1875	28,270,926	50,319,993		22,049,066
1876	29,010,251	45,502,201		16,491,950
1877	24,277,378	53,524,029		29,246,651
1878	25,357,802	50,324,123		24,966,321
1879	26,133,554	45,196,601		19,063,047
1880	33,214,340	41,926,563		8,712,223
1881	38,041,947	50,955,925		12,913,978
1882	51,113,475	55,270,580		4,157,105
1883	44,740,876	65,018,933		20,278,057
1884	39,015,840	59,845,968		20,830,128
1885	36,960,541	53,397,608		16,437,067
1886	37,496,338	49,773,232		12,276,894
1887	38,015,684	51,937,050		13,921,466
1888	43,084,123	54,706,161		11,622,038
1889	43,009,473	57,412,887		14,403,414
1890	39,396,980	61,671,070		22,274,090
1891	39,434,535	59,340,058		19,905,523
1892	35,334,547	64,185,640		28,851,093
1893	38,186,342	60,055,035		21,868,963

Prior to the reciprocity treaty of 1854 we were selling Canada from two to three times as much as we were buying from her, and we were steadily gaining in the proportion. The year before that treaty took effect we sold them over $26,000,000 in value and bought less than $9,000,000. Then they began to gain in the proportion, and at its abrogation in 1866 were selling us nearly double what they bought of us. The ratio then changed again, and this time in our favor. We soon sold them as much as we bought, and within ten years were selling them 50 per cent more, and such was the proportion last year.

The change of political opinion in Canada coincident with the negotiation of the reciprocity treaty is also worthy of note. I do not always agree with Mr. Goldwin Smith in his opinions in regard to Canadian affairs, but everyone will admit that he is an acute observer and honest and accurate in his statements of facts. In regard to the business situation before and during the continuance of reciprocity he says, in his book on Canada and the Canadian Question:

By the adoption of free trade in 1846 England had cut the commercial tie between herself and her colony and deprived the colony of its advantages in the British market. Commercial depression in Canada ensued. Property in the towns fell 50 per cent in value. Three-fourths of the commercial men were bankrupt. The state was reduced to the necessity of paying all the officers, from the Governor-General downwards, in debentures which were not exchangeable at par. A feeling in favor of annexation to the United States spread widely among the commercial classes, and a manifesto in favor of it was signed not only by many leading merchants, but by magistrates, Queen's counsel, militia officers, and others holding commissions under the Crown.

Elgin (the Governor-General) himself was astonished that the discontent did not produce an outbreak. There was, as he saw, but one way of restoring contentment and averting disturbance. This was "to put the colonists in as good a position commercially as the citizens of the United States, in order to do which free navigation and reciprocal trade with the States were indispensable." To this view he gave effect by going to Washington and there displaying his diplomatic skill in negotiating the reciprocity treaty, which opened up for Canada a gainful trade, especially in her farm products, with the United States, and was to her during the twelve years of its continuance the source of a prosperity to which she still looks back with wistful eyes.

Reciprocity with Canada in natural products in the very nature of things must have worked as it did—in favor of Canada and against ourselves. Nor would any scheme of unlimited reciprocity be practicable which did not involve preferential treatment of the products of the United States in Canada and a discriminatory duty by her against the rest of the world, including Great Britain, upon substantially the basis of our own tariff. That means complete commercial union—an impracticable measure, and not likely to be acceptable to either side without political union or the independence of Canada.

If such were the results of reciprocity in natural products, no wonder Canada hails with delight the advantages which it is proposed now to voluntarily concede to her in our markets with respect to those same products, and that our farmers on the border are correspondingly depressed. Since the publication of this bill the Canadian press have been jubilant with the prospect of selling their farm products in our markets at prices enhanced by just the amount of the reduction of duty.

Theories, Mr. President, are grand and high sounding, but the slightest practical experience with Canadian farm products will prove to the most confirmed theorizer who pays the duty. The tariff is a tax in this case, and the Canadian farmer pays *it*. The theorist can not buy a horse, or a sheep, a ton of hay, or a dozen of eggs across the line without learning it, or find a Canadian farmer who will not admit it with sorrow. Why, then, should we relieve Canada of this contribution to the support of our Government, and place an additional burden upon our own people?

GENERAL RELATIONS OF CANADA AND THE UNITED STATES.

The position of Canada on this continent is anomalous. Goldwin Smith, himself a resident of the Dominion, summarizes it as follows:

Whoever wishes to know what Canada is, and to understand the Canadian question, should begin by turning from the political to the natural map. The political map displays a vast and unbroken area of territory, extending from the boundary of the United States up to the North Pole, and equaling or surpassing the United States in magnitude. The physical map displays four separate projections of the cultivable and habitable part of the continent into arctic waste. The four vary greatly in size, and one of them is very large. They are, beginning from the east, the maritime provinces—Nova Scotia, New Brunswick, and Prince Edward Island; old Canada, comprising the present provinces of Quebec and Ontario; the newly opened region of the Northwest, comprising the province of Manitoba and the districts of Alberta, Athabasca, Assiniboia, and Saskatchewan, and British Columbia. The habitable and cultivable parts of these blocks of territory are not contiguous, but are divided from each other by great barriers of nature, wide and irreclaimable wildernesses or manifold chains of mountains. The maritime provinces are divided from old Canada by the wilderness of many hundred miles through which the Intercolonial Railway runs, hardly taking up a passenger or a bale of freight by the way. Old Canada is divided from Manitoba and the Northwest by the great fresh-water sea of Lake Superior and a wide wilderness on either side of it. Manitoba and the Northwest again are divided from British Columbia by a triple range of mountains, the Rockies, the Selkirks, and the Golden or Coast Range. Each of the blocks, on the other hand, is closely connected by nature, physically and economically, with that portion of the habitable and cultivable continent to the south of it which it immediately adjoins, and in which are its natural markets; the maritime provinces, with Maine and the New England States old Canada with New York, and with Pennsylvania from which she draws her coal; Manitoba and the Northwest, with Minnesota and Dakota, which share with her the great prairie; British Columbia with the States of the Union on the Pacific.

Between the divisions of the Dominion there is hardly any natural trade and but little even of forced trade has been called into existence under a stringent system of protection. The Canadian cities are all on or near the southern edge of the Dominion; the natural cities at least, for Ottawa, the political capital, is artificial. The principal ports of the Dominion in winter, and its ports largely throughout the year, are in the United States, trade coming through in bond. Between the two provinces of old Canada there is no physical barrier; there is an ethnological barrier of the strongest kind, one being British, the other thoroughly French, while the antagonism of race is intensified by that of religion. Such is the real Canada. Whether the four blocks of territory constituting the Dominion can forever be kept by political agencies united among themselves and separate from their Continent, of which geographically, economically, and with the exception of Quebec ethnologically, they are parts, is the Canadian question.

To bind together, for military and political purposes as well as business interests, these sections disjoined by nature, was the great argument for the confederation and for building the Canadian Pacific Railroad. A reversal of the marriage service expresses the inevitable result, "What God hath put asunder let no man join together." The "barriers of nature" forbid the bans, and there can never be a harmonious whole from the union of such incongruous elements. The natural relations of British Columbia are with our Pacific States; she temporarily separates us from Alaska, thanks to the Democratic surrender of the line of 54° 40'.

The products of Manitoba find their proper outlet and market through Dakota and Minnesota. Ontario is bounded on three sides by our richest States, and on the fourth by the Arctic wilderness. A line a hundred miles due north from our border, through Montreal, the largest city of the Dominion, reaches the northern limit of settlements, and one of 50 miles leaves only scattering hamlets beyond. Maine almost touches the Lower St. Lawrence; Boston is the commercial capital of the Eastern Provinces. A comparison of the population of these disunited sections of Canada with our adjoining States shows where are, and where must be, their markets.

British Columbia had a population in 1890 of 100,000; our Pacific States, 1,900,000. Manitoba had 150,000; the Dakotas and Minnesota, 1,800,000. Ontario and Quebec had 3,600,000; our border States—Michigan, Ohio, Pennsylvania, New York, Vermont, and New Hampshire—18,000,000. The Eastern Provinces had 850,000, the New England States, except Vermont and New Hampshire, 4,000,000. Each of the four States bordering on Ontario has more population than that most populous Canadian province, and the State of New York alone has one-third more than the entire Dominion.

By far the greater part of the commerce of the Great Lakes is ours.

These inland seas are the natural waterways of a region of immense wealth in the products of the farm, forest, and mine. The basin of the Great Lakes and the St. Lawrence River for the common good of all the inhabitants ought either to be under one

government or governments bound together by the strongest ties of kindred interests and institutions. But the canals along our northern border, which unite these water ways, are now being enlarged quite as much so as to admit vessels of the British navy to the Great Lakes as for the purposes of commerce.

The existence of a British colony for 4,000 miles along our northern frontier, with no natural separation, is so anomalous that sometime in the course of natural events it must cease, unless we by our own perversity, prevent it. Almost every disagreeable international complication with which this country has been burdened for years has grown out of Canada. But for Canada, we should have had no Bering Sea dispute, no fisheries controversy, and no canal discriminations. The natural relations between the United States and Great Britain ought to be those of great harmony. Unfortunately they have not been, and the sole reason for it since the war of 1812 may be found in some unreasonable demand of her Canadian dependency.

We could get along all right with Canada as an independent power. We would respect her independence—our very strength would compel us in honor to do so. She would have no more to fear from us than have our Southern Spanish American neighbors; but as a British dependency she is and will be a perpetual cause of irritation and possibly of serious trouble. Without any responsibility for the international relations of her mother country with the United States, Canada at the same time prevents Great Britain from treating Canadian questions with the frankness and in the broad spirit with which international questions ought to be treated. She gets behind her mother's skirts. It is a well-known fact, acknowledged even in the public communications of Great Britain, published in our diplomatic correspondence, that the mother country will not take any action affecting the relations of Canada with the United States except with the consent of Canada herself.

FRANKLIN AND CANADA.

Franklin foresaw the whole difficulty when as one of the commissioners on behalf of the colonies he negotiated the preliminary treaty of peace of 1782. It is interesting to note from his journals and letters how fully impressed he was that Canada must be ceded to the United States for the common good of the people of this continent, and as a pledge for the peaceful relations of the United States and Great Britain. As early as 1776 he submitted a sketch of proposals for a peace to a secret committee of Congress, in which he advocated it. He said that "*it is* absolutely necessary for us to have them for our own security." Oswald, the British commissioner, in reporting, August 13, 1782, to the British secretary for the colonies, a conference with Franklin, said:

> The Doctor at last touched upon Canada, as he generally does upon like occasions, and said there could be no dependence upon peace and good neighborhood while that country continued under a different government; it touched their States in so great a stretch of frontier.

Sparks well summarizes Franklin's position, as follows:

> Franklin was extremely desirous to procure the accession of Canada; he said there could be no solid and permanent peace without it; that it would cost the British Government more to keep it than it was worth; it would be a source of future difficulties with the United States, and some day or other it must belong to them; and it was for the interests of both parties that it should be ceded in the treaty of peace.

Franklin forecast the situation with his usual wisdom. His prophecy of the annoyances and misunderstandings which must necessarily arise, and the irresponsibility of the Canadians with respect to our international relations, have been more than verified. I am a firm believer that there will never be that perfect harmony which ought to exist between the United States and Great Britain until Canada becomes either a part of the United States or an independent republic.

Great Britain has done great service to the cause of humanity by establishing in all quarters of the globe colonies of her sons, with their Anglo-Saxon civilization and love of liberty. It is charged that her aims have not been unselfish; that greed of gain and empire has been the primary purpose. A recent writer says that "there has not been a timid or incompetent race on whom she has not rained a storm of bullets in the name of liberty and progress." But whatever the motive, and I believe the good has predominated, the results certainly have been wonderful. None should be more ready to accord her the honor due her than we, the children of her grandest success as a colonizer.

There are still fields in Asia and Africa for the exercise of her rare combination of mercantile and missionary enterprise, but in America her mission is completed. The people who on this continent acknowledge allegiance to her are quite as well fitted for self-government as those of the mother country. In these days, with such a people a thread of allegiance 3,000 miles long across an ocean is brittle, and sure to break with the first strain.

THE MILITARY SITUATION.

No American in time of peace would favor the reunion of Canada to the United States unless it was the wish of her people, and it would then be for us to decide whether we preferred that she should join us politically or remain a free and friendly neighbor. There is no doubt that Great Britain will give her assent whenever the people of Canada definitely express a desire for independence. It has cost her, as Franklin said it would, more to retain Canada than it is worth to her. God forbid that we should ever have another war with Great Britain, but if it comes we shall never have but one, for that one will settle the only question likely to cause trouble. At its close England's jurisdiction on this continent would be forever terminated, and Canada would be an independent republic, or her provinces members of the American Union.

Great Britain has made and is making great military and naval preparations on this continent against such a contingency. The unnatural separation of the Canadian provinces from us has led to the construction by England of her fortifications on this continent. What American can contemplate with equanimity the fortresses of Halifax, Bermuda, and Esquimault frowning upon our shores? The latter, says a British officer, "holds a loaded pistol at the head of San Francisco." Even the Canadian railroads and canals have been constructed by Government aid with as much view to military and political exigencies as for business interests. But her own military experts appreciate that Canada, in a military point of view, is really indefensible against us.

Gen. Sir George Chesney, member of the British Parliament, probably the best living authority on grand strategy, recently said, at a meeting of the Junior Constitutional Club, in London, that while the idea of conquering India, Australia, or the African Cape was not possible, Canada was in a different position, and that in the event of hostilities between England and the United States, England could not possibly defend or retain Canada. She will never risk a war for that purpose, for it must result not only in complete failure as to Canada, but in the destruction of her commercial marine as well, which once lost could never be restored to its present position of supremacy.

THE INDEPENDENCE OR ANNEXATION OF CANADA—WHICH SHALL IT BE?

The people to the south of us are a distinct race; their conditions of climate and the development of their civilization are so different from ours that they will best work out their future as a distinct people. There is no friction between us and them now, or in the probable future. Nothing can be foreseen to disturb our present friendly relations.

But to the north of us there must some time come a change, and the sooner the better for all parties concerned. No intelligent man can doubt that it is only a question of time when there shall be a complete severance of all political ties binding any part of America to a European power. Shall there be a union of all the territory north of the Spanish civilization, or two independent republics, with a common language and bound together by the ties of blood, commerce, and similar political institutions? Carl Schurz, in a magazine article last October, entitled "Manifest Destiny," gives the following glowing picture of continental unity:

> If the people of Canada should some day express a desire to be incorporated in this Union, there would, as to the character of the country and of the people, be no reasonable doubt of the fitness, or even the desirability, of the association. Their country has those attributes of soil and climate which are most apt to stimulate and keep steadily at work all the energies of human nature. The people are substantially of the same stock as ours, and akin to us in their traditions, their notions of law and morals, their interests and habits of life. They are accustomed to the peaceable and orderly practices of self-government. They would mingle and become one with our people without difficulty. The new States brought by them into the Union would soon be hardly distinguishable from the old in any point of importance. Their accession would make our national household larger, but it would not seriously change its character.

Though such a union seems a natural one, it is a grave question whether this is the better course, or that Canada should be welcomed to the sisterhood of independent American Republics. The decision must be made, and with Anglo-Saxon good sense and love of justice on both sides, it will be made as shall best conserve the interests of both people. But if it had been desired to thwart or retard indefinitely a result so desirable as the independence or reunion of Canada with the United States, and a result so reasonably certain in the natural course of events to come about, a more ingenious method could not have been devised than this bill presents.

The sentiment in Canada for independence or annexation has undoubtedly made much progress of late. Prominent men now openly advocate the one or the other. Her people understand that her ultimate destiny is in some way bound up with ours; but there is no question but that they enjoy the utterly irresponsible position, internationally, which they now occupy, provided they can participate at the same time in our markets. If they can have

them, and at the same time assume none of the duties of our common country, they will undoubtedly prefer to remain for the present as they are.

Says the New York Sun:

We are not surprised to hear that the newspaper organs of the Canadian Tories regard the Wilson bill with unqualified approval. Had it been framed by them, it could not more thoroughly subserve their interests. The bill offers as a gift to Canada what she would have bought at a great price. It robs the annexationists of one of their strongest arguments, for it gives Canadians free access for their raw products to the American market, without imposing upon them any corresponding political or commercial obligations. It cuts the ground from under the Canadian Liberal party, the main feature of whose programme was a promise to obtain such a reciprocity treaty with the United States as, while admitting American manufactures duty free, would secure an unimpeded outflow for the natural products of the Dominion. No wonder that the Canadian Tories feel their hearts swell with gratitude as they survey the lavish generosity with which the interests of American producers and manufacturers are sacrificed in their favor. * * *

Had the authors of the Wilson bill refrained from placing most of the natural products of Canada on the free list, we should have seen, in the course of a few years, a voluntary union of the Anglo-Saxon race upon this continent, or, at the worst, an agreement for restricted reciprocity. As it is, we get nothing and give everything; and it is the American miners, lumbermen, fishermen, and farmers who will have to foot the bill.

I do not believe in discriminating against Canada in our tariff legislation to force her to some desired result. I believe, however, that our relations with her require us not to legislate in her interest and against ourselves. Let us simply legislate *for* ourselves—consult our own interest as an individual would in regard to what he should buy and what he should produce. Let us ignore theories so far as the tariff on Canadian products is concerned at least, and have such rates fixed by experts as shall give us the greatest amount of revenue paid by the Canadian producer and the least amount at the expense of the American consumer.

With such a tariff, and the McKinley act substantially complies with these requirements, there is no doubt in my mind that the people of Canada will, during the period of service of Senators now on this floor, be knocking at our doors for admission. Whether it will be wise to receive them or not, it is certainly desirable that they should learn that their future welfare is dependent upon their relations with this country, and that the closer these are the better for them. This bill, besides its donations to Canada, favors British interests in many other ways at the expense of our own people, and will do more than anything else which has occurred within the present generation to perpetuate British power on this continent.

Senators who seek to combine bimetallism and free-trade doctrines will find that it is not possible to make them auxiliary to each other, but that they are, and must be under present conditions, antagonistic. They are giving gold-standard England the control of manufactures and commerce, and expect that we can maintain silver against the commercial power that we put into her hands. And, Mr. President, though the bill has been given many titles which are pertinent according to the different points of view from which it is considered, in the aspect in which I have chosen to treat it, it seems to me it should be entitled—

'A BILL TO PERPETRATE THE TERRITORIAL JURISDICTION AND THE FINANCIAL AND COMMERCIAL POWER OF GREAT BRITAIN IN AMERICA."

Instead of such a result I for one would prefer to hasten rather than postpone the time when no part of America shall owe allegiance to a foreign power, and when the United States shall be, as the greatest good of mankind requires that our nation should be, the unquestioned guardian against European control of the rights and the undisputed arbiter of the destinies of the Western hemisphere.

Mr. PETTIGREW. Mr. President, the Democratic party came into power in 1892 on issues clearly stated in their platform, among which was the statement, in substance, that a tariff so adjusted as to protect American industries is robbery and should be abolished. After thirteen months of power we are presented with a tariff bill which has but one redeeming feature, and that does not relate to the tariff in any way; I refer to the income tax. The Wilson bill is a protective tariff measure, maliciously arranged so as to increase the burdens of the poor in the interest of the rich. This strange bill takes the tariff off from most of the products of the farm but retains it on almost everything a farmer has to buy. The farmer must have been the "robber" referred to in the Democratic platform.

How surprised the honest farmer must be when he reads this bill and finds that he himself was the robber baron he cast his vote against in 1892. His wool is no longer protected and the tariff on his clothing is only reduced the amount taken off from his wool, and the manufacturer of New England has still the fostering care of a party which secured power by the farmer's vote only to betray him.

The advocate of this bill, the able chairman of the Committee on Finance, says we still maintain, in the language of our platform, that "the tariff is robbery;" and then he tells us by the provisions of this bill that the robber beneficiaries have robbed so long it would be cruel to stop them all at once, we must do it by degrees; in this act we will make a start by taking all protection away from the farmers who have been robbed, and next time we will deal with the robber; but I warn you now there will be no "next time" for you. You have abondoned all principle. You are devoid of common honesty. At the next election an outraged people will drive you from power, never to return.

We are about to repeal the tariff act of 1890, which, with all its defects, is far preferable to the act now under consideration. I voted for the act of 1890 as amended by the Senate, and as so amended I considered it an improvement on the act of 1883 which it superseded, for the Senate had made many amendments and reduced the duty in many cases, and above all, had provided for a tariff commission. The conferees of the House and Senate upon these amendments finally reported, recommending that the Senate recede from its amendments reducing duties, and also from its amendment providing for a tariff commission.

I voted against the adoption of this report not because I did not believe in the principle of protection, but because the bill contained many items of excessive protection which would promote the formation of trusts and combinations to rob our people; and, above all, because if I agreed to the report I agreed that a tariff commisson was not needed. The act of 1890 had been based upon the testimony of the manufacturers and importers, who naturally gave a bias to their statements dictated by their interests. I was, therefore, anxious that a nonpartisan commission should be created to examine into the whole question of protection, to ascertain whether the tariff was too low or too high upon any article of American production, and report to Congress, so that the bill could be amended by future Congresses to conform to the principles of justice and protection.

The Senate amendment creating the tariff commission provided that these commissioners should have power to examine the books of any firm or company producing protected goods, and thus ascertain the cost of production in this country. They were, also, to ascertain the cost of producing the same goods in other countries, and thus Congress would have been able to judge as to what rate of duty would furnish ample and equitable protection, and frame future legislation accordingly, and the public could judge whether they were paying excessive profits to industries created by law; and the laborer could know whether he was getting his just share of the results of his toil.

When I urged that at least the Senate amendment providing for this commission should be retained, I was told that such a commission would be an inquisition and that no manufacturer could tolerate an examination of his books. This to me was not a good objection, for the public have a right to know all about any and every industry that seeks the protection of a tariff law. A protective tariff is not enacted that individuals may make excessive profits, but for the benefit of the whole people, for the purpose of creating a varied industry so that every phase of the character and every variety of talent among our people may be developed and the highest results obtained. This tariff commission would have been a check upon the formation of trusts to put up prices and would have furnished the unmistakable proof to Congress if any trust was formed, and thus enable us to enact laws to destroy it.

Mr. President, I am of the firm opinion now that if we should amend this bill by striking out all after the enacting clause, and provide for a tariff commission which should be a permanent bureau, nonpartisan in its nature, with ample power to thoroughly investigate the whole subject, and report to the next session of Congress and to all future Congresses the question of protecting American industries would be placed upon a firm basis and so adjusted as to be a great blessing, based upon scientific and equitable principles. I would materially reduce the duties on all articles for the control of which a trust has been formed since the McKinley bill was passed, and as to sugar and binding-twine, I would repeal all duty. I would repeal the whole duty on binding-twine because it is the subject of a trust and was the object of a trust at the time the McKinley bill was passed, and was one of the things which the Senate, by its amendment, placed upon the free list.

The principle of protection is: First, that a nation should do its own work; second, that the building of new factories as the result of protection augments the world's production, increases competition, and soon reduces prices, but with a tariff upon binding-twine the operation of this law was, and is, defeated by a combination who own the patents upon the machines used to make the twine, and who refuse to allow any new factories to be started, thus preventing competition. This combination went further, and controlled the supply of raw material, for binding-twine is made out of the manilla and sunn grass fibre from the Philippine Ilsands, Central America, and India, and these fibres

are on the free list. The American combination controlled the product of the Phillippine Islands and Central America and the English manufacturers the product of India.

Under these circumstances binding-twine should be admitted free of duty, and this pernicious and malevolent trust destroyed. The principles of protection involve competition necessarily, and so do not apply to binding-twine under existing conditions. When the McKinley bill was under consideration, and it was proposed to put sugar on the free list, the representative of the refiners came here and said they employed thousands of workmen and had millions of dollars invested in refineries in this country, and that unless a duty of 5 mills was imposed upon each pound of refined sugar their industry would be destroyed, resulting in the loss of millions of dollars of property and in throwing out of employment thousands of men.

As soon as the bill was passed the sugar trust was organized with a capital of $75,000,000. I am informed that the total value of the property owned by the trust was less than $25,000,000. The stock of this company or trust rose above par and paid 12 per cent dividends, and $50,000,000 were thus taken from the pockets of the people and put into the pockets of this combination of unscrupulous speculators. It is now admitted that the total cost of refining sugar is not over one-tenth of a cent per pound; yet the representatives of this trust have the effrontery to come here now and ask that their business shall be again protected, and the framers of this bill have responded to their request. If this bill fails to pass, I shall be pleased to vote for an amendment to some appropriation bill placing refined sugar on the free list; and for fear the Wilson bill may pass I shall offer an amendment to that effect, and thus destroy this greedy conspiracy.

The members of the sugar trust are bad citizens; they resisted the laws of Congress in relation to trusts, and defied Congress in refusing to answer the questions required by law to be answered in taking the Eleventh Census. After repeated attempts to secure from the sugar trust the information required by the act to provide for taking the Eleventh Census the effort was abandoned, as will be seen by a letter from the Secretary of the Interior. (Executive Document No. 76, this Congress.) The following letter from Mr. Havemeyer shows conclusively that these highwaymen who compose the sugar trust should no longer receive any consideration at the hands of Congress:

NEW YORK, *January 20, 1893.*

SIR: I have the honor to acknowledge the receipt of your favor of January 4, instant. The Havemeyer and Elder Sugar Refining Company went out of existence nearly two years ago. Since then there has been no qualified authority to make the report or give the information of which you ask. This has been fully explained to the gentlemen who have called upon me. I regret that the absence of the desired information causes embarrassment to your office. There is no indisposition to give the called-for information. The difficulty consists in the fact to which I have referred, *i. e.*, that no one has the requisite authority. I hesitate to assume the authority; I will, however, put together such information as I can in the line of that you wish, and in an informal way communicate it to you.

I have the honor to be, yours, very respectfully,

H. O. HAVEMEYER.

HON. ROBERT P. PORTER,
Superintendent of Census, Washington, D. C.

The information was never furnished.

The position of these men is well illustrated by the experience of the Dakota farmer, who lived several miles from any neighbors in a fine home, surrounded by every comfort. One night at dark two strangers came to his door and asked for supper and lodging, saying they had no money, were tired, and could go no further. Believing their story, the farmer took them in. At four in the morning the strangers arose, stole everything in the house, and departed. Four years afterwards the same strangers appeared at the same farm house with a more pitiful story than before, and were at once recognized by the farmer, who told them they were liars and thieves. They said, "Oh, yes; we know it; but if you will try us once more we will leave your house at 12 o'clock, and only steal half of your property."

It is useless to say the Dakota farmer turned them away; but I presume he would not have done so if he had been living in a house he did not own and had secured possession upon a false issue and by deception and fraud, as the Democratic party have now secured the control of this Government, and was sure, as they are, that he would soon be ejected. He would have then said, as the Democratic party have been saying of late, "For a share of the spoils, for a division of the plunder, you may come in;" and so the sugar trust is again protected in this bill.

While the McKinley bill contained many defects, and should be amended, the measure offered *in its place* and now under consideration does not contain a single redeeming feature, so far as it relates to customs duties. It is a fit product of the Democratic party, framed for the purpose of deceiving and defrauding the people. The able Senator from Indiana says the following reductions are made in the bill:

On chemicals	$1,000,000
On pottery	1,900,000
On glass	1,500,000
On metals	12,500,000
On wood	300,000
On tobacco	3,300,000
On agricultural products	3,300,000
On spirits, wines, etc	1,500,000
On cotton manufactures	3,450,000
On flax, hemp, and jute manufactures	$6,000,000
On woolen manufactures	23,500,000
On silk manufactures	3,500,000
On paper and pulp	300,000
On sundries	2,450,000
Transferred to the free list	12,170,000
Total	76,670,000

An examination of this table shows a degree of cunning worthy of the great intellect that framed it. The professed friend of the farmer places the reduction in this way:

Agricultural products	$3,300,000
Transferred to the free list	12,170,000

This last item is composed of the following farm products transferred to the free list:

Wool	$8,159,000
Flax, straw, and tow	95,000
Eggs, cabbages, plants, garden seeds, peas	282,000
Total	8,536,000

These are all agricultural products, and the item should read "Agricultural products, $11,836,000."

The item of "sundries" contains the following:

Kid gloves	$200,000
Jewelry	49,000
Dressed furs on skins	417,000
Hatters' furs	188,000
Ostrich feathers and other feathers for ornaments	17,000
Paintings in water and oil	313,000
Statuary	26,000
Hatters' plush, composed of silk and silkband cotton	12,000
Total	1,122,000

One-half of the amount of the reduction for "sundries" is taken off from the things imported by the rich.

Concealed under the head of the $12,500,000 reduction on metals is the item of "tin plate, $7,140,000."

This is over half of the total reduction on metals, not one cent of which will be saved to the people, but $7,140,000 will be taken out of the Treasury and given to the tin-plate makers of England. I do not blame the able chairman of the committee for putting this item under the head of metals, for in the election of 1890 it is reported that Democratic pedlers visited every farmhouse in Indiana selling tinware and telling the farmers' wives that they had better buy at once, as the McKinley bill would double the price.

I need only to mention the tinware bugaboo that was introduced into all the Democratic processions in this country in 1890, 1891, and 1892. He was a dreadful and awe-inspiring monster; he was a gorgon, a Moloch, a malevolent demon, with hoofs, horns, and a forked tail, eager to devour the working people of America. The men who wanted tin roofs and new water spouts were to be impoverished and driven to frenzy; the tin-pail brigade was to flee in terror at sight of him. The matrons of the dairy were never to be able to buy any more tin milk pails or pans, and one of the Democratic illustrated papers in its very funniest cartoon represented the agriculturist at bay hewing milk pans out of a chestnut slab, so that the cows need not be milked on the ground.

Everybody who might ever want any tin article again, from a tin flue to a tin whistle, heard the everlasting refrain, "The goblins 'll git you of you don't watch out." All Democratic orators represented that tinware would treble in price and a tin-pail panic and frenzy became for a time almost universal. It might be well said of them—

> Fire in each eye, and papers in each hand,
> They rave, recite, and madden 'round the land.

Well, what happened? Why, the tariff on tin was collected and yet tin pails and tin pans cost not a cent more than they did before. The terrible Moloch of the procession was examined and found to be made mostly of newspapers and stuffed entirely with wind.

So the good dames stocked up with tinware and their husbands voted the Democratic ticket. No one will ever know how many of those honest farmers' wives the Senator from Indiana loves so much put their hard-earned savings into tinware and went without a winter bonnet; tinware yet unused that has not risen a single farthing in value. No wonder this reduction is marked under the generic term of "metals," for it will not do

to work the tin-plate confidence game and tinware racket on the farmers of Indiana again.

On the 30th of January, 1894, I presented to the Senate a petition signed by the stockholders of the Minnehaha Canning Company, of Sioux Falls, S. Dak., praying that the duty should not be reduced on tin plate. The petition stated that American made tin plate was superior to the imported plate, and that the price had not been increased since the passage of the McKinley act. This company cans corn and vegetables and buys thousands of tin cans every season. Common sense, justice, and economy continue to emphasize their prayer.

Let us examine this item of reduction on woolen goods, $23,500,000. Not one cent of this vast sum will be saved to the farmers or other producers of this country, and $18,050,000 is taken off from fancy dress goods, cloths out of which swallow-tailed coats are made, goods which are imported by the dudes because they are foreign goods, imported by New York's idle four hundred, descendants of the millionaires of a former generation who would not wear American goods if they were better than the imported. I would like to have the gentleman from Indiana tell the farmers of Indiana, for he never speaks of them except in pathetic and tremulous tones, why he takes this tax off from the backs of the millionaires and puts it on the sugar which the farmer uses?

Let us recapitulate the table of reductions:

Tobacco, Havana, used by the rich	$3,300,000
Agricultural products	3,300,000
Wool	8,149,000
Wines, brandy, spirits	1,500,000
Silk manufactures	3,500,000
Sundries, such as kid gloves, seal skins, ostrich feathers, jewelry, painting, statuary	1,279,000
Tin plate	7,140,000
Woolen goods, such as broadcloths, fancy dress goods, worn only by the very rich	18,050,000
Total	46,218,000

The total reduction of duties, then, by this act is $76,670,000, of which $46,218,000 is taken off from silks, fancy dress goods (for the backs of the rich), wines, tobaccos and jewelry, ostrich feathers, and from the products of the farm; and $30,462,000 off from the things used by the masses. How does the bill make up for this loss of revenue? These friends of the people do it by one stroke of the pen. They levy a duty of 1¼ cents on sugar, which is now free, and as we import 3,600,000,000 pounds per year, a duty of 1¼ cents amounts to just $45,000,000. And yet the framers of this bill pretend they are the champions of the rights of the producing masses, and the chairman of the committee refers to these reductions in the following language:

To this must be added the further imposing fact that the bill provides for a full and ample revenue, largely in excess of present supplies, with which to meet all the requirements of the public credit. Such a consummation as this, so full of relief to the people and of strength, safety, and honor to the Government, may well atone for the imperfections and shortcomings alleged against the pending measure, and will constitute the rock on which the temple of tariff reform will be built, and against which, in the ameliorated future, the gates of avarice, oppression, and fraud shall not prevail.

The distinguished Senator from Indiana has a soul and he doubtless yearns for fame. Although his name is about the last in the alphabet he would, obviously, like to have it among the first on the scroll of the immortals. But he is in danger of mistaking notoriety for glory. He can not attain a place high among those who have served their country by enacting wise economic legislation and have promoted the welfare of the people by beneficent industrial laws, like Webster, Clay, Benton, Seward, Blaine; and so he seems willing to stand first and to be forever henceforth known as standing first among the destroyers of the Republic's prosperity and happiness.

I think perhaps he would have shrunk from this peculiar distinction if he had thought twice of the virgin Diana of Ephesus, whose magnificent temple was destroyed by a rash boy. She loved the fields and groves and was fond of sylvan sports; she was a goddess of many breasts, and personified in herself the fructifying powers of nature; and Herostratus, a reckless, obscure youth, wantonly put the torch to the temple of her worship, one of the seven wonders of the world, for the poor chance of being talked about. And so it was that—

> The aspiring youth who fired the Ephesian dome,
> Outlives in fame the pious fool who reared it.

The Senator in describing his bill should have been more ingenuous and said: "We have taken the tax off from the backs and stomachs of the rich to the amount of $38,078,000, and propose to collect $30,000,000 of it back from them by an income tax."

Truly the bill favors the idlers and the owners of the money, bonds, and mortgages, as out of this transaction they are $8,078,000 the gainers. But the people must pay an additional burden of $45,000,000 imposed upon sugar. I wish to call my Populist friends' attention to these facts and figures. I want them to see how much they are getting out of this Wilson swindle, for I have been told they have agreed to vote for it if the income-tax is retained.

Mr. President, I am not mistaken with regard to the analysis of the reduction of duties on woolen goods. The House Committee on Ways and Means, while they refused to allow the American manufacturers a hearing, did allow Mr. Henry Latzke, of Austria, to come before them as a representative of the European manufacturers and make an argument for the reduction of duties, and among other things he made the following statement:

In continuation, let me explain the personal interest I would have in such a reduction. I will say, first, that the import of foreign woolen manufactures has fallen off considerably since the McKinley bill has been in force. A reduction of duties would certainly stimulate imports to a certain extent. It may seem astonishing that under the present high, almost prohibitive duties, goods could be imported at all. The class of goods imported consists in large measure in high class fancy goods. These goods are very difficult to manufacture, because they are made from a very high and fine grade of yarn. Futhermore, they are manufactured in comparatively small quantities. The American manufacturer does not care to produce goods of this class, because when he makes a style he wishes to produce large quantities of it, therefore goods that are not salable in large quantities are, as a rule, not manufactured in American mills. The European manufacturer found that there is less competition in this class of goods, and this gives him an opportunity to compete.

There is another circumstance which affords the foreign manufacturer a chance to sell his goods in the American market in spite of the disadvantages of a high tariff. This is the fact that there is a certain class of consumers in the United States who prefer imported goods simply because they are imported. The same goods of the same quality may be manufactured in this country and be sold at a lower price than the imported article. Still this class of consumers insist upon having the imported goods though they have to pay much dearer for them, and do not get any better value for their money. The weavers certainly have to take into consideration these tastes and serve their customers accordingly.

Here is a very important table which will bear investigation:

Production of woolen goods in the United States.

1840	$21,696,000
1850	42,207,000
1860	68,865,000
1870	199,036,000

This increase is the result of a high tariff.

1880	267,252,000
1890	338,231,000

Also a table showing the—

Importation of woolen goods into the United States.

1867	$58,719,754
1870	37,064,001
1880	35,365,992
1890	56,582,432
1891	41,060,080
1892	*39,792,000
1893	†36,993,000

*Duty, $34,293,000. †Duty, $36,448,000.

I see no reason why this duty should be reduced. It is a voluntary tax, and paid by people who think themselves too good to wear home-made goods, by the bucks who deck themselves in "weskits" and "top coats," and who travel with "luggage" and "book" themselves, who drop their h's and doctor their inflections and learn the London brogue; and who wear one eyeglass, because the Duke of Edinburgh has a defective eye, and who put arnica on their knees and elbows whenever the Prince of Wales falls off his cob while taking a ditch in the highlands. These servile mimics of royalty deem themselves "too bright and good for human nature's daily food," and they ought to pay a good stout tax as price of their sycophancy.

Our common people, the producers of the country, the yeomanry of the soil, wear American made goods produced in their country, and the price is fixed by home competition; they do not buy the imported goods, and so they pay none of the duty. The chairman of the Committee on Finance grows eloquent over this wool swindle, as follows:

With this fortress of greed and gain, dedicated now to the plunder and spoliation of the people, once overthrown, the whole system of tariff protection will receive its deathblow and totter to its early fall. A mighty advance towards such a result is made by the bill now before the Senate. In the list of reductions proposed by the bill it is most gratifying to be able to announce that the reduction of duty on woolen wear leads all others, and that wool itself is transferred to the free list. The reduction on iron, steel, lead, copper, zinc, and other metals are placed at $12,500,000, while a reduction of $23,500,000 is placed to the credit of the people on their woolen clothing and woolen household supplies.

You will notice he says nothing about tin plate.

The honorable gentleman must think that Lincoln's statement that "you can not fool all of the people all of the time" does not apply to the people of Indiana. His argument is a mockery of their intelligence, an allegation of their imbecility.

Mr. President, the Wilson bill is a swindle upon the people of South Dakota in every respect. It robs the farmers, it robs the tin miners and ruins our mica industries.

For instance, there are inexhaustible beds of mica in South Dakota and this mica is of the finest quality, both for sheet mica and for grinding and electrical purposes. If the duty is retained we will soon supply the United States and employ thousands of men. This bill puts mica on the free list and will stop our production and close our mines. The average price of mica in the United States from 1880 to 1885 was $2.50 per pound and it was imported free of duty. In 1881, large quantities of mica deposits were discovered in the Black Hills, South Dakota. The development of these mines was very rapid, as the mica was of superior quality, and in 1884 eleven mines were turning out a large product.

This caused the importers to reduce the price to about $1 per pound, and as wages were high in the Black Hills production ceased and every mine was closed by 1890. In that year a duty of 35 per cent ad valorem was placed upon mica, and the mines in the Black Hills were at once reopened and are now producing large quantities of the finest sheet mica in the world, and in addition to this fine sheet mica they are producing from three to four thousand pounds per month of the best electrical mica found in any country. The mine-owners are paying out thousands of dollars a month in wages, and if the duty is not reduced this amount will be doubled in three months, and will continue to increase.

The bill now before the Senate places mica on the free list, and will close every mine in South Dakota; and when this industry is destroyed the price will rise, as we shall be at the mercy of the importers who mine their mica in India with coolie labor that costs from 8 to 10 cents per day. If the present duty is retained I predict that within five years the products of this country will supply the home market, and this opinion is borne out by the report of the Geological Survey for 1889-'90, which shows that mica in paying quantities is distributed over a large portion of this country.

The product of mica in 1889 was 49,500 pounds, valued at $50,000 at the mines in the condition in which it was first sold. In addition to this, 196 short tons of scrap or waste mica were sold for grinding purposes, with a value of $2,450. The industry, as it plainly shows, has declined rapidly. In 1890 there were signs of improvement. The product aggregated 60,000 pounds, worth $75,000 at the mines. The scrap mica sold for grinding increased also to 300 tons.

Increased interest in mica properties was evident in 1890. There were some sales of mines in North Carolina and a company of greater capacity than usual was organized as the Western Carolina Mica Company. The modern apparatus which they have introduced bids well for a much greater yield in the future.

Cut mica produced in the United States from 1880 to 1890.

Years.	Amount.	Value.	Years.	Amount.	Value.
	Pounds.			*Pounds.*	
1880	81,669	$127,825	1886	40,000	$70,000
1881	100,000	250,000	1887	70,000	142,250
1882	100,000	250,000	1888	48,000	70,000
1883	114,000	285,000	1889	49,500	50,000
1884	147,410	368,325	1890	60,000	75,000
1885	92,000	161,000			

The States producing mica in 1889 were New Hampshire, North Carolina, Virginia, and South Dakota. Only one mine in Virginia, at Amelia Court House, was productive, and that was discontinued early in 1889. The mines in the West, where labor is higher, naturally felt the decline in prices most severely, and hence the New Mexican development was discontinued in 1888, and in the Black Hills only one mine remained in 1889 out of eleven in 1884. The occurrence of good mica has been determined in Wyoming and Washington, but the owners have not yet developed the mines. This is not surprising when the valuation for the mines determined by the Eleventh Census aggregates $691,550, and the returns for the year 1889 show a net loss for the entire industry.

The most encouraging outlook for the industry is in connection with the increasing use for the scrap mica, which accumulates in about the proportion of 10 pounds of waste to 1 of cut sheets, even when the cut sheets take in the smaller sizes now used for stoves. A large proportion of this waste is now ground and used for making lubricants, for insulators, and in wall paper.

In October, 1890, mica was placed on the dutiable list by the new tariff, with the duty of 35 per cent ad valorem. It had previously been imported free. The imports for the year, especially before the law went into effect, were exceptionally heavy—more than double the value of the imports in any previous year. This undoubtedly provides for an accumulation of stock beyond immediate needs.

Unmanufactured mica imported and entered for consumption in the United States, 1869 to 1890, inclusive.

Years ending June 30—	Value.	Years ending June 30—	Value.
1869	$1,165	1881	$5,839
1870	226	1882	5,175
1871	1,460	1883	9,884
1872	1,002	1884	28,284
1873	498	1885	28,685
1874	1,204	Years ending December 31—	
1875		1886	56,354
1876	569	1887	49,085
1877	13,035	1888	57,541
1878	7,930	1889	97,351
1879	9,274	1890	207,375
1880	12,562		

What reason can be given why this industry should be destroyed? Is it a crime that an American, a citizen of this Republic, can not mine mica in competition with the worse than slave labor of India? I will leave this question for the authors of this bill to answer to the people of my State next November.

The chief industry of the people of South Dakota is farming. Let us see how the farmers fare. The following of the products of the farm are transferred to the free list from the dutiable list by this bill:

Article.	Duty, act of 1890.
Wool	12 cents per pound.
Milk	5 cents per gallon.
Broom corn	$8 per ton.
Cabbage	3 cents each.
Cider	5 cents per gallon.
Eggs	5 cents per dozen.
Eggs, yolk of	25 per cent ad valorem.
Garden and other seeds	20 per cent ad valorem.
Straw	Do.
Bacon and hams	5 cents per pound.
Meats of all kinds	25 per cent ad valorem.
Lard	2 cents per pound.
Tallow	1 cent per pound.
Flax straw	$5 per ton.
Flax, dressed	1½ cents per pound.
Tow	½ cent per pound.

The following table shows the reductions that have been made in the duty on farm products:

Article.	Act of 1890.	Senate-Wilson Bill.
Oats	15 cents per bushel	20 per cent ad valorem.
Oatmeal	1 cent per pound	15 per cent ad valorem.
Rye	10 cents per bushel	20 per cent ad valorem.
Rye flour	¼ cent per pound	Do.
Wheat	25 cents per bushel	Do.
Wheat flour	25 per cent ad valorem	Do.
Rice	2 cents per pound	1¼ cents per pound.
Butter	6 cents per pound	20 per cent ad valorem.
Cheese	....do	25 per cent ad valorem.
Beans	40 cents per pound	20 per cent ad valorem.
Hay	$4 per ton	Do.
Honey	20 cents per gallon	Do.
Hops	15 cents per pound	Do.
Onions	40 cents per bushel	Do.
Peas	40 cents per bushel	20 per cent ad valorem.
Horses and mules	$30 per head	Do.
Horses and mules, value over $150.	30 per cent ad valorem	Do.
Cattle	$10 each	Do.
Hogs	$1.50 per head	Do.
Sheep	....do	Do.
Sheep, less than one year	75 cents each	Do.
All other live animals	20 per cent ad valorem	Do.
Barley	30 cents per bushel	30 per cent ad valorem.
Barley malt	45 cents per bushel	40 per cent ad valorem.
Pearl barley	2 cents per pound	35 per cent ad valorem.
Buckwheat	15 cents per bushel	20 per cent ad valorem.
Corn	....do	Do.
Corn meal	20 cents per bushel	Do.
Potatoes	25 cents per bushel	30 per cent ad valorem.
Flaxseed	30 cents per bushel	20 cents per bushel.
Vegetables, prepared, preserved, etc.	45 per cent ad valorem	30 per cent ad valorem.
Vegetables, raw	25 per cent ad valorem	10 per cent ad valorem.
Poultry, live	3 cents per pound	20 per cent ad valorem.
Poultry, dressed	5 cents per pound	Do.

I do not know of any crime that the farmer has committed that he should be deprived of protection and his home market turned over to Canada and the other people of the earth. The farmers never combine or form trusts to put up prices; they are the bulwarks of our institutions and compose half of our population; they believe in protection. It was not the farmers that put Grover Cleveland in the White House; it was the laborers in the factories of New York, Connecticut, New Jersey, Delaware, and Indiana. Why, then, should the market for farm products be turned over to people who live in other countries? I wish to warn Democrats who are manufacturing goods for the American market, for the American farmers, that if this bill passes the

farmers of the West may join with the South and do that which will injure them and ruin you, enact free trade and collect the revenues to run this Government by a tax on luxuries and an income tax. From now on the West is going to have fair treatment, and that is all we ask.

BARLEY.

Before the McKinley act was passed the duty on barley was 10 cents per bushel, and we imported as follows:

Year.	Crop of United States.	Imported from Canada.	Total.
	Bushels.	*Bushels.*	*Bushels.*
1887 (United States Department of Agriculture)	56,812,000	10,351,895	67,163,895
1888 (United States Department of Agriculture)	63,884,000	10,445,751	74,329,751
1889 (Commissioner's estimate)	65,000,000	11,365,881	76,365,682
1890 (Commissioner's estimate)	63,000,000	11,327,052	74,327,052
1891 (Commissioner's estimate)	75,000,000	5,076,471	80,076,471
1892 (Commissioner's estimate)	70,000,000	3,144,918	73,144,918
1893 (United States Department of Agriculture)	69,869,495	1,969,761	71,839,256

Thus we imported from Canada 11,327,000 bushels of barley and 213,000 bushels of malt during the year ending June 30, 1890, which paid a duty of 10 cents per bushel. Under the tariff act of 1890 we imported 1,969,000 bushels of barley and 24 bushels of malt during the year ending June 30, 1893, and importation will at once commence under this bill, taking the market from the American farmer and giving it again to the Canadian farmer without any reason for it whatever. Can the author of this bill give any reason for this? But I do not think it is fair to ask any reason of them, for this bill is not based upon reason; that quality of the human mind was not used in framing any of its paragraphs; but the American farmer will ask you why you prefer to buy ten or twelve millions of bushels of barley from the Canadian farmer in preference to taking it from the home producer.

The demand for barley in this country is from sixty-five to seventy million bushels per year, and under current conditions we produce enough for our own use, as the following table shows:

Report of barley crop of 1893, by Department of Agriculture.

States and Territories.	Acres.	Bushels.	Values.
Maine	14,184	370,202	$248,035
New Hampshire	5,081	128,540	89,984
Vermont	17,945	493,488	296,093
Massachusetts	1,821	46,071	41,464
Rhode Island	370	9,324	8,112
New York	270,612	5,493,424	3,296,054
Pennsylvania	18,529	352,051	176,026
Texas	2,757	39,977	24,786
Tennessee	2,946	44,485	24,467
Kentucky	4,763	80,971	41,295
Ohio	34,955	793,479	372,935
Michigan	80,199	1,315,264	644,479
Indiana	7,420	147,658	66,446
Illinois	30,978	718,690	287,476
Wisconsin	459,356	11,024,784	4,740,657
Minnesota	419,367	9,268,011	3,336,484
Iowa	513,233	11,599,066	3,827,692
Missouri	1,633	32,660	13,064
Kansas	15,847	128,361	60,330
Nebraska	76,690	920,280	285,287
South Dakota	155,015	2,387,231	787,786
North Dakota	186,964	2,841,853	880,974
Montana	5,183	156,008	78,004
Colorado	12,944	366,315	183,158
New Mexico	1,543	33,329	19,331
Arizona	11,073	298,971	155,465
Utah	6,303	236,993	106,647
Nevada	7,869	280,923	168,554
Idaho	10,297	308,910	163,722
Washington	46,408	1,860,961	725,775
Oregon	37,360	975,096	390,038
California	760,716	17,116,110	7,188,766
Total	3,220,371	69,869,495	28,729,386

The table following shows the decline in the importations of farm products from Canada to the United States under the present tariff law. As the reduction of imports on farm products amounted to over $3,491,000 in 1892, as compared with 1890, before the McKinley law went into effect, the advantage of the present law is apparent: the demand for farm products was increased to that extent. What has the American farmer done that he should suffer the punishment and relinquish this market to the Canadian farmer? Yet the Wilson bill, advocated by the eminent verbal friend of the farmer from Indiana, does this very thing.

Exports to the United States from Canada in the two years 1890 and 1892 compared.

Articles.	1890.	1892.	Decrease.
Horses	$1,887,895	$1,094,461	$793,434
Horned cattle	104,623	21,327	83,296
Poultry	105,612	44,537	61,075
Eggs	1,793,104	494,409	1,298,695
Wool	235,436	200,125	121,818
Flax	175,563	112,300	63,203
Apples	149,479	27,661	121,818
Barley	4,582,561	1,354,485	3,228,076
Split pease	74,215	20,460	53,755
Hay	922,797	598,567	324,230
Malt	149,310	20	149,290
Potatoes	308,915	41,886	267,029
Vegetables	80,976	68,948	12,028
Total	10,570,486	4,079,186	6,491,300

Our total trade with Canada for 1890, 1891, 1892, and 1893 was:

Year.	Exports.	Imports.	Excess of exports.
1890	$41,500,000	$39,300,000	$2,100,000
1891	39,500,000	39,400,000	100,000
1892	44,500,000	35,300,000	9,500,000
1893	48,600,000	38,100,000	10,500,000

In examining the foregoing tables it will be seen that the duties on farm products in almost every case are changed from specific to ad valorem duties. In fact this is true of the whole bill. Ad valorem duties are specially favored by free traders, and this feature is about the only free-trade feature of the bill except as to farm products. Ad valorem duties are always the duties imposed by ignorance, and they are always the cover for frauds on the revenues by undervaluation. They encourage perjury, and in every case where there is overvaluation the importer will pay the duty under protest, sell the goods, and then sue the Government and recover the duty in the courts.

Ad valorem duties are expensive to collect. Experience has taught this lesson, yet the able manufacturers and expert financiers from Arkansas, Texas, and Missouri who made a present of this bill to the Senate and vouch for its wisdom refuse to be taught by experience; and the chairman of the committee still has his eyes on the dear farmers of Indiana and thinks it will not hurt them to be fooled again, so in his speech he extols ad valorem duties, saying:

> An ad valorem system of duties on imports was never a delusion or a snare to even the humblest and most uneducated in the land.
> Light and instruction are to be found in every line of an ad valorem tariff while darkness and deception lurk in every principle of specific rates of duty.

Let us see what Thomas Benton thought of ad valorem duties. I quote from volume 2, page 311, where he refers to the ad valorem tariff of 1833–'34:

> The expenses of collecting the duties under the universal ad valorem system, in which everything had to be valued, was enormous and required an army of revenue officers—many of them mere hack politicians, little acquainted with their business, less attentive to it, giving the most variant and discordant valuations to the same article at different places, and even in the same place at different times, and often corruptly; and more occupied with politics than with custom-house duties. This was one of the evils foreseen when specific duties were abolished to make way for ad valorems and home valuations. Mr. Charles Jared Ingersoll exposed this abuse in the debate upon this bill, showing that it cost nearly $2,000,000 to collect thirteen; and that two thousand officers were employed about it, who also employed themselves in the elections.

On page 183, volume 2, Benton makes the following statement as to ad valorem duties:

> The introduction of the universal ad valorem system in 1833 was opposed and depreciated by practical men at the time as one of those refined subtleties which aimed at an ideal perfection, overlooking the experience of ages and disregarding the warnings of reason. Specific duties had been the rule, ad valorem duties the exception from the beginning of the collection of customs revenues. The specific duty was a question in the exact science dependent upon a mathematical solution by weight, count, or measure, the ad valorem presented a question to the fallible judgment of men, sure to be different at different places and subject, in addition, to the fallibility of judgment, to the chance of ignorance, indifference, negligence, and corruption.

To-day every nation in Europe imposes specific duties.

I will leave the able chairman of the Finance Committee to quarrel with the potential lessons of history. I leave him in the amusing attitude of trying to get into bed with Old Bullion, who never permitted any ad valorem thimblerigger of his own time to rest for a single minute under the same coverlet with him. How Old Bullion would roar with rage if he could know

that it is sought to-day to make him a co-conspirator in this plot to reverse all the wheels of our industrial progress! It is as Macaulay says of James the Second and his historian:

In politics, as in religion, there are devotees who show their reverence for a departed saint by converting his tomb into a sanctuary for crime.

SUGAR.

The bounty on sugar should be retained; in fact the law should be so amended as to provide that the Treasury Department could make contracts, irrevocable for fifteen years, with producers of sugar. The soil and climate of South Dakota are peculiarly adapted to the production of the highest order of sugar beets. The soil is rich, warm, and quick, and in summer the days are warm and the nights cool, and thorough tests made in the laboratory of the Agricultural College at Brookings, S. Dak., show that beets grown in that State have the highest per cent of sugar of any in the world, ranging from 12 to 22 per cent. There are millions of acres of land where the sugar beet reaches the highest state of perfection without irrigation.

This is true of all that portion of the State east of the Missouri River and of much of the State west of the river. The James River Valley alone could produce all the sugar the people of the United States would require. This valley is 200 miles long and 50 miles broad in South Dakota, and contains 6,400,000 acres of the finest sugar-beet land in the world and all capable of irrigation. The soil of this valley is as rich as the soil of the Yellow River Valley in China, and that valley has sustained a population of one person to each acre on 150,000,000 acres of its area for over four thousand years without any diminution of its productive qualities.

Underlying this great valley of the Dakota River at a depth varying from 1,000 feet at its north end to 600 feet at the south end is a formation of very porous sandstone about 100 feet thick. This sandstone extends westward, trending upward, to the Rocky Mountains, where, at an elevation of thousands of feet above the valley, its vertical edge reaches the surface, and is crossed by all the streams which flow down the eastern slope from the Continental Divide. By measurement it is known that the Missouri River, the Yellowstone, and the Big Horn lose a large part of their volume in crossing this sandstone. To the east this layer of sandstone ends abruptly against a wall of quartzite on the east side of the valley of the James River in South Dakota.

Several hundred wells have been sunk into this sandstone along the whole length of this valley, with the same unvarying result. In every instance a flow of water has been struck, spouting like a geyser, varying in volume from four to ten millions of gallons per day, according to the size of the well, and showing a pressure of over 150 pounds to the square inch. Some of these wells have been running for ten years without any decrease in the volume or pressure. This tremendous force is being used to furnish fire protection to the cities and towns along the valley, to run flouring mills, electric dynamos for lighting and power, and for irrigation.

The supply of water is inexhaustible, and this whole valley can be irrigated and produce 24 tons of sugar beets per acre instead of the crop of 15 tons now produced, besides furnishing power to run all the machinery for making the sugar. One million acres of the land in this valley would produce 4,000,000,000 pounds of sugar, which is the total consumption of the people of the United States, leaving 5,400,000 acres for other crops. Two great factories would have been built in this valley this year if it were not for the threat of the Democratic party to repeal the bounty. Retain this bounty and Dakota will furnish you with sugar.

The following table shows the profit of sugar-beet culture in California. The same results can be produced in South Dakota, and better results in the James River Valley if the bounty is retained.

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 $4.05		$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, $55.07.

Gustafson Brothers, 10 acres:		
230 tons of beets, at $4.03 per ton		$910.78
Plowing, planting, and cultivating	$33.22	
Seed	12.00	
Thinning	57.15	
Weeding	20.00	
Topping	75.15	
Plowing out and hauling	125.50	
Total		323.42
Net profit		587.36

Net profit per acre, $58.75.

Mr. H. H. Wilson, in his report to the United States Geological Survey describing irrigation in India, says:

Because of the similarity of the country, climates, and conditions under which irrigation works are operated in America and India, some useful lessons may be drawn from their comparison. It has already been shown that the conditions of the utilization of the waters of irrigation works are quite similar in the two countries, and that the autumn crop in India is cultivated under circumstances almost identical with those under which our ordinary crops are grown in the arid (subhumid) regions.

In that part of South Dakota where irrigation is frequently needed it has thus far largely been obtained from wells, almost exactly similar to those which give humidity to vast areas in the Punjab. At Aberdeen, S. Dak., they have several wells for irrigation and fire protection, and they also furnish power to pump sewage to the adjacent lands, besides supplying water to the houses. The well at Redfield furnishes water for the town and runs the machinery of the electric-light plant. The Hitchcock well runs a 100-barrel flouring mill by the direct and natural pressure of the flow. At Huron is the "Great Risdon well," which, however, is little larger than the others. It throws a steady 2-inch stream of water 176 feet straight into the air and a solid column of 4 inches in diameter 67 feet high before it breaks. And this it has been doing for three years and a half. It supplies water and irrigates the adjacent land.

There are fully two hundred wells in South Dakota to-day, each of which is nearly or quite as large as the "Great Risdon." At Woonsocket an immense well supplies water for drinking and irrigation, and runs a hundred-barrel flouring mill besides. At Mitchell, Springfield, and Chamberlain are similar wells running flour mills and furnishing water for irrigation, every domestic purpose, and the extinguishment of fires; and at Yankton there are several such, most efficient and valuable. Congress made an appropriation of $5,000 for a well at the Indian school at Pierre. This well was sunk and ever since has spouted like a geyser, throwing 4,000,000 gallons of hot water a day. This is not only used for domestic and sanitary purposes but it has a peculiar if not unique property of being inflammable, being so impregnated with gas that escaping burns freely when ignited.

To revert once more to Wilson's most valuable and significant report from India: In the Punjab the cost of irrigation works was approximately $31,000,000; the crops of the first year paid for two-thirds of it where there were no crops before.

Irrigation by wells is common in all parts of India. In Sind 220,000 acres are covered with water obtained from wells; in the central provinces 120,000; in Madras 2,000,000 acres; in Coimbatore 200,000; in the northwest provinces 400,000. It is estimated, indeed, that in the various provinces of this great empire water is drawn for irrigation purposes from not less than a million wells. The Punjab supports 34,000 villages averaging more than 1,000 persons each, or about 250 persons to the square mile.

South Dakota at the present time supports 5 to the square mile, or one-fiftieth as many. England maintains a population of 500 to the square mile, Flanders 750, and some large districts of China 1,000 to the square mile. If South Dakota, by the establishment of adequate irrigation works over that part of the State where they are needed, should gather to herself 250 people to the square mile, like the semiarid slopes of the Punjab, she would have a population of 20,000,000 people, and as the wells of the Punjab extract the subsurface waters which percolate the lower soil south of the Himalayas, so the wells of South Dakota give egress to the subsurface waters held in the porous sandstone stratum which descends the eastern slope of the Rocky Mountains.

According to the myths of the ancient peoples water was the first thing created in the universe. The ukase of the great Akbar in 1568 declared, "God has said from water are all things

made," and the ukase finds its confirmation in the analogue that a plenteous supply of water is indispensable to a luxuriant vegetation and that a rich soil in an equable climate with enough water will grow several crops a year.

In the Department of the Lozere in France, irrigation has quadrupled the value of land; in New South Wales irrigation by wells has vastly increased the capacity of the country to support a dense population; in South Africa irrigation by wells is redeeming land which has not one-quarter of the rainfall of Dakota; the province of Valdivia in Chile has less water than South Dakota, and finds its redemption in irrigation; all the Andine provinces of Argentina are arid, but by a simple system of irrigation they are being transformed into islands of paradise in which grow luxuriantly all the products of the temperate zone.

In the north of Italy irrigation is largely attained through deep wells and pumps, and one of our French consuls has reported that—

The department of the Bouches-du-Rhone offered all the difficulties imaginable in connection with the supply, control, and distribution of water, and they have been overcome till multiple crops are obtained. Hay is often cut five times during each season and the land is pastured after the fifth crop is removed.

Mr. President, give us equitable laws and fair play, and South Dakota asks no odds of any State of the Union or any portion of the planet. Born from a primeval wilderness during this generation, she has doubled her population four times in the last ten years and been accepted as an equal member of the sisterhood of States during the lustrum not yet ended. She asks for justice under the law, but she does not ask for and would not accept any special privileges. She is too populous to plead weakness; too rich to plead poverty; too noble and self-respecting to receive any largess at the hands of others. If her past has not been without local afflictions and transient losses, her future is aglow with magnificent promise. Where a hundred have withdrawn from her soil because their too ardent expectations were not realized, a thousand hopeful and industrious settlers going in have met them at the boundary.

I make no claim that the conditions that South Dakota presents are ideal in their excellence. She lies in that belt which comprises the finest wheat land in the world and the richest grazing land in the world, and she would be tolerably "happy with either." She will be prosperous in the future just in proportion to her success in providing against the subhumid conditions which frequently prevail in a portion of her area. Her people are brave, enthusiastic, industrious, persistent, enduring, and possessed of the masterful qualities which build up empires. They ask for neither alms nor sympathy, and would resent the offer of either; but, just because they are so spirited and self-reliant, they will not tamely consent to be plundered by law or despoiled in the name of the taxgatherers.

They will not allow you to plunder them doubly—to compel them to compete in their products with the kern and serf and slubberdegullion of the European and Asiatic lower world and at the same time tax them heavily on all they have to buy from New England. And, in close accord with all the people of the West, they ask that a small portion of the revenue of this great land be henceforth transferred from the reconstruction of rivers and harbors to the development of irrigation processes. They ask—and they put their request in the formal and potent shape of a demand—that voluptuous idleness shall wait a little on hard-pushed industry; that the wealth of the East shall no longer be built up and pampered at the expense of the hard-working frontiersman. They ask that the next great enterprise on which this Republic engages shall be a thorough, rapid, and comprehensive irrigation survey of the entire arid and subhumid regions of the continent, so that we may gradually more and more come to realize the dream of unexampled prosperity which history and observation have justified us in entertaining.

The valleys of South Dakota also produce the finest flax straw in the world, and if the duty is retained 1,000,000 more acres, irrigated by these marvelous wells, will produce all the material for all the linen used by our people, and the power produced by the pressure of their flow will drive the machinery to make it into the finished product. Stimulated by the duty imposed by the present law, American ingenuity discovered the process by which flax straw, which has been heretofore raised for the seed and considered valueless, can be made into the finest fiber, can be retted in twenty-four hours and scutched by machinery. In Europe this work requires weeks of time and much labor. Retain the present duty and South Dakota will furnish you your sugar and your linen, and the valley of the James will be a teeming hive of industry and wealth, such as the world never saw before.

Why should these grand resources of nature go undeveloped; why should we buy of others when we can increase our wealth and happiness by doing the work ourselves? What we want is to retain the duty upon flax fiber and linen, and in ten years we will export these articles. American genius has made a start; the problem is solved, and machinery will soon do the work of the hand of man in the production of linen at half the present cost.

WOOL.

Mr. President, I am not going into the discussion of the wool question, but I wish to say that no person can represent the people of South Dakota more than one term in Congress who votes to destroy the flocks of sheep in that State. In 1890 there were 338,000 sheep in South Dakota; to-day there are 540,000. Stimulated and encouraged by the tariff act of 1890, our people increased their flocks and were prosperous, but the blighting curse of a Democratic victory in 1892 destroyed two-thirds of their property; and the sheep industry without protection must be abandoned in South Dakota. You tell our farmers to do something else if you can not raise wool in competition with the wandering Tekkes of the Mirve oasis, who live in a hut on half a dime a day and have no schools nor churches.

Kill your flocks if you can not produce wool at 7 cents per pound. The wandering millions of Central Asia can do it. They hold a lower place in the scale of civilization than they did two thousand years ago. Live as they do, or quit raising wool. This is what the Democratic party says to the farmer of Dakota. Shall we raise wheat? Our competitor in this industry is the miserable ryot who tills the fertile soil of the Punyab for 10 cents a day—soil upon which he and his ancestors have lived since the days of the creation, but soil which he does not own, and for the use of which he pays tribute to some idler.

The freight on a bushel of wheat from Dakota to New York is 25 cents per bushel; from India or the Argentine to New York it is 12 cents per bushel. Without a tariff on wheat it will not be many years until Indian and South American wheat will be sold in New York, and we will not export a bushel. But the industry of wheat-raising is already ruined. The bounty resulting to silver-using countries by the decline in silver has stimulated their exports and production and reduced the gold price of wheat to the lowest point in the history of the world; so legislation has already ruined the wheat-raiser, and you say by this bill you shall not raise sugar or flax, and we will turn your barley, hay, and egg market over to Canada.

Mr. President, the duty on corn is reduced from 15 cents per bushel to 20 per cent ad valorem. This will admit corn from the Argentine Republic for a duty of less than 5 cents per bushel, and the account will stand thus: Price of corn in South Dakota, 25 cents per bushel; freight to New York, 25 cents per bushel. Argentine corn, 25 cents per bushel; duty, 5 cents per bushel; freight to New York, 12 cents per bushel. Cost in New York—1 bushel Dakota corn, 50 cents; 1 bushel Argentine corn, 42 cents.

I see no reason why all the seaboard cities of this country should not buy their corn in Argentine if the bill passes, and thus despoil Dakota of the market. When the McKinley bill was under consideration I investigated this question, and I found that with a duty of 10 cents per bushel Argentine corn could be sold in New York at a profit, and the largest manufacturers of starch in Brooklyn were considering the question of commencing importations. I therefore presented these facts to the House Committee on Ways and Means and the duty was increased to 15 cents per bushel.

In the face of these facts I suppose you will pass the bill and next fall appeal to the farmer to vote the Democratic ticket, and the gentleman from Indiana will tell them how much he loves them I do not know that I blame the Senator for trying to fool the farmer. He has done it all his life with success.

Mr. President, the chairman of the Committee on Finance calls the attention of the Senate to the Walker tariff of 1846 as being the embodiment of wisdom upon this subject, and he attributes the great prosperity which followed its enactment to that measure. On the contrary, I contend that the Walker tariff had nothing to do with the prosperity of the country for the ten years following its passage. The people of the United States were at that time engaged in agricultural pursuits and in commerce; we owned more wooden vessels than any other nation in the world, owing to our vast forests of timber; we could build ships cheaper than anyone else. We declared war with defenseless Mexico in 1846, and thus took a large number of our people out of the producing class, and they became consumers alone. This would, and did, cause a temporary rise in prices.

Immediately after enacting the Walker tariff a terrible famine occurred in Ireland and the next year all Europe had a short crop, followed by revolutions all over Europe in 1848. These causes alone were sufficient to cause a great demand for our farm products in Europe and a demand for our ships to carry these products, thus producing prosperity for the time. But the real cause of our prosperity was the discovery of gold in California, which, in less than two years, drew over two hundred thousand of our youngest and most vigorous people to the shores of the

Pacific and so enlarged our volume of money that prices rose with leaps and bounds.

In 1845 prices had reached the lowest point of any time since just before the conquest of Peru and the discovery of Potosi, owing to the decline in the volume of the metallic money of the world; but the outpouring of this vast volume of gold from the sands of California changed all this; brought rising prices, smiling faces, and prosperity to protection and free-trade countries alike. The following from the English historian, Alison, in relation to the effect of the discovery of gold in California and Australia is of interest in this connection:

> The era of a contracted currency, and consequent low prices and general misery, interrupted by passing gleams of prosperity, was at an end. Prices rose rapidly, and rose steadily; wages advanced in a similar proportion; exports and imports enormously increased, while crime and misery as rapidly diminished; emigration itself, which had reached (in 1852) three hundred and sixty-eight thousand persons a year, sank to a little more than half that amount. Wheat rose from 40*s.* to 55*s.* and 60*s.*, but the wages of labor advanced in nearly as great a proportion; they were found to be about 30 per cent higher on an average than they had been for five years before. In Ireland the change was still greater, and probably unequaled in so short a time in the annals of history. Wages of country labor rose from 4*d.* a day to 1*s.* 6*d.* or 2*s.*; convicted crime sank nearly a half, and the increased growth of cereal crops under the genial influences of these advanced prices was for some years as rapid as its previous decline since 1846 had been. At the same time decisive evidence was afforded that all this sudden burst of prosperity was the result of the expanded currency, and by no means of free trade, in the fact that it did not appear till gold discoveries came into operation, and then it was fully as great in the protected as in the free-trade states.

The results described by Alison may be again produced by remonetizing silver at a ratio of 15½ or 16 to 1.

In addition to all these causes, in 1853 the three greatest nations of Europe, England, Russia, and France, commenced the Crimean war, which lasted until 1856 and stopped all exports of wheat from the Black Sea. But with the close of this war and the decline in the production of gold in California, did the Walker tariff save us from disaster? Upon the removal of exceptional and transient influences and within one year the panic of 1857 occurred, one of the worst in our history, wrecking all industries. Mr. President, I am convinced, after a careful study of the period from 1846 to 1857, that if the Walker tariff had been one of protection so high that factories would have sprung up in this country instead of the practically free-trade ad valorem fraud that it was, thus sending all our gold and all our farm products to Europe to pay for goods we should have produced ourselves, we could have dated the growth of our permanent prosperity as a nation from 1846 instead of from the date of the adoption of the Morrill tariff of 1861. For my part I can not understand how any Democrat can ever allude to anything his party did during its long lease of power from 1846 to 1861. If I were a Democrat I would hide my face in shame whenever that page of the party's history was referred to.

The Democratic party won the victory and elected Polk President on a platform which declared we would never surrender our just claim to the Pacific coast and the country west of the Rocky Mountains from the mouth of the Columbia River to Alaska, and the campaign cry in the North was "Fifty-four forty, or fight." This country in the far Northwest was ours by right of discovery. England disputed our title, and a treaty had been made for its joint occupation pending a settlement of the question. "Fifty-four forty, or fight," was a good campaign cry, but the moment Polk was inaugurated, Buchanan, then Secretary of State, made a treaty with England by which we agreed to the forty-ninth parallel as the north boundary of the United States to the Pacific Ocean, and thus we surrendered a vast empire that was ours in order to attack with safety a sister Republic on the south and rob her of her territory.

We had annexed Texas in 1845, and now the Democratic party, ever the servant of slavery, surrendered a vast empire which belonged to us because its climate, adapted as it was to the production of men and possessed of vast natural wealth, was not adapted to the raising of sugar and cotton, and more territory must be had out of which to carve slave States. War was at once declared against Mexico and her territory invaded. After repeated victories the City of Mexico surrendered, and we took as much of the territory of Mexico as we chose. Hoping to advance the interests of slavery upon this continent, we surrendered the coasts of the Pacific for a distance of 400 miles, extending east to the east side of the Rocky Mountains; a country vast in area, rich in every resource, with a climate suited to the production of a race of hardy men capable of self-government. Can as much be said of Texas? A warm climate, free institutions, and civilization do not occur together, and a first-class man and a banana will not grow upon the same quarter section. If I had my way, even now, and it were possible, I would say to Mexico, "Take back Texas and give us the valley of the Frazier River, with its golden sands, its iron and coal, and its vast forests, and, above all, its winter snows, home fireside, and family circle—guarantees of a high civilization."

The first act of the Democratic party when last in full power was to surrender this fertile country to England—a country stretching from the Rocky Mountains to the sea and from Puget Sound to Alaska, and larger than New York State and all New England. It is fitting that the first act of the same party after regaining power, once more under the leadership of Texas, should be to surrender and turn over the market for farm products to the same country to which it once shamefully surrendered our Northwestern New England.

The next act of infamy in its record was to enact the Walker tariff with its ad valorem duties and foreign valuations, to rob us of our gold and prevent us from doing our own manufacturing. Not content, it repealed the Missouri compromise and commenced a disgraceful struggle to make Kansas a slave State, sending in its ruffians from Missouri and Texas to commit crimes which are a blot upon our history which time can not efface, and all this in conspiracy with James Buchanan, a Democratic President; and, to crown all, it went out of power in 1861, leaving the loyal country with a bankrupt Treasury.

To the cotton-raisers of the South I wish to say: This bill will give you no relief. If you thoughtfully examine the tariff as it now is you will find that you pay less of it than you will pay with a proposed duty on sugar. Your people wear few woolen goods; you are suffering from a decline in the price of your cotton, resulting from the appreciation of gold and from silver-using India's competition. You may pass this bill, but you will not be prosperous; you will find yourselves less prosperous; and if you remain upon a gold basis, your cotton will sell for 5 cents a pound within a year, and will ultimately go lower still.

I might implore you, gentlemen of the South, to forget the past and join us of the West in demanding free silver and a protective tariff, for if we would be rich and prosperous as a nation we must do our own work and furnish our people with the tools to do it. But, I know it is useless to appeal to you; you are following the lead of Grover Cleveland, who, influenced by motives which I will not trust myself to define, is bound to an English gold basis and British free trade.

If the Wilson bill passes prosperity will not come to the South. A few factories may start up; but, with the gold standard, prices will continue to fall, resulting in enforced idleness and in the agony and misery always accompanying the process of turning the property of producers over to the owners of the credits. The owners of the credits will then say, as they now say, "It is the Wilson bill which causes all this trouble," and in the next campaign the tariff alone will be the issue, and so I fear that the actual and legitimate issue—money for all the people—will be obscured, and the creditor classes will be thus enabled to fasten their grasp more firmly upon the property of the country.

But the South always votes for Democratic measures right or wrong, through thick and thin; it finds occasional relief in profanity, but its heart is true and its allegiance faithful; its devotion is like that of Tom Moore's lovers, for it can not imagine what a party was ever made for—

> —If it is not the same
> Through joy and through torment, through glory and shame.

It obviously thinks that an independent opinion is impiety; and so it shuts its eyes, opens its mouth, and takes the medicine.

On the other hand, if the Wilson bill is defeated, prosperity will not return; but the creditors can no longer claim it is the tariff that causes the disaster, and they will be forced to face the real issue, the question of enlarging the volume of metallic money, with victory assured to those who plead the cause of the toiling masses, the real producers of the nation's wealth. We can not have free trade and a gold standard, for the balance of trade will be against us, as it is against all nations who produce raw material, and our gold would leave us and leave nothing in its place to do the work, and while we would be nominally on a gold basis, in reality using an irredeemable paper currency. I am convinced that the only people who hold a logical position in this controversy are the silver men of the West, who insist that the free coinage of silver and a protective tariff go hand in hand; that this is the true doctrine of the Republican party, and that upon this platform alone can the Republican party remain in power.

Mr. President, I have a feeling which approaches contempt for those representatives of New England and the East in this body who, in making tariff speeches, have shown a silver lining to the dark cloud of their insincerity. For twenty years, and up to date, they have voted on every occasion to destroy silver and put the country on a gold basis; and having accomplished their object and ruined the silver, cotton, and wheat producers, and in fact all other producers, they now turn to us and smile and say, "We are friends of silver." I want to say to you, gentlemen of the East, we are going to vote with you against this Wilson fraud from principle, because we believe in protection to American laborers and American industry. Your smiles and

your talk about silver do not deceive us one particle; we despise your cunning and your duplicity.

You want a tariff so that the things you manufacture shall not suffer the decline in price resulting from the appreciation of gold; and you want a gold standard so that your credits may command more and more of our food products and raw material, and so that your promise for the future delivery of gold may become more and more valuable. Your position may be cunning, but it is inconsistent and dishonest. You say, "We must have a gold standard so we can pay the balance of trade which may be against us," and in the same breath you say, "We do not want to trade with the gold-using countries, as they produce the same manufactured goods we do, and we want to build a tariff wall against them."

Why, then, I ask, do you want financial unity with these nations against which we wage unceasing industrial warfare? I have already given the reason; you wish to plunder the producers by the growing value of your credits; you wish to take an unearned increment at the expense of enterprise. We say we will join you in a tariff for protection because we do not wish to trade with gold-using countries and you must join us in financial unity with the silver-using countries of the world, because they are the countries which produce the things we can not produce and are the people with whom we should trade. The balance of trade is always in our favor with the gold-using countries, while we buy of silver-using countries over two hundred millions a year more than they buy of us. The following table shows the silver-using countries that sell us more than we buy of them and the net balance of trade against us for the years 1891, 1892, and 1893:

Country.	1891.	1892.	1893.	Population.
Argentine	$3,000,000	$2,500,000	$250,000	4,000,000
Brazil	69,000,000	104,000,000	63,000,000	10,000,000
Central America	3,000,000	3,500,000	2,600,000	2,700,000
China	10,600,000	11,800,000	15,700,000	400,000,000
Colombia	1,580,000	900,000	500,000	4,000,000
Japan	14,500,000	20,500,000	24,000,000	37,000,000
Mexico	12,300,000	13,800,000	13,900,000	11,000,000
Dutch East India	4,600,000	5,500,000	7,500,000	----------
Santo Domingo	600,000	1,200,000	1,200,000	500,000
India	19,000,000	21,000,000	23,000,000	290,000,000
Uruguay	1,200,000	1,500,000	600,000	600,000
Venezuela	7,200,000	6,200,000	----------	2,200,000
Cuba	49,500,000	60,000,000	55,000,000	1,500,000
	196,000,000	255,000,000	208,200,000	763,500,000

We of the West have a right to dictate in this matter, as we produce the things which pay this balance of trade against us.

These are the nations, embracing much more than half of the people of the earth, with whom we should make a bimetallic agreement for the free coinage of both gold and silver on a ratio of 15½ or 16 to 1. We should have done it years ago. But it is not yet too late if done at once, and the action will place us at the head of the nations of the world and make us the leaders in finance, manufactures, and commerce. They have never learned to use gold very much, and prefer the silver with which they are familiar. They resemble the boy in the Heart of Midlothian, who pushes away the lady's guineas with contempt, and insists on having the white money. We now pay them in gold.

If we should amend this bill so as to provide for an agreement with silver-using nations for the free coinage of silver we should at once raise the price of the white metal to $1.30 per ounce, and simultaneously the price of our wheat to $1 per bushel and our cotton to 10 cents per pound. It would then take less of the products of our toil to pay the interest on the money we owe England, for, with the rise in the price of silver, the gold price of everything will rise as a result of the enlarged volume of metallic currency.

Upon this platform, then, and on this alone, we can continue to act with New England. We are the debtors, and while we do not ask that our debts shall be scaled down, we do insist that it shall take no more of the results of our toil, no more of our products to pay the debts when due than it took when the debts were contracted. Our position is patriotic, for while we resist the robbery of the producers by our own citizens who are creditors, we also prevent the foreign creditor from plundering any of the people of our country. I feel sure, from my conversation with New England's leading men, they are getting ready to join us.

I do not want the gold-using nations to join in this agreement; I want the entire advantage which will accrue from leadership. I want a common coin legal tender in all nations who join us in a bimetallic agreement, so that, with it, we can pay for our sugar, tea, coffee, spices, and india rubber, and at the same time furnish a market for flour, cotton goods, bacon, and silver, and thus establish in this country a clearing-house for most of the world.

Mr. President, commerce is a tax on industry. The act of producing wealth has already been finished when commerce begins. A nation should therefore trade only with nations so situated as to soil and climate that their products are different, and are naturally necessary to comfort and happiness. The United States should therefore, trade chiefly, not with Europe, but with the countries of the tropics, and our industries should be so adjusted that our surplus would pay for those things we can not produce; and this would be our condition to-day if we produced everything to which our soil and climate are adapted.

We should insist that the man who produces the things we can produce shall live here if he wants us to buy them; shall help support our Government; shall be a taxpayer and a defender of our institutions; we should have the art and the artisan as well as the article, and thus be able to reproduce it. In this way by varied industry alone, can we bring out all that is in our people, every trait of character, every variety of talent, and can produce an unmatched race of men and an unparalleled civilization. The United States is endowed by nature with the greatest natural resources of any equal area of the earth's surface. We have the most intelligent, free, vigorous, and active peeple; our wealth and prosperity depend upon the amount we draw from nature's inexhaustible storehouse, and that aggregate depends upon the industry, frugality, and sobriety of the living generation.

Little is left over from one age to another; the nearer we can bring consumer and producer together, the smaller the friction and the less the wear and tear and the expense of energy in making the exchange, and the greater the amount of production. It makes no difference what price we pay each other for our products; if our laws are just there will be an equal and fair distribution of wealth, and, as a result, universal happiness. The theory of free trade is beautiful, and if all the people on earth had an equal chance, were all equally intelligent, moral, and industrious, and lived together under the same just laws, free trade might be universally enacted with profit to all.

But these conditions do not exist. Therefore, if we enact free trade our great natural resources and our accumulated wealth would be dissipated throughout the earth, resulting in a slight rise in the scale of living and civilization of all mankind and a great fall in the scale of living and civilization of our own people. An old illustration is apt. If you connect two ponds of water, one large and at a low level, the other small and at a high level, they will both reach the same level, the large one rising a little and the small one falling very much. So it would be with us were we to adopt free trade; for from it results the corollary that our people must do whatever they can do and grow whatever they can produce in competition with all the rest of the world.

What can we economically produce in competition with the starving millions of Asia or the paupers of Europe? England is trying the experiment; with what result? Great aggregations of wealth; numerous millionaires living in incredible extravagance; but a million of her people on an average are paupers always—twenty-eight out of each one thousand of her population. One person out of every twelve needs relief to keep from starvation; one-half of the people of England who reach the age of 60 are or have been paupers. Is this a pleasant picture—an example fit to follow? India, with the oldest civilization on the globe, has reached a little worse state than England.

India suffers from a widespread famine every four or five years; 80 out of every 100 of her people never have enough to eat; 16 out of every 100 have barely enough to eat; 4 out of every 100 live in idleness and luxury, and these are the castes which separate the people so that there is no chance to rise and no future but death. Last year a million people starved to death in India, and in 1876 five and a half millions died of starvation in that peninsula.

Free trade, then, is not a panacea, and not even a probable remedy; and while a tariff will enrich us as a nation it will not cause a just distribution of wealth among our own people unless we have just laws which confer equal opportunities.

The enactment of laws under which trusts and combinations and monopolies can no longer plunder our people, and under which our financial system shall be so modified that the creditor classes can not periodically absorb the property of the producers—these are the problems before the people of this nation to-day. I have faith in their ultimate and wise solution; and I believe it will not come through turmoil, but at the hands of imperial reason; through an intelligent examination of the lessons of history; through a calm analysis of the episodes of our own national experience; through courteous and patriotic discussion, and finally through a free, peaceful, unintimidated, and incorruptible ballot.

CONTUMACIOUS WITNESSES.

Mr. GRAY. I am directed by the special committee of the Senate appointed May 17 last past, to submit a partial report to the Senate. I send the report to the desk and ask that it may be read.

The PRESIDING OFFICER (Mr. FAULKNER in the chair). Is there objection to the reading of the report, temporarily laying aside the bill now before the Senate?

Mr. HILL. Before I determine the question of objection, I should like to know from the Senator from Delaware what the programme is.

Mr. GRAY. If the Senator will listen to the report he will find I have no programme. The committee is a special committee appointed by the Senate, and it makes a report which it considers one of the highest privilege, and as such I suppose there is no question but that the report is in order at any time. I have no programme other than what is indicated by the report. There is no programme.

Mr. CHANDLER. I understood the Chair to ask whether there was objection to the consideration of the report.

Mr. GRAY. I did not so understand the Chair. I will state to the Chair that the report made from the committee is one that the committee considers of the highest privilege. It concerns the privilege of the Senate; and I ask that the report may be read in order that the Senate may determine whether that be so or not.

Mr. MANDERSON. That is right.

Mr. HILL. In the light of the explanation of the Senator from Delaware, or rather in the light of the explanation which he does not give, I am compelled at the present time to object to the reception of the report.

Mr. GRAY. I raise the question of order, that when a special committee of this body reports through its chairman that it has a communication to make to the Senate concerning the privileges of the Senate it is one that is entitled to present consideration, or at least the report is entitled to be made known to the Senate and is not subject to the objection made by the Senator from New York.

Mr. HILL. Mr. President——

Mr. MANDERSON. I call for the reading of the report. I do not see how the Chair or the Senate can determine as to whether this is a question of privilege, as stated by the Senator from Delaware, unless the report be read. I call for the reading of the report.

The PRESIDING OFFICER. The Chair is of opinion that the Senator from Nebraska has properly asked that the report shall be read.

Mr. HILL. Simply for the purpose——

Mr. ALDRICH. I should like to be heard on that question.

The PRESIDING OFFICER. The Chair and the Senate may subsequently, if it agrees with the Chair, decide as to whether the question is one of privilege.

Mr. ALDRICH. I should like to be heard a moment before the Chair decides that question.

The PRESIDING OFFICER. The Chair will hear the Senator from Rhode Island.

Mr. ALDRICH. It seems to me that it would be a very strange position for the Senate to take, that the business of the Senate could be interrupted, and especially the consideration of an important bill like the one pending, by the introduction of a paper from any committee. The report might be one which it would take hours and days to read. Therefore it seems to me that the Chair must hold, in the first instance, whether this is such a privileged question as would enable a committee to displace the existing order of business. There are certain classes of privileged questions unquestionably upon which a Senator can make a motion at any time, but it strikes me that they are different questions from this one.

The Senator from Delaware does not make any motion to displace the existing order. He simply presents a paper which he says, "I report from a special committee." There are certain questions of privilege involved in the resolutions which authorize the committee to consider this matter, but how any report from the committee can be a privileged question or how any Senator can ask to displace the pending business by having the report read is a matter upon which I can not agree with the Chair as at present advised. It seems to me that the Chair must hold in the first instance whether this is such a privileged question as would allow the pending business to be displaced.

Mr. HILL. I differ with the Senator from Rhode Island to this extent. I think the Chair is right in directing the report to be read, that the Senate may see what the report is, simply for the purpose of determining that question. The mere fact that a special committee has been empowered to investigate a particular subject, a portion of which might be regarded as privileged, presents a different question; and the only way to determine as to the character and nature of that report and the object of the report is to have it read.

Therefore I submit that before the preliminary question or point of order is decided, it is proper enough that the report shall be read. I desire to be heard upon the point of order before it shall be decided, but I think the Chair is exactly right in now having the report read for the information of the Senate. To that part of the proceeding I do not object.

Mr. ALDRICH. Does the Senator from New York contend that a standing committee of the Senate—take the Committee on Privileges and Elections, that has to do with questions of privilege—can make a report here at any time, say on a contested-election case, with a tariff bill pending, when the report itself might take two or three days to read, and that any Senator could demand that the report should be read?

Mr. HILL. In a moment, please. I do not cross that bridge until I get to it. The nature of this report or the questions involved in it are not disclosed. Whatever is to follow, if anything is to follow it, does not appear. The chairman of the special committee appointed recently presents a report. The nature of that report can only be learned by having it read. Then will arise the legal question or the parliamentary question as to whether it can be presented at all or not. If the Senator from Delaware would state what the report is, or something in regard to it, then perhaps it would not be necessary to read the report, but he declines so to do, or has omitted so to do; and therefore the only way for us to determine what this is that is claimed to be privileged is to have it read from the desk.

Mr. ALDRICH. The rules of the Senate prescribe a certain time for the presentation of reports of committees, and under the rules of the Senate the presentation of a report at any other time can only be done by unanimous consent. The presentation of the report is not a privileged question. It involves no question of privilege. I think that must be apparent to everyone. And if objection is made to the presentation of this report it seems to me that necessarily it must go over until to-morrow morning at the time fixed by the rules for the presentation of reports.

Mr. MANDERSON. Allow me to suggest to the Senator from Rhode Island that that is not the aspect of this case. The Senator from Delaware, as chairman of the special committee to investigate certain matters, rose in his place and asked permission to make a report. That permission was accorded. The report was sent to the desk.

Mr. HILL. Will the Senator from Nebraska allow me?

Mr. MANDERSON. Certainly.

Mr. HILL. I regret to disagree with the Senator. I asked a question for the very purpose of ascertaining whether I was going to object, and that question has not been determined. I did object to the presentation of the report.

Mr. MANDERSON. Let it be in that form. Then, after the objection of the Senator from New York, the Senator from Delaware said that he rose to a privileged question. When he rises to a privileged question, I submit that that has precedence over everything else. He suggests that the question as to whether it is privileged will appear to the Chair and appear to the Senate from the reading of the report. When he declines to say what is the particular question of privilege to which he rises, but suggests that it appears by the reading of the report, what can the Chair do, or what can the Senate do, otherwise than to hear the report read, to determine whether it is a question of privilege? If it is, it takes precedence over even the tariff bill or anything else.

Mr. HILL. To that extent.

The PRESIDING OFFICER. The Chair will state that the debate is proceeding entirely by unanimous consent. The Chair will have Rule IX read.

The Secretary read as follows:

Immediately after the consideration of cases not objected to upon the Calendar is completed, and not later than 2 o'clock, if there shall be no special orders for that time, the Calendar of General Orders shall be taken up and proceeded with in its order, beginning with the first subject on the Calendar next after the last subject disposed of in proceeding with the Calendar; and in such case the following motions shall be in order at any time as privileged motions, save as against a motion to adjourn, or to proceed to the consideration of executive business, or questions of privilege, to wit:

Mr. HOAR. I should like to make one suggestion, with the leave of the Chair.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from Massachusetts will proceed.

Mr. HOAR. As I understand it, the report of this committee is necessarily a question of the highest privilege. The committee was ordered to inquire into the question of attempts at bribery, and also into the question of the actual existence of corruption in regard to the vote about to be taken on the pending measure. It is precisely in principle as if some Senator had made known to the Senate that five members of the Senate

were being detained by force from their places, and were prevented from presenting themselves to vote or to take part in the discussion of this question, and that, of course, must be dealt with, and must precede all other matters and precede the vote on the bill.

Although it was not a physical interference with the integrity of the vote about to be taken upon the pending tariff bill, it was still a corrupt interference which was charged, and which this committee were ordered to investigate. Therefore, when they come back and tell the Senate what they have done, it seems to me very clear that they must be heard, and, if they ask for any action, it must be considered before we proceed with existing matters.

That having been done, the next question is whether the report shall be read. It seems to me that of course it must be read in order to ascertain its nature, because if the Chair should rule either upon its reception or upon its position before the Senate when received, and whether it is in order to take action upon it, an appeal would lie from the decision of the Chair, and neither the Chair nor the Senate could deal intelligently with the question of what should be done with the report without knowing what it is.

So it seems to me, with all due respect to my honorable friend from Rhode Island [Mr. ALDRICH], that the method proposed by the Senator from Delaware [Mr. GRAY], the chairman of the committee, is the correct method, and that the reason he has suggested is a sound reason.

Mr. HARRIS. Mr. President, I shall object to further debate on this question of order.

The PRESIDING OFFICER. The Chair understands the question before the Senate to be that the Senator from Delaware, as chairman of a select committee, has risen in the Senate, addressed the Chair, and informed it that he desires to submit a report from that committee which involves the highest privileges of the Senate.

The Chair can not determine whether it does involve the highest privileges of the Senate and is a privileged motion until that report is read. Rule IX provides especially for certain privileged motions; but, at the same time, a later clause recognizes the fact that all questions of privilege of the Senate are privileged questions, to be acted upon whenever brought to its attention. The Chair, therefore, thinks that the report should be read at this time for the information of the Chair in its ruling and also for the information of the Senate. The Secretary will proceed to read the report.

The Secretary read the report submitted by Mr. GRAY, as follows:

Report of the special committee to investigate attempts at bribery, etc., under resolution of the Senate of May 17, 1894.

The special committee, under and in pursuance of a resolution of the Senate of May 17, A. D. 1894, as follows—

"Whereas it has been stated in the Sun, a newspaper published in New York, that bribes have been offered to certain Senators to induce them to vote against the pending tariff bill; and

"Whereas it has also been stated in a signed article in The Press, a newspaper published in Philadelphia, that the sugar schedule has been made up as it now stands in the proposed amendment in consideration of large sums of money paid for campaign purposes of the Democratic party; Therefore

"*Resolved*, That a committee of five Senators be appointed to investigate these charges and to inquire further whether any contributions have been made by the sugar trust, or any person connected therewith, to any political party for campaign or election purposes or to secure or defeat legislation, and whether any Senator has been or is speculating in what are known as sugar stocks during the consideration of the tariff bill now before the Senate, and with power to send for persons and papers and to administer oaths.

"*Resolved further*, That said committee be authorized to investigate and report upon any charge or charges which may be filed before it alleging that the action of any Senator has been corruptly or improperly influenced in the consideration of said bill or that any attempt has been made to so influence legislation"—

have attended to their duties so far as they have been able, because of the matters hereinafter stated, and ask leave to report in part as follows:

In pursuance of said resolution the said committee met in the Capitol on the 21st day of May, 1894, at 10 o'clock a. m., and, after the examination of certain matters embraced in the first paragraph of the said resolution, the committee proceeded to investigate further the matters submitted to them by the said resolution, and on the 24th day of May, A. D. 1894, the committee being duly assembled, one Elisha J. Edwards, who had been duly subpœnaed and summoned as a witness to appear before said committee, then and there appeared and submitted to be examined as a witness. The witness was duly sworn by the chairman of said committee.

He was shown a copy of the Press, a newspaper printed and published in the city of Philadelphia, of the date of May 14, 1894. He stated that he was a correspondent of that paper, and that a certain letter therein contained, signed Holland, was written and sent to said paper by him.

Whereupon the following proceedings were had:

"The CHAIRMAN. You say:

"'Upon one occasion, some time in February, when the Finance Committee or the Democratic members of it were in perhaps informal session, there came into the room unexpectedly to all those present, excepting two members, none other than the Secretary of the Treasury, Mr. Carlisle. His going there at that time has never been reported up to this writing of it. He went secretly and came away secretly.

"His visit was supposed to be a confidential one. It was a confidence not imposed upon one member of that committee, and, therefore, it is possible now to make report of what Mr. Carlisle said. They looked upon him as speaking not so much for Mr. Carlisle as for the Administration. He did not say that he came from the President, but when he had finished making his astonishing statement not one of those who heard him doubted that he had come from the President and was echoing the President's wishes and giving emphasis to them by an earnest and, for him, excited manner. What he said is quoted from remembrance, but it is substantially accurate as it was reported by one who heard it.

"You say from remembrance. Is it yours?

"Mr. EDWARDS. Partly mine and partly my informant's.

"The CHAIRMAN. You mean to say that you heard Mr. Carlisle?

"Mr. EDWARDS. No.

"The CHAIRMAN. You say what he said is quoted from remembrance?

"Mr. EDWARDS. My remembrance of what my informant said.

"The CHAIRMAN. Who was your informant?

"Mr. EDWARDS. That, I suppose, I shall have to decline to answer. I do it with the utmost respect to the committee and the Senate. The information was given to me under obligations of the highest confidence by the one who entailed that obligation, so that I do not feel at liberty to reveal his name."

After the above detailed proceedings were had the witness requested time in which to consult counsel; which request was granted.

That on the afternoon of the same day, the 24th of May, 1894, the witness reappeared before the committee and asked a further indulgence, on the ground that he had been unable as yet to consult with his counsel.

Whereupon the witness was further examined, as will appear by the stenographer's report herewith submitted.

That on the 25th day of May, A. D. 1894, the witness, Edwards, reappeared before the committee, accompanied by his counsel, when the committee, through their chairman, propounded to the witness the following questions:

"Now, Mr. Edwards, when you left the room on yesterday it was for the purpose of consulting your counsel and making up your mind, after having consulted him, whether you would answer the question that was propounded to you by the committee, which question was, "Who gave you the information upon which you made the statement that the Secretary of the Treasury, Mr. Carlisle, made a secret visit to the Democratic members of the Finance Committee some time in February, and while there made a certain appeal to them?" all of which was read to you as from your letter to the Philadelphia Press, published May 14, 1894. The question is now repeated.

"Whereupon the witness, by his counsel, filed the following objections to answering said question:

"First. That the question relates to a subject that was not referred to the committee, as the resolution of the Senate under which the committee is acting shows on its face. Second. That the resolution does not show on its face that it is intended for any purpose of legislation, or with regard to any matter within the jurisdiction of the Senate to inquire into. Third. That the question has no relevancy to the jurisdiction that the Senate has to punish its members for disorderly conduct, nor to the jurisdiction of the Senate to compel the attendance of absent members, nor to the jurisdiction of the Senate to determine as to the election or qualification of its own members, nor to the jurisdiction of the Senate to try cases of impeachment. Those are the only matters in which the Senate has power to compel a witness to testify, if the result of his refusal places him in contempt. Fourth. That the question solicits information that is utterly unnecessary. It is important for the committee, for the purpose of arriving at the truth of the alleged charge, to ascertain who informed Mr. Edwards. The question before the committee is, whether the charge is true or false, not who gave the information. As to whether it is true or false, the information can be obtained from the Secretary of the Treasury and from the members of the Finance Committee.

Suppose they admit it, it would not be necessary to get the name of the informant; if they deny it, it would be equally unnecessary. An answer to the question may have a tendency to bring about criminal proceedings against the witness. Fifth. Being a newspaper man, the witness is under honorable obligations not to disclose the source of his information, because if he violated that obligation of honor it would degrade him in the estimation not only of members of his own profession, but of the entire community.

The said several objections were overruled by the committee, and thereupon the following further proceedings were had:

"Mr. EDWARDS. I shall have to follow the advice given by my counsel, and for the reasons set forth decline to answer.

"The CHAIRMAN. We ask you again who was your informant that Mr. Carlisle, after having made that statement, turned and left the committee room, going away with that secrecy with which he came, but before he did so signified his willingness himself to prepare an amendment which he thought would be fair to the Government and yet be just to the sugar interests?

"Mr. EDWARDS. As I stated yesterday.

"The CHAIRMAN. And you decline to answer?

"Mr. EDWARDS. For the same reasons.

"The CHAIRMAN. Who is your informant that when the bill was before the subcommittee of the Finance Committee of the Senate some of the officers and managers of the sugar trust established themselves in Washington, being in New York a part of the time and in Washington at frequent intervals; that upon one occasion there were gathered in a room in a Washington hotel Mr. Havemeyer, Senator Brice, Senator Smith of New Jersey, Brice's Terrill, and one other man whose name it may be worth while to withhold for the present?

"Mr. EDWARDS. The same informant.

"The CHAIRMAN. And you decline to answer?

"Mr. EDWARDS. For the same reasons.

"The CHAIRMAN. Who is your informant that on the very day that Mr. VOORHEES, the chairman of the Finance Committee, denied in the Senate that any amendments were proposed to the Senate's bill as originally reported by the Finance Committee, the list of some 400 amendments, as prepared by Senator JONES, was in the hands of one of the members of the brokerage firm of Moore & Schley?

"Mr. EDWARDS. The same informant.

"The CHAIRMAN. And you decline to answer?

"Mr. EDWARDS. Under the advice of counsel.

"The CHAIRMAN. Who informed you that upon the Sunday before the bill, as first reported, was sent to the Senate there was a striking illustration of the absolute domination of the sugar trust over the Democratic members of the Finance Committee; that that was an all-day and half-the-night session and upon the Sabbath day; that in one room were the Democratic members of the Finance Committee and in one wing of the Capitol were the representatives of the sugar trust—Havemeyer and Terrill and Meyer and Ben Le Fevre and others; that these men sat, as the rulers of a political convention sit, in a place apart, and yet within instant communication of those who are to act; that there were runnings back and forth between the finance rooms and the quarters occupied by the trust all day; that everything had been arranged up to the point of satisfying the Louisiana Senators; that even the trust realized it was necessary for the Democratic party to placate these Louisiana men, or else there would surely be two votes against the bill; that it was a question of compromise, each side giving a little and taking a little; that at one time it seemed as if the whole negotiation must go to pieces; that never was there more desperate battle between conflicting in-

terests in the committee rooms of the Capitol; that at last, late that evening, Senator CAFFERY drafted a schedule, Mr. Havemeyer looking over his shoulder and the other members of the sugar trust watching the Senator with eyes that fairly glittered, as one Senator who saw that spectacle afterwards expressed it; that it was a crucial moment; that when Senator CAFFERY had finished the sugar trust read his draft, reluctantly accepted it; it was taken to the room of the Finance Committee, and there accepted?

"Mr. EDWARDS. The same informant.

"The CHAIRMAN. Who was it?

"Mr. EDWARDS. I decline to answer, under advice of counsel."

The testimony of the said witness Edwards is hereto attached, and marked Exhibit 1.

In further performance of their duties the committee on the 24th day of May, A. D. 1894, proceeded to examine as a witness one John S. Shriver, who had been duly subpœnaed and summoned as a witness, and he then appeared and submitted himself to be examined as a witness before the committee, and after being duly sworn by the chairman of the committee, testified that he was a correspondent of the Mail and Express, a newspaper printed and published in the city of New York.

A copy of said newspaper, dated May 10, 1894, was shown said witness, and he stated that he wrote the article or letter therein contained, making certain allegations which are properly the subject of inquiry by the committee.

Whereupon the following proceedings were had:

"The CHAIRMAN. In it you say (referring to the article above mentioned):

"'Just here it may be well to give a little incident in the proceedings of the last few weeks in which the sugar trust has taken such a prominent part. The headquarters of the officials of the trust have been in a certain room in the Arlington Hotel.

"'The night the celebrated demand was made on the Democratic Senators that the trust must be cared for or the Wilson bill would be killed, there happened to be in the next room to the sugar trust parlor a wire manufacturer from a place not far from New York. He had come to Washington to try to induce the Senate Finance Committee to change its schedule in which he was interested, and, worn out with his vain attempts to secure an audience with the Democratic 'triumvirate' in charge of the bill, he had retired to his room.

"'He had hardly sought his bed before the loud talking in the sugar-trust parlor attracted his attention. He tried to sleep, but slumber was impossible. The voices next door grew louder and more violent as the night proceeded. He distinctly distinguished the voices of several Democratic Senators whom he knew, and also those of the sugar-trust magnates. It was nearly morning when the conference broke up and the wire manufacturer was allowed at last to fall asleep. He did not, however, remain in bed long after the sun was up, because what he had heard seemed to him too good news.

"'Bright and early he was down in the lobby of the hotel, and telling his friends, among them a couple of Congressmen, that he knew the Wilson bill would never pass. He made no secret of how he got his information, and even told the names of the Senators who had been in the room next to him nearly all night. The wire manufacturer did not linger about Washington, but returned to his home fully satisfied that there was no use for his remaining any longer to see the Democratic Finance Committee.'"

"That is in your letter. Do you, of your own knowledge, know the facts therein stated?

"Mr. SHRIVER. The story was told to me.

"The CHAIRMAN. I first ask you do you, of your own knowledge, know the facts therein stated?

"Mr. SHRIVER. No.

"The CHAIRMAN. What is your authority for that statement?

"Mr. SHRIVER. A Congressman, member of the House.

"The CHAIRMAN. Did he tell you this?

"Mr. SHRIVER. Yes; that he was told by this wire manufacturer.

"The CHAIRMAN. What is the Congressman's name?

Mr. SHRIVER. I am requested by the Congressman not to reveal it.

The CHAIRMAN. But we want you to reveal it.

Mr. SHRIVER. He has requested me not to do it. He gave me the story for publication, never thinking anything would come of it. When I spoke to him about having been spoken to by members of the committee in regard to it, he said he did not wish to be brought into the matter, and requested me not to give his name.

Senator LODGE. Do you know the name of the wire manufacturer?

Mr. SHRIVER. Yes.

The CHAIRMAN. What is his name?

Mr. SHRIVER. The Congressman does not desire me to give that either.

Senator DAVIS. The investigation is predicated on this article. You have no excuse not to disclose these names, legal excuse, except that it will criminate you. I do not understand you but your hesitation to answer upon the ground that you will be criminating yourself.

Mr. SHRIVER. Not at all. But it is this: A newspaper man considers when information is given to him in confidence he should not violate the confidence.

* * * * * * *

The CHAIRMAN. You say: "There are a number of Senators who will be glad if this investigation should fail, simply because then they could charge the correspondents with circulating scandalous reports and have another chance to denounce the press upon the floor of the Senate. But if the newspaper men are given a chance to tell all they know, some interesting developments will be made."

Did you write that?

"Mr. SHRIVER. Yes. You know when a newspaper man is told a thing he is generally supposed to hold the confidence of the man. I have been a newspaper correspondent in Washington for ten years. I think I hold the confidence of a good many members, because I never violated their confidence. I think there are things, if I should give my authority, at times it would lessen me in their opinion and prevent me carrying on my business. And this is a case where I have requested the Congressman to use his name, and he declines to allow me to do it."

After the proceedings above detailed, the witness (Shriver) requested time in which to consult counsel. That on the 25th day of May, A. D. 1894, the witness reappeared before the committee, and announced that he had consulted counsel, and the following proceedings were had:

"The CHAIRMAN. Then you definitely decline this morning to tell the committee who it was told you the story that was published by you in the Mail and Express in its issue of Saturday last, and to which your attention was directed on yesterday?

"Mr. SHRIVER. I do at present, because I have been asked not to do so.

"The CHAIRMAN. Then you do definitely decline?

"Mr. SHRIVER. Yes; I decline because I have not seen my counsel within two hours, and he advised me to decline until I had seen him.

"The CHAIRMAN. Do you decline, also, to give the name of the person who was alluded to in that letter as the wire manufacturer?

"Mr. SHRIVER. Yes; I do."

The testimony of the witness Shriver by question and answer is hereto attached, and marked Exhibit No. 2.

The subpœnas by which said witnesses were commanded to appear and testify before the committee at the time and place aforesaid, together with the certificate of service thereof, are hereto attached, and marked Exhibits 3 and 4, respectively.

In the opinion of the committee, each of the questions put to each of said witnesses was a proper question, and pertinent to the question under inquiry before the committee, and was necessary to make the examination ordered by said resolution of the Senate, and that each of said witnesses is in contempt of the Senate and merits to be dealt with for his misconduct; and that each of said witnesses, by his various refusals to answer the questions as herein set forth, has violated the provisions of that certain act of Congress in such cases made and provided, being chapter 7 of the Revised Statutes of the United States, which chapter is as follows:

"SEC. 102 Revised Statutes. Every person who, having been summoned as a witness by the authority of either House of Congress to give testimony or to produce papers upon any matter under inquiry before either House or any committee of either House of Congress, wilfully makes default, or who, having appeared, refuses to answer any question pertinent to the question under inquiry, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $1,000 nor less than $100, and imprisonment in a common jail for not less than one month nor more than twelve months.

SEC. 103. No witness is privileged to refuse to testify to any fact or to produce any paper respecting which he shall be examined by either House of Congress, or by any committee of either House, upon the ground that his testimony to such fact or his production of such paper may tend to disgrace him or otherwise render him infamous.

SEC. 104. Whenever a witness summoned, as mentioned in section 102, fails to testify, and the facts are reported to either House, the President of the Senate or the Speaker of the House, as the case may be, shall certify the fact under the seal of the Senate or House to the district attorney for the District of Columbia, whose duty it shall be to bring the matter before the grand jury for their action.

Wherefore, the committee report and request that the President of the Senate certify as to each witness his aforesaid failure to testify and his aforesaid refusals to answer, and all the facts herein, under the seal of the Senate, to the United States district attorney for the District of Columbia, to the end that each of said witnesses may be proceeded against in manner and form provided by law

GEO. GRAY,
WILLIAM LINDSAY,
C. K. DAVIS,
H. C. LODGE,
WILLIAM V. ALLEN.

Mr. HILL. Mr. President, I notice that the President of the Senate is now in the chair.

Mr. ALDRICH. Before the Senator from New York proceeds, I should like to ask what is the question now before the Senate?

The VICE-PRESIDENT. The Senator from New York has addressed the Chair. The Chair is not advised for what purpose. The Chair was hearing the Senator from New York.

Mr. ALDRICH. I simply ask the Chair what question is before the Senate?

Mr. GRAY. There is no question, I understand.

Mr. ALDRICH. I understood that in the absence of the Vice-President the question was raised whether this is a privileged question.

Mr. HILL. I was simply going to state the question as I understand it.

The VICE-PRESIDENT. The Chair will hear the Senator from New York.

Mr. HILL. When the present occupant of the chair was not in the chair the Senator from Delaware [Mr. GRAY], as the chairman of a special committee appointed recently to investigate certain matters, presented a second report. When he presented it, after asking for certain explanations, which were not given, I made the preliminary objection that it was not admissible at this time; that the pending bill could not be displaced by the presentation of such a report.

The Senator from Delaware then claimed that this is a privileged report, and that upon that ground he had a right to displace the pending bill and present the report for such action as the Senate might take—that he at least had a right to present the report. That brought up the question as to whether the report is a privileged report, and for the purpose of allowing the Senate and the Presiding Officer to determine that question the then occupant of the chair very properly, in my judgment, ordered the report to be read. That is the report which has just now been read in the presence of the Presiding Officer and the Senate.

The question now presented, as I assume, is the question, can the pending bill be set aside temporarily simply for the purpose of allowing the chairman of the special committee to present this report under objections? That involves the question, is this a privileged report?

I desire to call the attention of the Presiding Officer to the fact that under the authority of the committee to make this investigation there were three things to be investigated: First, the charge of alleged bribery of certain Senators. That might present a question of privilege, and a report made thereunder might possibly be presented at any time. It is not necessary for me now to decide that question so far as my own judgment is concerned. That is all that can be claimed from the resolution. But there were two other points to be investigated.

What were the points? One was whether Senators had speculated in the purchase of sugar stock, not involving a crime.

It might involve a question of impropriety; that is the most. Suppose it was referred to a committee, as was once proposed with reference to a resolution offered by the Senator from Nevada [Mr. STEWART], to investigate the question as to the ownership of national-bank stock, at the time we were legislating upon the financial question; would such a report have been regarded as a privileged one?

Mr. HARRIS. Mr. President, I rise to a question of order.

The VICE-PRESIDENT. The Senator from Tennessee will state his question of order.

Mr. HARRIS. My question of order is this: A report from a select committee was submitted upon the ground that it was a question of privilege. The Chair ruled that the report should be read in order to enable the Chair to determine the question whether it was or was not a question of privilege; and if a privileged question, then the report was properly before the Senate. Now, the only question for the Chair to decide is the question of order as to whether the report presents a question of privilege. I do not think the Chair can have any doubt as to whether it does or does not. The Chair will be bound, in my opinion, to hold that it is a question of privilege.

Mr. HILL. Does the Chair need that suggestion?

Mr. HARRIS. I am stating what I understand to be the case.

Mr. HILL. I rise to a point of order.

The VICE-PRESIDENT. The Chair will first hear the point of order which the Senator from Tennessee is stating.

Mr. HILL. My point of order is that the Senator from Tennessee can not make a speech on a question of order.

The VICE-PRESIDENT. The Chair can entertain but one point of order at a time. The Senator from Tennessee will state his question of order.

Mr. HARRIS. If the Chair holds this to be a question of privilege, the report then being before the Senate, it presents no question for the action of the Senate, no question for the Senate to vote upon, no question for the Senate to debate.

There is a statute, however, that devolves a duty upon the Chair upon the presentation of that paper, and the Chair alone must act upon it. Therefore, there being no votable question before the Senate, I raise the question of order that debate is not in order.

Mr. HILL. Mr. President——

The VICE-PRESIDENT. The Chair will hear the suggestion of the Senator from New York.

Mr. HILL. That was all I rose for, and I assumed that the Senator from Tennessee understood that I was simply presenting my views upon that question. I was simply suggesting that upon the second branch of the resolution of investigation any report made thereunder could not possibly be construed as a privileged question, namely, the question as to whether Senators have speculated in sugar stock, and I made the illustration of the resolution to investigate the question of the ownership of national-bank stock by Senators and a report made thereunder. It would hardly be pretended that that presented any privileged question.

The next point involved is simply this: Political contributions of certain interests for the aid of political parties. That is the next question involved. That is a general investigation, not involving any Senators, and no question of privilege can arise in regard to it. It is a general proposition to investigate the action of the national committee or other committees of political parties and the contributions of persons interested in legislation.

It does not involve the conduct of any Senator; it does not relate to the actions of any Senator around this circle; it is not pretended in the resolution that any particular Senator is to be investigated. Therefore my point is that all that could possibly be claimed to be privileged is the report relating to the investigation of the alleged bribery. I hold in my hand that report, which was presented some time ago, and this is the first time I have seen it. The committee made the report, and said that the matters committed to them for investigation by the first branch of the resolution, as above stated, "presented a definite and distinct charge, not connected in anywise with the other matters embraced in said resolution."

The first charge was one not connected in any way with the other matters referred to in said resolution, namely, the charge of bribery. They had investigated that question; they had concluded their inquiry; they had made their report, and that report has been presented to the Senate and is now awaiting the action of the Senate, if any action is necessary.

Mr. President, is it not straining a point to say that because a certain portion, namely, the first part of it, might possibly present a question of privilege and the report thereunder might be presented at any time, that the subsequent branches of the report, or the other reports which may be made upon the question of speculation in sugar stock, or the third branch, namely, the contributions to political parties, present a question of privilege affecting the rights, interests, liberties, or privileges of the Senate? I think not.

Therefore, Mr. President, the question presented here is the mere parliamentary question, Is any question of privilege involved upon this branch of the report? To what does it relate?

It relates simply to the question as to whether the Secretary of the Treasury, in the discharge of his public duties, saw fit to consult with certain members of the Finance Committee and suggest to them a proper sugar schedule. At the most, that is no reflection upon anyone, no reflection upon the Finance Committee, no reflection even upon the Secretary of the Treasury.

Therefore, if that be so, what question of privilege is involved? Certainly not so far as the Secretary of the Treasury is concerned, and not so far as any Senator here is concerned. Had not the Finance Committee a right to consult with the Secretary of the Treasury of the country privately, publicly, or in any way they saw fit? What question of privilege is involved? How does it reflect upon the Finance Committee?

It does not reflect upon them at all. Does every question which relates to Senators and their actions present a question of privilege? I submit not.

Mr. HARRIS. Will the Senator allow me to ask the Chair what decision, if any, has been reached upon my question of order?

Mr. HILL. I decline, Mr. President, for the reason that that is purely a matter of discretion with the Chair, with which the Senator from Tennessee has no business to interfere, and the Chair does not need any suggestion as to how he should decide this or any other question that comes before him for decision.

Mr. HARRIS. I rise to a question of order.

The VICE-PRESIDENT. The Chair will hear the question of order.

Mr. HILL. I am about through.

Mr. HARRIS. When a question of order is presented it is not debatable until it is disposed of by the Chair or appealed from, and I object to further debate unless the Chair shall overrule my question of order.

Mr. HILL. The Senator was pretty well aware that I was just about through with my remarks.

Mr. HARRIS. If I had been aware that the Senator was about to close I certainly should not have interfered.

Mr. HILL. I am glad to hear it.

The VICE-PRESIDENT. The Chair will hear the Senator from New York touching the question.

Mr. HILL. I have said, Mr. President, all I desire to say upon this question.

Mr. ALDRICH. I should like to make a single suggestion to the Presiding Officer.

The question involved in the decision of the Chair, it seems to me, is a very simple one; it is, whether the presentation of this report at this time is such a question of privilege as will displace the pending business?

Mr. GRAY. That is the question.

Mr. ALDRICH. The report has been read for the information of the Senate and of the Chair. Now, what question of privilege is involved in making this report at this time? I fail to see, from a very careful reading of the report, any question of privilege whatever, any question affecting the right of a Senator to his seat, or affecting Senators in any of their rights or privileges whatever. I see no question of privilege in the presentation of this report at this time. It seems to me that this is one of those reports which ought to have followed the ordinary course of affairs and been presented as the rules of the Senate prescribe that reports shall be presented.

Mr. GRAY and Mr. LODGE addressed the Chair.

Mr. ALDRICH. I am not quite through yet.

Mr. LODGE. I beg pardon.

Mr. ALDRICH. I thought the Senator from Delaware desired to ask me a question.

Mr. GRAY. I did desire to ask the Senator a question.

I quite agree with the Senator that the matter before the Senate and the matter before the Presiding Officer is whether this report upon being read presented a question of privilege, as was claimed by the chairman of the committee at the time he presented it. That is, I think, properly the question, and I have considered that the remarks addressed by the Senator from New York [Mr. HILL] to the Senate were upon that question, as the remarks of the Senator from Rhode Island are, and, therefore, I wish to ask the Senator from Rhode Island, when a committee of the Senate has been constituted by the order of the Senate to make a certain inquiry, and it reports to the Senate that in the prosecution of that inquiry a certain witness, whom the Senate authorized the committee to bring before it under the general powers conferred upon it, refuses to answer

a question that is pertinent to the inquiry with which it was charged and that is reported to the Senate, whether that does not constitute a question of privilege in itself?

Mr. ALDRICH. I should think not myself. I should think that was a matter which should be presented in the ordinary way under the rules of the Senate, and determined in the ordinary way.

Mr. GRAY. What is the ordinary way?

Mr. ALDRICH. In the morning hour, whenever reports of committees are in order.

Mr. DAVIS. I should like to ask the Senator from Rhode Island a question, if he will allow me?

Mr. ALDRICH. Certainly.

Mr. DAVIS. I ask whether the Senator does not regard it as a question of privilege when a committee of the Senate reports to the Senate that a witness is in contempt against its process, whereby the investigations of the committee are arrested and the Senate and the committee are both actually in contempt by the witness?

Mr. ALDRICH. In my judgment, it would not constitute such a question of privilege.

Mr. DAVIS. Then I should like to ask the Senator from Rhode Island what would constitute a question of privilege, wherein the question of the contempt of the Senate was raised?

Mr. ALDRICH. I think a question affecting the right of a Senator to a seat, or some criminal action or otherwise on the part of a Senator, was such a question as would require immediate action, and I think, under such circumstances, the committee ought to have the right to report at any time and displace any business, however important; but where a report is presented to the body simply as a step in a criminal prosecution, as I understand this report to be, of certain newspaper correspondents, not members of the Senate, then, it seems to me, that under those circumstances the ordinary rules of the Senate should be followed, and that the report should be made under the rules of the Senate at the time when such reports are made.

I am not finding any fault with the action of the committee. I am only suggesting that it would be a dangerous precedent to establish, to determine that a committee appointed to consider and inquire into the action of Senators could make a report of this nature and displace pending business of the highest importance, as we have been frequently reminded the tariff bill is by the Senator from Tennessee [Mr. HARRIS], when no action is required on the part of the Senate, and where simply the time of the Senate is taken up with the discussion of a question which might be prolonged until it would practically nullify the power of the Senate to act upon important measures under consideration.

Mr. GRAY. I may say to the Senator from Rhode Island that the committee have purposely refrained from taking up any time in discussing the question.

Mr. LODGE. Mr. President, I only want to say a single word on the question of privilege.

This is not a question as to any of the rules of the Senate or as regards privileged motions or anything of that sort, for no motion of any kind has been made. It is a question of general parliamentary privilege, which is recognized in all parliamentary bodies.

The point I make is, that the authorities, if consulted, will show that among the questions of privilege, like charges affecting the right to a seat—which is among questions of the highest privilege—will be found the report of a committee stating the contumacy of a witness. That is stated as in itself a question of the highest privilege. Therefore, under the general and well-known rule recognized by general parliamentary law and also by the rules of the House of Representatives, that is in order at any time. That is the only point I make.

Mr. ALDRICH. I should like to ask the Senator from Massachusetts a question. Does the Senator think that the Senate is absolutely helpless in this matter? Suppose I should raise the question of consideration as against the reception of this report, could the Senate itself decide that this is such a question of privilege as would cause it to pause in the consideration of all other public business to have this report read and the time of the Senate taken up indefinitely in its consideration?

Mr. LODGE. I will say, in reply to the Senator from Rhode Island, that of course he is as perfectly aware as I am that the House of Representatives and the Senate can control a question of the highest privilege and refuse to take it up, as is constantly done in election cases, where it is a question of the right of a member to his seat. But there is no question now pending, and the only thing before the Senate which is waited for by the Senate is the ruling of the Chair as to whether the report is a privileged report.

Mr. ALDRICH. If the Senator will allow me one other question, does he hold, or do the committee hold, that the presentation of this report at some time is an essential step in the criminal prosecution of these gentlemen?

Mr. LODGE. I think that is aside from the report under debate. I think the only question is whether it is a privileged report, on which we await the ruling of the Chair.

Mr. PEFFER. Suppose this question had been decided, what effect would it have had upon the proceedings? What light would it have thrown upon the situation if the contumacious witness had answered the question?

Mr. LODGE. That opens the whole question of the subject-matter of the report, and there is nothing, as I understand, in order now but the decision of the question of privilege.

The VICE-PRESIDENT. The Chair has no difficulty in determining the question. This is a privileged report, and it is not such a report as calls for any action on the part of the Senate. The only action called for by the report is the action of the Presiding Officer. That is, the decision of the Chair.

The tariff bill is, before the Senate, and the pending question is upon the amendment proposed by the Senator from Kansas [Mr. PEFFER] to the amendment of the Senator from Maine [Mr. HALE].

Mr. HILL. From that decision of the Chair I respectfully appeal.

The VICE-PRESIDENT. The Senator from New York appeals from the decision of the Chair.

Mr. HILL. I desire to be heard upon that question, if it is debatable.

The VICE-PRESIDENT. The Chair will hear the Senator from New York.

Mr. HILL. Mr. President, the question just decided by the Chair involves the simple question as to whether the report of a special committee, which committee reports that a witness sworn before it refuses to answer pertinent questions, presents a privileged question. The Senator from Delaware [Mr. GRAY] sought to claim that this was privileged because it in some manner involved the rights of the Senators affected by the investigation.

Mr. GRAY. Not at all. The Senator misunderstood me. I said it involved the rights and privileges of the Senate itself.

Mr. HILL. The Senator from Massachusetts [Mr. LODGE] takes the broad ground that it is privileged where it relates to any witness in any investigation where it is reported that the witness fails to answer a pertinent question. The Senator is obliged to assume that broad ground or else fail upon this question.

I do not care about repeating the views which I urged to induce the Presiding Officer to decide that the report was not privileged. I was simply reiterating that the inquiry the committee was prosecuting when these witnesses refused to answer the questions related simply to information which those witnesses had received pertaining to suggestions made by the Secretary of the Treasury to the Finance Committee, and in no way did they improperly affect any Senator here in any shape or manner. Therefore, with all due respect to the Chair, I fail to see wherein it can be said that any question of privilege is involved.

I appeal from the decision of the Chair for the reason that I understood the Chair to decide, not only that this report clearly presented a question of privilege, but the Chair went further and decided that the bare presentation of that report presented nothing for the action of the Senate; and so I appeal from the whole decision. The Chair decided, in other words, that the bare presentation of the report imposed a certain duty upon the Chair, over which the Senate had no control; and without hearing any suggestion upon that most important question, the Chair decided that instantly upon this report being held to be a privileged question, certain duties devolved upon the Chair, to wit, the certification of the matter to the district attorney.

Mr. President, with all due respect, permit me to suggest that this statute does not contemplate any such proceeding. The action of committees must always be subject to the direction of the Senate. The Senate has a right to recommit this report, and then in law it is as if no report had been made. If the Senate should see fit to differ with this committee upon the subject as to whether those questions were pertinent to this inquiry, authorized by the Senate resolution, would not the Senate have a right to recommit the report to the committee and direct the committee to further proceed? No; this decision goes so far as to hold that on the bare presentation of the report, the Presiding Officer must certify the fact to the district attorney of the District of Columbia.

The point which I make, and about which I am reasonably clear is, that the Senate would have a right now to direct the Presiding Officer not to proceed until the Senate had further investigated the question.

Can we delegate to a committee of this body such important

powers as these, over which we have no subsequent control? For instance, if the Senate should come to the conclusion that the questions propounded to a witness were not essential, were not relevant, were not pertinent to this inquiry, could not the Senate by resolution direct that the Presiding Officer should take no steps until the Senate should consider that question? That is the point to which I now direct my remarks.

Mr. President, this is a peculiar statute which was passed some years ago for the purpose of giving Congressional committees greater power. It requires a witness to testify to any fact, and denies him the privilege of refusing to give his testimony, although that testimony might disgrace or criminate him. The statute does not even contain the ordinary precaution usually contained in statutes of this character, which provide that the testimony so given shall never thereafter be used against the witness.

In my judgment, that provision is essential to the constitutionality of the statute. I take the broad position that a statute which compels a witness to answer any question, no matter whether the question tends to criminate him or not, and which does not provide therein that the testimony which he is thus compelled to give shall not thereafter be used against him in any court or proceedings, violates that provison of the Federal Constitution which protects him from being compelled to give testimony against himself.

It has been decided over and over again that a witness is not simply exempt from answering questions as to whether he is guilty or not guilty of a certain act, but the decisions go further and exempt him from answering questions or detailing facts or circumstances which tend to show that he has been guilty of some offense. Therefore, this statute, I submit, does not confer complete or exclusive jurisdiction upon this committee, and I think the courts will so hold if it goes to them.

In the second place, what does the statute assume to do? This statute can not override the Constitution. It says that upon the report of a committee showing that a pertinent question has not been answered certain proceedings shall be had. It does not allow the Senate to judge of the pertinency of that question; it assumes to place the whole power of this body under the control of a committee and refuses to permit the Senate to supervise the action of that committee. The Senate under the Constitution can not abdicate its powers. No statute of that kind can stand the test of constitutional construction.

Mr. President, this statute says the Presiding Officer shall certify to the district attorney of the District of Columbia whenever a witness refuses to answer a pertinent question. Whenever a committee reports that fact, then the Presiding Officer is to proceed. Would not a proper construction of that provision be that it should only be done "if directed by the Senate." Should it not be construed to mean "unless otherwise ordered by the Senate," he should proceed? That is the fair, legitimate, and proper construction of the statute.

Otherwise, sir, the Presiding Officer performs this duty at the mere behest of a committee, although a majority, two-thirds, or three-fourths, or nearly the whole Senate might desire that the proceedings should go no further. Can it be said that the Senate has no control over the action of that committee? That the Senate can not now recommit this report? That the Senate can not now pass a resolution directing that no proceedings shall be certified?

Mr. HOAR. I desire to call the attention of the Senator from New York to a suggestion which perhaps he may think of weight in the argument he is making. The certificate is to be under the seal of the Senate, so that the question whether the Senate can control the use of its own seal is also involved in the point he is making.

Mr. HILL. The argument of the other side (if there can be another side to this question) of course involves the point of the custody of its seal. According to the theory of the committee the Senate could not say that its seal should not be annexed. They would be obliged to contend that the Senate could not place that seal in the custody of the Sergeant-at-Arms and refuse it to the Presiding Officer.

The statute was drawn by some one, I do not know who, and I care not. It is loosely, carelessly, and unwisely drawn. I say that the Senate until the very last moment of this proceeding has complete jurisdiction over this matter, and if the Senate does not see fit to direct that the certificate shall be transmitted to the district attorney of the District of Columbia the Senate can refuse to do so. It has complete jurisdiction over this matter.

Now, Mr. President, permit me to say that I have no sort of interest, personal or otherwise, in this investigation. It has no terrors for me. I care little about it. It was proper enough that the Senate should investigate the bribery charge made against the two Senators here. That portion of their investigation has been had. It was fairly and honestly conducted, and a report has been made and presented to this body. That portion of their work has been substantially completed.

I, however, doubt the wisdom of this whole present proceeding. I doubt the propriety of our endeavoring to find out whether newspaper men always tell the truth. Mr. President, if we are to enter upon that great undertaking, we shall be kept busy to the end of time. The inquiry which the committee is now prosecuting is not to ascertain what is the truth, but simply the question as to whether certain newspaper men stated the truth, whether the facts which they published were derived from their own imagination, vivid though it sometimes is, or whether they had actual and bona fide information of all the facts which they published.

Mr. ALLEN. Will the Senator from New York yield to me for a moment?

Mr. HILL. Certainly.

Mr. ALLEN. The matter referred to us was not as to the truth or untruth of a newspaper account; but three questions were referred to us: First, the attempted bribery of certain Senators; secondly, whether the sugar trust contributed money for political purposes to the Democratic or Republican party; and, thirdly——

Mr. HILL. The Populist party was left out.

Mr. ALLEN. The Populist party did not need to be considered in such a connection. Thirdly, whether any Senator had been engaged in speculating in sugar stock during the pendency of the present tariff bill which is under discussion, stocks whose value is liable to be affected in consequence of threatened legislation. The Senator from New York has intimated—I do not know whether he has said so plainly, and that is what I want to inquire of him—that he thinks we have no jurisdiction over the question of the contribution of funds by the sugar trust to political parties; that we have no jurisdiction over the question whether certain Senators are engaged in speculating in sugar stocks or not. Do I properly understand the Senator to take that position?

Mr. HILL. The Senator has not taken just that position. I have grave doubts as to whether you would have jurisdiction if a Senator around this circle should come before that committee and refuse to answer a question as to whether he has speculated in sugar stocks or any other stocks. Perhaps, you might have; but if you propose to pry into his private affairs and have him bring his books or papers for the purpose of compelling him to disclose whether his general denial was or was not the truth, I think the courts would hold that you have exceeded your power.

Mr. ALLEN. Will the Senator from New York permit me? Does the Senator hold that it is possible for any Senator to speculate in sugar stocks, to invest his money in sugar stocks, and that it would not influence his conduct here as a Senator, or his vote possibly? Does not that go to the integrity of the Senate, and, in fact, to the very foundation of the Government?

Mr. HILL. The Senator confounds legal questions with questions of propriety. A Senator can speculate in sugar stocks, he can speculate in silver stocks, he can speculate in any other kind of stocks that he pleases, and he violates no law. Am I not right about that?

Mr. ALLEN. He does not violate a mere statute.

Mr. HILL. Then that answers the question.

Mr. ALLEN. But is it more proper for a Senator whose vote is to be cast upon a measure in the Senate to speculate in sugar stocks, or in any other stocks whose value will be affected by his vote and his conduct as a Senator, than it would be for a judicial officer to decide a case in which he was directly and pecuniarily interested? Does not that fact go to the very honesty and integrity and foundation of the nation itself?

Mr. HILL. In the first place, a Senator has a legal right to do anything that is not prohibited by law.

Mr. ALLEN. He has no moral right to do it.

Mr. HILL. We are talking about one thing at a time. I will get to that in a moment. In the first place, if there is no statute that prevents it, he is not guilty of any crime and he violates no law. When the Senator from Nebraska votes for silver in the Senate it makes no legal difference how many silver mines he owns or how many he may have purchased. Neither if a Senator votes upon the general question of national banks does it make any legal difference how much stock he may own in national banks.

Mr. ALLEN. Will the Senator permit me?

Mr. HILL. Wait a moment. I am going to answer you. If while legislation is pending now upon the subject of sugar Senators see fit to engage in sugar speculation I think it is an act of impropriety. I have answered your question. It is an act of impropriety the same as it would be if, pending legislation upon the silver question, Senators should be speculating in silver, or

pending the question of the tariff, if there were stocks issued which bore upon that question, speculating in those stocks I believe would be an act of the height of impropriety.

Mr. ALLEN. If the Senator from New York will permit me, I beg to make a suggestion. While there is no statute punishing speculation in sugar stock by Senators when a measure of this kind is before the Senate, owing to the fact that the purity and safety of the nation depends upon pure action in its legislative branch, and in fact in every other branch, if a Senator engages in any kind of conduct, acquires interests in those things whose value is affected directly by legislation, and in that manner imperils the safety of the nation, does not the Senator from New York believe that we possess power to expel such a Senator from the legislative branch of the Government?

I speak now entirely regardless of a statute when his conduct involves the rights of the Government and goes to the very security of the Government itself. Does the Senator from New York contend that a Senator can sit here in this Chamber and indulge in conduct of that kind, and because there is no statute punishing him for it, that we possess no jurisdiction to purge the Senate of such a man. I do not believe it.

Mr. HILL. The Constitution of the United States, to which I refer the Senator from Nebraska, gives the right to the Senate to be the judge of the election and qualification of its members. It gives the Senate the right to expel members for misconduct and the Senate is the judge of that misconduct. That is the Constitution. There is not anything new about this question as I conceive.

I have already said—I need scarcely repeat it—that I do not approve of any Senator speculating (if any has, and I doubt whether any has around this circle) in sugar stocks pending this legislation. If they have, who is objecting to this committee finding it out? I know of no one. Why not call those Senators then and not persecute these newspaper correspondents, who do not pretend that they have any personal knowledge upon this subject? Why seek them out, and when they tell you that they have no personal knowledge in regard to it and say they have certain information which they derived from a confidential source, why invoke the powers of this great Government to make them tell their sources of confidential information, when the very people about whom they speak are in the city of Washington and can be summoned and called and compelled to testify in regard to it?

Mr. ALLEN. The Senator from New York certainly does not claim that these witnesses are exempt from answering. They are only exempt while——

Mr. HILL. It depends upon what they are asked whether they are compelled to answer or not.

Mr. ALLEN. The Senator does not claim that they are exempt by the mere fact that they have promised some person that they will not disclose the source of their information?

Mr. HILL. I am not saying that the newspaper correspondents have or have not told the truth. I am under no especial obligation, sir, to the newspaper class. But I simply say that whether these newspaper men have told the truth or not is to a certain extent an immaterial question. They may have published this information without having any real foundation for it. That is not the real question involved in your investigation. The question really involved is, what is the truth, not what they have told, not what they have said, not what they have reported, nor where they got the sources of their alleged information. It is not that, but what are the exact facts. That is what the public wants to know, and nobody objects to your finding it out to your heart's content.

Mr. ALLEN. The Senator from New York does not answer my question. No witness is excused from answering a question unless it has a tendency to incriminate him. Now, when these witnesses are called——

Mr. HILL. Allow me to dispute that proposition. The question must be relevant to the inquiry.

Mr. ALLEN. I am talking about a question where the committee has jurisdiction of the subject-matter. Where the question is relevant to the subject under investigation if it does not incriminate him he is not exempt from answering. Why not have the gentlemen who made those publications give the source of their information so that the committee may be able to get at the truth? You can not get at it in any other way.

Mr. HILL. If a newspaper man who has printed something in regard to speculation in sugar or something of that character is brought upon the stand and says he printed it in good faith—that he derived the information from confidential sources, why seek to press him to give the sources of information instead of calling the parties against whom the charge is presented?

Mr. GRAY. May I ask the Senator from New York a question?

Mr. HILL. Certainly.

Mr. GRAY. Suppose there were a matter being inquired about at a coroner's inquest, for example, and a witness were to say, "I have made the statement that a certain man slew the deceased," and when asked if he made that statement upon his own personal knowledge, said, "Oh, no; I was told it; I know nothing about it to my own knowledge, but I was so informed," and when asked who his informant was declined to answer, would the Senator think that it was quite fair to those who were investigating, as he says the very truth of the charge, to say, "Go on and find out and summon the man who is charged and ask him whether or not he slew the man; you are not concerned with who told him, but whether or not the thing was done"? Does not the Senator think the proper thing is to get primary evidence and to have before you as a means of discovering the truth the very man who is said to have made the statement?

Mr. HILL. A trial in a court and a legal investigation before a coroner's jury are entirely different matters from an investigating committee. You can have hearsay testimony before an investigating committee. You can not have that kind of testimony in a trial in court or before a coroner's jury. So far as I am concerned, of course I should prefer that the newspaper witnesses should have stated the sources of their information, but as honorable men they are themselves the judges of the question of the propriety of disclosing those sources. They have a right to say if they please that the disclosures which they may be compelled to make may criminate them. They are not obliged to say so directly. They can say so indirectly. They have a right to invoke the just and practice rule that they are advised by their counsel not to answer.

What I object to is, if a coroner's jury were investigating the death of a citizen, that they should first take up the testimony of newspaper correspondents as to what they had heard. They should, on the other hand, examine eyewitnesses and men who assume to have personal knowledge of the subject.

Mr. GRAY. That is just what we want to get at.

Mr. HILL. You are going a great way around the barn to get at it.

Mr. GRAY. Will the Senator tell me how to get it except to compel the man to testify who says he was informed by an earwitness that such a thing occurred and refuses to tell whom he was?

Mr. HILL. Senators can be sworn. They can be placed upon the stand.

Mr. GRAY. They are the parties accused.

Mr. HILL. They are not accused in the sense of any specific charge being made against them or of having committed any crime in law. This subject is being investigated for the purpose of obtaining the facts, of vindicating the Senate, or for the purpose of ascertaining the truth, which may condemn the Senate, and I suggest to the committee that the best way, if they desire to enter into that inquiry, is to summon the Senators.

Mr. ALLEN. How are we to ascertain who they are when the witnesses refuse to disclose their names or the sources of the information which they published?

Mr. HILL. Swear them all, then, if you have any doubt about it. So long, sir, if you have foolishly, in my judgment, entered upon this inquiry, it is your duty to exhaust it and go to the bottom. If you have seen fit to undertake to investigate mere idle newspaper charges, not founded upon affidavit, not founded upon personal knowledge, but founded upon rumors and intimations and suspicions, then carry it out, and not simply anony newspaper men, whose revelations started the inquiry. Therefore, sir, there is no objection to swearing every Senator around this circle.

Mr. GRAY. Will the Senator from New York be satisfied with that inquiry? Suppose every Senator purges his conscience and stands before the committee absolutely on his own testimony absolved from the charge, is the Senator willing to stop there?

Mr. HILL. If there is anybody else who knows anything in regard to it of their personal knowledge, or whom the committee believe know it of their own knowledge, you can summon them. You know that these newspaper men do not pretend to know these facts of their own knowledge.

Mr. GRAY. If the Senator from New York will allow me——

Mr. HILL. Certainly.

Mr. GRAY. I will inform him of something which perhaps he does not know. We did not know that the newspaper man, as the Senator calls him, but I will say the gentleman who wrote this letter to the paper—though I do not suppose a newspaper man has any privileges which any other citizens of the United States have not——

Mr. HILL. I hope not.

Mr. GRAY. I hope not. I say we did not know that this gentleman was speaking without knowledge. We were referred to a categorical statement of fact that a certain thing

had happened, stated as if it were within the personal knowledge of the writer, and we naturally summoned that writer before us. He says: "It is not a matter of personal knowledge; I know nothing about it." "Then upon what authority did you make that statement?" is the next natural question, I submit to the Senator from New York. "I decline to answer. A person told me so, and said he heard it." "Will you give the name of that person?" "I will not."

We know no other person who heard it. There has been no intimation of any other witness who can give that information. If there had been we would have summoned him. But this one person is the person who, according to the newspaper writer, has made the authoritative statement, and that person he declines to disclose.

Mr. HILL. I am not complaining of the committee because it has not completed its labors. I assume from what has been said that the committee has just barely entered upon them. I am criticising the committee somewhat because at the very outset of its efforts it stops and seeks to compel these newspaper men simply to tell who their informants were, they disclaiming any personal knowledge in regard to the facts. Newspaper men have the same rights as other citizens, no more and no less.

I should say this, sir. If any newspaper man had circulated a story which reflected upon my honor or integrity as a Senator of this body and the Senate had seen fit to enter upon the investigation of that subject and a newspaper man had been brought upon the stand and disclaimed all personal knowledge of anything reflecting upon me, but stated the fact that he had been told so and so, I say so long as that charge remains there, in justice to myself the next witness to be called should be the Senator against whom these things had been thus alleged, even though they were hearsay.

I do not think it was wise to have entered upon this branch of the inquiry at the start, when you had nothing but hearsay and newspaper testimony for it; but as long as you have ventured out on this field, then follow it up in a proper and legitimate way. So, I say, when these reflections were made against a high official or officials of the Government, instead of following up this cue where you must have known it would result in nothing definite or certain, you should have called these officials upon the stand and the whole matter would have been proved or exploded. Perhaps that would not have answered the purpose some people may have had in view. The moment the real parties accused were called and they denied these accusations it would probably have ended the whole matter. But the committee has seen fit to take the other course.

Mr. President, two of these newspaper men who were called before the committee represent newspapers of my State; two of them are residents of my State, and that is one reason that I desire here to present these suggestions in their behalf. The second reason is because I think the Senate is venturing upon a ground upon which it ought not to tread. I think no good will come of this investigation in thus seeking to persecute these newspaper men. Thirdly, I doubt your right, without any action of this body, to have these facts certified to the district attorney of this District. Fourthly, I believe it is in the control of the Senate whether this prosecution or persecution shall go any further in that direction. The Senate has the legal power to control this whole matter.

Mr. President, I have already said that your ruling involves two questions. I appealed from the whole ruling. From that portion of your ruling which decided that the presentation of the report presented a privileged question I appealed because it gave me the opportunity to make these remarks. I do not intend to persist in that appeal. That portion of it I desire to withdraw, but I understood the Vice-President to say that nothing whatever remained to be done or could be done when the report should be presented. In order to raise that question I offer the resolution which I will send to the desk.

Mr. WHITE. Let me inquire of the Senator whether he has withdrawn the appeal.

Mr. HILL. I withdraw that portion of the appeal which appealed from the decision of the Chair holding that the presentation of the report was a privileged question. While I think the Chair was wrong and maintain my own views in regard to it, I have no desire to press that question.

Mr. CULLOM. Let us hear the resolution read.

Mr. HARRIS. Is there a part of the appeal not withdrawn?

Mr. HILL. Yes; unless there is a part of the decision withdrawn.

Mr. HARRIS. Very well; I object to the introduction of the resolution at this time.

Mr. HILL. Let the resolution be read, then, for information.

Mr. HARRIS. I object to its introduction or reading.

Mr. GRAY. Mr. President——

Mr. HARRIS. Has the Senator from New York yielded the floor?

The VICE-PRESIDENT. The Chair will state the question. The Chair has decided the question presented to it, and from the decision of the Chair the Senator from New York has appealed. That is the pending question.

Mr. HARRIS. I ask if the Senator from New York has yielded the floor.

Mr. HILL. The Senator can ask that through the Chair. That is the way to ask and not through me.

Mr. HARRIS. I ask the Chair if the Senator from New York is still occupying the floor.

Mr. HILL. The Senator from New York will inform the Chair that he is.

The VICE-PRESIDENT. The Senator from New York will proceed.

Mr. HILL. In this connection, I offer the following resolution.

Mr. HARRIS. I object to the introduction of the resolution at this time.

Mr. HILL. I ask the Secretary to read the resolution as a part of my remarks.

Mr. HARRIS. I object to the Secretary reading anything at the request of the Senator. The Senator from New York can read it himself as a part of his remarks.

Mr. HILL. I have a right to have the Secretary read it.

The VICE-PRESIDENT. The Chair will state that the pending question is on the appeal of the Senator from New York from the decision of the Chair. If he asks for the reading of a paper as a part of his remarks, that presents a different question.

Mr. HILL. I can read it myself.

The VICE-PRESIDENT. The Chair will state the question if the Senator from New York will suspend a moment. The resolution presented by the Senator from New York is not in order as a resolution for the action of the Senate. The only question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. CHANDLER. Mr. President——

The VICE-PRESIDENT. The Senator from New York has the floor.

Mr. HILL. I of course do not desire to misstate the decision of the Chair. I understood the decision of the Chair to involve two questions, and it is only with reference to one of those that I now desire to appeal. I gave the reasons why I appealed at the start, and I desire to withdraw that portion of the appeal. I understood the Chair to say that no other action is proper. I submit to the Chair whether that ruling would not be more properly made at the time when I offer the resolution.

The VICE-PRESIDENT. The only question before the Senate is on the appeal of the Senator from New York from the decision of the Chair. Shall the decision of the Chair stand as the judgment of the Senate?

Mr. CHANDLER. Will the Senator from New York allow me?

Mr. HILL. Certainly.

Mr. CHANDLER. I rise to a parliamentary inquiry.

The VICE-PRESIDENT. The Senator from New Hampshire will state his parliamentary inquiry.

Mr. CHANDLER. Will the Chair state exactly what his ruling was and whether it involved the two points suggested by the Senator from New York?

The VICE-PRESIDENT. The Chair decided that the question presented by the Senator from Delaware [Mr. GRAY] is a question of privilege.

Mr. HILL. And that was all? Then——

Mr. CHANDLER. If the Chair made no other ruling and did not in addition rule——

Mr. HILL. Then I withdraw the appeal.

Mr. CHANDLER. That it called for no action by the Senate, then I have nothing further to say. If the ruling was in two parts——

The VICE-PRESIDENT. The Chair refers the Senator to the act of Congress under which this proceeding is had. It calls for no action upon the part of the Senate, but action upon the part of the Presiding Officer of the Senate.

Mr. CHANDLER. On that precise point I desire to submit some remarks at the right time and in the right way. If the appeal stands, then I should like to submit them on the appeal.

Mr. HILL. I will renew the appeal for the purpose of allowing the Senator from New Hampshire to address the Senate.

Mr. HARRIS. Mr. President——

The VICE-PRESIDENT. Has the Senator from New York yielded the floor?

Mr. HILL. I have not. I desire upon the appeal to submit

just a few more remarks, in connection with which I will read the resolution, which I desire to offer at the proper time, whenever that is:

Resolved, That the questions asked and refused to be answered by the witnesses mentioned in the report of the Senate committee are not pertinent to the question under inquiry, and that the President of the Senate be directed not to certify the same to the district attorney for the District of Columbia until further direction of the Senate.

Mr. HARRIS and Mr. CHANDLER addressed the Chair.

Mr. HILL. Now I yield to the Senator from New Hampshire.

The VICE-PRESIDENT. The Chair has recognized the Senator from Tennessee.

Mr. HARRIS. I move to lay the appeal upon the table.

Mr. CHANDLER. Mr. President——

The VICE-PRESIDENT. The question is on agreeing to the motion of the Senator from Tennessee.

Mr. CHANDLER. I ask the Senator from Tennessee to withdraw the motion until I can submit some suggestions.

Mr. HARRIS. There have been a couple of hours wasted upon the question already. I shall withdraw the motion for no one.

The VICE-PRESIDENT. Debate is not in order. The Senator from New York appeals from the decision of the Chair, and the Senator from Tennessee moves to lay the appeal upon the table. The question is on agreeing to the motion of the Senator from Tennessee.

The motion to lay on the table was agreed to.

Mr. DOLPH. Mr. President——

Mr. HARRIS. Regular order.

Mr. DOLPH. I rise to a point of order.

The VICE-PRESIDENT. The Senator from Oregon will state his point of order.

Mr. DOLPH. The Chair and evidently the Senate have decided that the report of the special committee is a privileged matter. The report has been received, and calls for action.

Mr. HARRIS. I call for the regular order.

Mr. DOLPH. I rose to a point of order.

Mr. HARRIS. I beg pardon of the Senator from Oregon.

The VICE-PRESIDENT. The Chair will hear the Senator from Oregon.

Mr. DOLPH. I suppose any action upon the report is as privileged as the report itself, and I send to the desk a resolution in connection with the report which I offer and ask to have read.

Mr. HARRIS. I object to its introduction at this time. Let it lie on the table until it is in order to introduce it.

The VICE-PRESIDENT. The Chair will hear the resolution read for information and then will determine as to whether it is a privileged question.

The Secretary read Mr. DOLPH's resolution, 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, directed to the Sergeant-at-Arms of the Senate, commanding 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. HARRIS. I object to the resolution at this time. Let it go over until to-morrow morning.

Mr. DOLPH. I ask for the ruling of the Chair.

The VICE-PRESIDENT. The Chair thinks the resolution will go over under the rule.

Mr. DOLPH. From the decision of the Chair I appeal.

The VICE-PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. DOLPH. I desire to be heard upon the appeal.

The VICE-PRESIDENT. The Chair will hear the Senator from Oregon.

Mr. DOLPH. Mr. President, "time at last sets all things even." This is my opportunity. I think before we get through with this report we will have an opportunity to show what the Senate thinks about its power to compel witnesses to testify. We will have an opportunity to discuss the question of the powers and duties of the Senate in this regard, before the public and before the country, and to demonstrate who of us are afraid of the newspaper reporters and who are not afraid of them. I wish to disclaim any animosity against newspaper reporters. I think I owe them for few favors. I do not fear them. I believe that the Senate of the United States has ample power to enforce its own rules and regulations, to inquire into the conduct of its members, so far as it affects their rights to seats in this body, or so far as their conduct affects public business.

I believe that at least a portion of the subject-matter of the inquiry authorized by the resolution of the Senate under which the special committee was constituted is a matter within the jurisdiction of the Senate. The committee of five Senators was appointed under the resolution to investigate charges that the sugar schedule had been made up as it now stands in the proposed amendment in consideration of large sums of money paid for campaign purposes of the Democratic party. The committee is further directed—

To investigate and report upon any charge or charges which may be filed before it alleging that the action of any Senator has been corruptly or improperly influenced in the consideration of said bill.

That is the tariff bill.

Mr. President, that these are proper subjects of inquiry no one can doubt. They are within the jurisdiction of the Senate, and the simple question presented is, when the committee summons before it a witness supposed to be able to give information upon the subjects under investigation, and he refuses to testify, what shall be done with him? I have no great interest in this investigation. I was indifferent whether the committee should be raised or not. I believed that if it were created, when we came to the point we have reached now, the Senate would incontinently back down, and show it had not the backbone to proceed with the investigation. But I am a stickler for the preservation of the authority of this body—one of the most important legislative bodies in the world—and I do not desire to see it lightly pass by the offense of a witness who, when summoned before a proper committee to answer a proper question in regard to a charge, refuses to testify.

I am not in favor of turning this matter over to the district attorney for the District of Columbia. I think it would be inconsistent with the dignity of this body; it would be a surrender of the powers of this body; it would be an evasion of the duties of this body to dismiss the matter by simply turning over these recalcitrant witnesses to the prosecuting officer of the District. Either the Senate should back down now, and say we will not compel these witnesses to testify, we will pass over their refusal to answer and their contempt of the authority of the Senate, or the Senate should take that means which is adopted by every judicial tribunal, by every tribunal that makes an inquiry as to a question of fact, and should punish the witnesses for contempt.

I am indifferent as to which is done, except so far as it affects the good name of this body. The resolution which I propose to offer to-morrow morning, if it is ruled out to-day, is for the purpose of testing this question, of determining the power of the Senate in this regard, of determining whether hereafter for all time to come investigations by the Senate shall be a farce, whether we shall commence investigations, knowing that if we find a witness who will not testify we will admit we have not the power to compel him to testify or punish him for contempt and let the investigation fail, or whether we shall assert the authority of the Senate and compel these recusant witnesses to testify.

Mr. President, as is well known to the Senate, I had occasion to investigate this question not many years ago, and discussed it before the Senate at length. I made up my mind then that there is no question whatever that when the Senate is proceeding within its jurisdiction, when it is proceeding to investigate a matter which is pertinent to the business of the Senate, affecting the character and standing of a member of this body, or concerning the manner in which legislation has been procured, or as to what attempts are being made to procure certain legislation, it has as much power as a court of justice to compel witnesses to testify and to punish them for contempt. I also examined the statute which has been referred to.

I do not agree with the suggestion that a resolution of the Senate would be necessary to authorize or direct the President of the Senate to certify this report to the district attorney. I think that when Congress passed a law directing this to be done it then provided that the seal of the Senate might be used for that purpose by the Vice-President or the President of the Senate. I came to another conclusion, and that is that the punishment provided by this statute is merely cumulative. It is a punishment provided by law for a distinct offense, and it does not remove or take from the Senate its power to punish for contempt.

I made up my mind upon another proposition which has been mooted, as to whether if a witness were sent to the jail of the District for contempt of this body he would be released on a writ of habeas corpus when Congress adjourned. I came to the conclusion that the Senate is a continuing body, and that if it committed a witness to the common jail for refusal to testify he would stay there as long as the Senate chose to keep him there. At least I was willing, and I am willing now, to make a test case. I should like to see the resolution adopted, and one of these witnesses imprisoned for contempt of the Senate, and put upon him the burden of suing out a writ of habeas corpus or in some other way testing the power of the Senate, testing the pertinency of this question, and testing the right of this matter. I have no doubt as to the result.

There never has been but one question of doubt in regard to such an inquiry, and that is the question as to whether the question propounded to the witness is a pertinent question. I myself think it is a pertinent and proper question in such an investigation to ask a witness to state where a man can be found who can tell something about the matter. The witness is brought before the committee. He states that he has made certain statements, that he has not made them upon his own knowledge, that he has made them upon information. I think the question as to where he obtained his information is a proper question to enable the committee to follow up the investigation and ascertain who made the statement and the truth of the matter.

The Senator from New York [Mr. HILL] proposes that we commence at the other end of this investigation and call Senators before the committee and inquire as to their knowledge of this matter. That is not the proper way; that is not the logical way to go at this matter. The proper way is to commence with the publication, show the information of the party who made the charge, and so trace the rumor to its foundation.

But, Mr. President, I do not propose to discuss this matter at length now. I may do it hereafter. I offer the resolution, and I would offer it if I were the only Senator in this body who would vote for it, because I now have an opportunity of showing in the light of day and before the public what Senators think of our power in this matter and letting them give expression to their reasons why they are not willing to compel witnesses to testify. As I said before, this is my opportunity, and I propose to improve it.

Mr. HARRIS. I move to lay the appeal of the Senator from Oregon on the table.

The VICE-PRESIDENT. The question is on agreeing to the motion of the Senator from Tennessee.

The motion to lay on the table was agreed to.

Mr. HILL. In connection with this subject I offer a resolution.

Mr. HARRIS. I object to the introduction of the resolution at this time.

Mr. HILL. I ask that it be read.

Mr. HARRIS. This subject has passed from the consideration of the Senate.

The VICE-PRESIDENT. The resolution will be read for information.

Mr. HARRIS. I object to its reception or reading.

The VICE-PRESIDENT. The Chair will hear the resolution read.

The Secretary read Mr. HILL'S resolution, as follows:

Resolved, That the questions asked and refused to be answered by the witnesses mentioned in the report of the Senate committee are not pertinent to the question under inquiry, and that the President of the Senate be directed not to certify the same to the district attorney for the District of Columbia until further direction of the Senate.

Mr. HILL. I have no objection to the resolution going over.

The VICE-PRESIDENT. The resolution will go over under the rule.

Mr. HARRIS. I rise to a question of order. The resolution is not yet introduced so that it can go over. It can not be introduced at this time without consent.

The VICE-PRESIDENT. Is there objection to its reception?

Mr. HARRIS. There is.

The VICE-PRESIDENT. There is objection.

Mr. HILL. Mr. President, permit me to suggest that if this is a privileged subject, then any resolution relating to that subject matter is also privileged. While it might not be acted upon to-day, you can not prevent a Senator from offering something that relates to the subject-matter. So, irrespective of the legal question involved, a Senator has a right to present a resolution in regard to it. Whether it is proper to be adopted or not is another thing. The matter is here. It has not been disposed of. It is pending before the Senate, and this resolution relates to it. It is germane to the subject. Whether the Senate would want to adopt it is another question, but I have a right to offer it, it strikes me, because it relates to the particular subject-matter which has been presented to the Senate. I do not ask that the resolution be acted upon now, but I have a right to offer it.

Mr. BUTLER. Regular order.

HAWAIIAN AFFAIRS.

The VICE-PRESIDENT laid before the Senate the following message from the President of the United States; which was read and referred to the Committee on Foreign Relations, and ordered to be printed:

To the Congress:

I herewith transmit, having regard to my message of May 9, 1894, a communication from the Secretary of State covering a dispatch from the United States minister at Honolulu.

GROVER CLEVELAND.

EXECUTIVE MANSION, *Washington, May 29, 1894.*

HOUSE BILLS REFERRED.

The bill (H. R. 1589) for the relief of Louis Pelham was read twice by its title, and referred to the Committee on the Judiciary.

The bill (H. R. 3458) extending the time for final proof and payment on lands claimed under the public land laws of the United States was read twice by its title, and referred to the Committee on Public Lands.

The bill (H. R. 5439) for the relief of Richard Hawley & Sons was read twice by its title, and referred to the Committee on Finance.

The following bills were severally read twice by their titles, and referred to the Committee on the District of Columbia:

A bill (H. R. 6576) to provide for closing of part of an alley in square 622, in the city of Washington, D. C., and for the relief of the president and directors of Gonzaga College; and

A bill (H. R. 6777) to amend an act entitled "An act to incorporate the Washington and Great Falls Electric Railway Company."

The joint resolution (H. Res. 79) for the relief of Peter Hagan was read twice by its title, and referred to the Committee on Claims.

MISSOURI RIVER POWER COMPANY OF MONTANA.

The bill (H. R. 82) to authorize the Missouri River Power Company of Montana to construct a dam across the Missouri River, was read twice by its title.

Mr. POWER. I should like to have immediate consideration of the bill just read.

The VICE-PRESIDENT. The Senator from Montana asks unanimous consent for the present consideration of the bill.

Mr. JONES of Arkansas. I object. I call for the regular order.

The VICE-PRESIDENT. There is objection.

Mr. POWER. This is similar to a bill which has been recommended by the Senate Committee on Commerce and which passed the Senate some two months ago.

Mr. JONES of Arkansas. It can be taken up in the morning hour on some other day. I am unwilling to have the tariff bill set aside to take up business of this kind.

The VICE-PRESIDENT. Objection is made to the present consideration of the bill. It will be referred to the Committee on Commerce, if there be no objection.

DUPLICATE BILL.

The VICE-PRESIDENT laid before the Senate the request of the House of Representatives to furnish the House with a duplicate copy of the bill (S. 104) for the relief of Gen. N. J. T. Dana, the original having been mislaid; which, by unanimous consent, was complied with.

THE REVENUE BILL.

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 pending question is on the amendment proposed by the Senator from Kansas [Mr. PEFFER] to the amendment of the Senator from Maine [Mr. HALE].

Mr. SHERMAN. Mr. President, I intended to address the Senate. The hour is so late that I think I will not assume the floor to-day. At the pleasure of the Senate on Thursday, immediately after the subject is again before us, I should be glad to be recognized by the Chair.

The VICE-PRESIDENT. The Chair will recognize the Senator from Ohio at that time.

Mr. SQUIRE. Mr. President, I desire to submit a few remarks in reference to the schedule on wood and manufactures of wood. My remarks will not be very lengthy.

I desire first to quote the language of the present law, as follows:

Paragraph 216: Timber hewn and sawed, and timber used for spars and in building wharves, 10 per cent ad valorem.

Under the old law before the McKinley bill these kinds of lumber paid 20 per cent ad valorem.

Paragraph 217: Timber squared or sided, not specially provided for in this act, one-half of 1 cent per cubic foot.

Under the old law these paid 1 cent per cubic foot.

Paragraph 218: Sawed boards, plank, deals, and other lumber of hemlock, white wood, sycamore, white pine, and basswood, $1 per thousand feet board measure. Sawed lumber, not specially provided for in this act, $2 per thousand feet; but when lumber of any sort is planed or finished, in addition to the rates provided, there shall be levied and paid for each side so planed or finished, 50 cents per thousand feet board measure; and if planed on one side and tongued and grooved, $1 per thousand feet board measure, and if planed on two sides and tongued and grooved, $1.50 per thousand feet board measure. In estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tonguing, and grooving.

I omit reading the remainder of paragraph 218, but would refer to the fact that under the old law prior to the present law,

white pine paid a duty of $2 per thousand feet, so that under the McKinley act the duties were reduced just one-half what they were previously.

I will omit paragraphs 219 and 220.

Paragraph 221: Under the present law pine clapboards pay $1 duty per thousand feet; under the old law, prior to the McKinley act, pine clapboards paid $2 per thousand feet.

Another reduction to one-half the former duty.

Paragraph 222: Spruce clapboards now pay $1.50 per thousand feet.

I omit paragraph 223.

Paragraph 224. Under the present law laths pay 15 cents per one thousand pieces.

Paragraph 225. Pickets and palings, 10 per cent ad valorem; under the old law they paid 20 per cent ad valorem.

Paragraph 226. White-pine shingles now pay 20 cents per one thousand, all other shingles, 30 cents per one thousand. Under the old law these paid 35 cents per one thousand.

Thus, Mr. President, it is evident that a substantial reduction was made in duties on lumber under the McKinley bill, the reduction of duty being about one-half of that existing under the previous law.

Now, under the bill that we are considering, it is proposed to admit all sawed lumber free of any duty whatever, unless it is planed or tongued and grooved; and there is no duty on pine clapboards or spruce clapboards or laths, or pickets and palings, or on white-pine shingles, or on cedar shingles, of which we are large producers in the State of Washington.

Now, Mr. President, this is a business matter for the people of my State, and I feel it to be my duty to enter here a deliberate and solemn protest against the proposed sacrifice of their interests. Why should the lumber industry be singled out for such an attack in the Senate? It is well known and understood that important concessions have been made to great industries in other States, such as iron ore and coal, in which Maryland, West Virginia, Virginia, North Corolina, and Alabama are interested.

The duties on these products have been reduced not quite one-half, namely, from 75 cents to 40 cents per ton, and I submit to the Senate the question whether fair play and decency in the administration of the public business does not require similar treatment or something equivalent in the allowance made to the interests of lumber? It seems to me that if there is any management of this question that might properly be said to belong to the realm of statesmanship it resides in the fair and equitable adjustment of burdens and advantages among all the people.

We know how interested the Senators and the people of Louisiana are in the question of having either the retention of the present bounty upon the home production of sugar or the levying of a duty which shall enable the sugar producers and manufacturers of that country to compete with the producers of other countries in supplying sugar to the people of the United States. I know how earnest, sincere, and energetic, how fully engrossed, I may say, the Senators from Louisiana have been and I suppose still are on this subject; but I wish to say to the Senate and to them, that the people of the State of Washington have relatively as large an interest in the question of lumber as the people of Louisiana have in the question of sugar.

And I would say, in the hearing of these Senators, that while it is my desire to stand by them in the reasonable protection of their interests, either by the retention of the bounty or by the levying of an adequate duty—while I say it is my wish to stand by them if I can consistently do so, yet I must give them due notice in advance that if this important industry of lumber be neglected, if their votes can not be secured to sustain this most important of the practical industries of my State to-day, they must not feel aggrieved if I find myself compelled to vote against their interests, in order to defeat this bill.

Much as I admire and respect these Senators, heartily in sympathy with them as I am, yet I would be chargeable with treason to my own people did I not use every legitimate effort to protect their interests; and if, in so doing, it becomes necessary for me to vote for free sugar, I shall probably do so.

Mr. President, I know how complicated this whole range of discussion is and how difficult the adjustment of the issues involved must be. I know that there is a sincere endeavor to pass some kind of a tariff bill, and I have great charity in my heart for those members of the Finance Committee who have worked so arduously in the endeavor to get out something far more satisfactory to the American people than the Wilson bill was or could be. I commend the committee for their advancement in so far as they have endeavored to secure a more satisfactory adjustment; but I have pleaded with several of them personally to take into consideration this lumber interest in their endeavors to do what is fair and right by all sections of the Union.

I have no right to quote their language, but I am satisfied in my mind they believe it to be right that there be a concession to this vast lumber interest; and why not do it in the interest of fair play and justice? What legitimate argument can be adduced against so doing that can not be used with much greater force on the question of sugar duties? Can we say that lumber is raw material when from 90 to 95 per cent of the cost is in labor, in my State? And perhaps 75 to 80 per cent is labor in many other States in the Union. The only raw material is the tree standing in the woods. The balance of the cost from the time the tree is cut until it is landed on the dock is labor; for it takes labor to build the roads, fell the trees, cut them into logs and raft them into booms, manage steamers in towing, and to handle and manufacture into lumber at the mill.

Take it on the ground of revenue. Lumber is a great revenue-producing article, as the Senator from Oregon stated yesterday. He asserted without contradiction that $1,190,000 is the present annual revenue derived from lumber. Is there any reason why the Government should lose this amount, particularly in view of the present condition of the National Treasury? If you are going to cut down the duty, why not limit the reduction to a duty of 65 or 75 cents per thousand on sawed lumber, so as to make it symmetrical with the reduction in the duty on coal and iron ore?

If it is revenue only that you want, perhaps you would get a much greater revenue than you now get by making merely a moderate reduction, and at the same time you would show some consideration for the preservation of our vast timber and lumber manufacturing interests. Why limit the duty to planed and planed and grooved lumber? Why give a protection to planing or planing and grooving equal to 300 per cent, or even 100 per cent, when those who do the great bulk of business, employ the bulk of the capital, and assume nearly all of the risks, are to have no protection whatever?

As I stated yesterday, it is estimated that the average cost of the labor in the work of planing on one side and planing on two sides does not exceed 25 cents per thousand. That is my information from very reliable sources; but supposing the actual cost of labor for planing on one side is 20 or 25 cents, it is evident that the protection as to the work of planing, simply, is not in any degree just or equitable in its relation to the entire business of manufacturing lumber from the tree.

I have consulted prominent business men engaged in this industry in the great lumbering States of Wisconsin, Michigan, and Minnesota, and I have a letter from a leading Democrat of one of these States, whom I have known for more than thirty years, who is a warm personal friend of mine and one of the conspicuous leaders of his party in his State; I have had conversations with him on this subject and know that he keenly feels the great injustice of the present bill. I do not know that I would be justified in submitting his letter, as he has stated that it was hastily prepared, although he has authorized me to use it in the lumber interest. He says:

It is most lamentable that this question should be dealt with otherwise than one wholly of a business character. Business men allow their politics to greatly confuse and mislead them upon this question.

Again he says:

Relatively, and as a matter of justness and fairness, the duty should be continued, in my opinion. Lumber manufacturers generally believe that the duty is an advantage to them in their business; at any rate, when they are compelled to buy everything upon which a high duty is imposed, even under the bill that you are now considering, they should not be compelled to sell their products in open competition with the world.

Let me call your attention to a few facts. Most of the Canadian timber is owned by citizens of the United States—nearly all of the white pine—and the owners are not willing to part with it under any conditions which will not give them the same result for their stumpage as they derive from that which they and others own in the United States. I presume the largest manufacturer of lumber in British Columbia is a Wisconsin company, and they own an immense tract of timber there and have their mills at Victoria and some other place. It is a fact that the tariff cuts very little figure in the price of lumber, and this arises chiefly because the owner of the timber will not part with it unless he gets about the price that obtains everywhere for the same quality and kind of timber.

The timber has mostly gotten into the hands of men who are capable of holding it so as to realize these prices. It is true that when the stumpage is low there are those who will sell; but the very minute that the prices of lumber fall, there is less of it manufactured; so that it quickly comes up to the price where the manufacturer can afford to buy the stumpage and manufacture it at a profit. The lumber business is divided into four classes of dealers in it:

1. Timber owner.
2. The manufacturer.
3. The purchaser from the manufacturer, who is called the yard operator.
4. The planing-mill operator.

The timber owner sells to the manufacturer, the manufacturer to the yard owner, by whom the lumber is distributed to the consumer. The planing-mill operator is an intermediate man, who is generally paid by the yard-man for such work upon the lumber as enables him better to dispose of it.

Now, I may say here that I learn in the South the second and fourth classes are generally combined, so that the finished or planed product is turned over to the yard operator. And this is the point to which I called the attention of the Senate yesterday, and which I wish to emphasize to-day, that the Southern mill owner is protected under the present bill by the duty on finished lumber, while the Northern manufacturer has no pro-

tection whatever, unless he happens to be a planing-mill operator, which is generally a separate business in the North, and requires but very little capital.

My informant goes on as follows:

Sometimes these four classes are concentrated in one person or company. In other instances the manufacturer yards his own lumber and has a planing mill; but the general divisions are as above. These divisions apply in nearly all cases of lumber exported to other countries.

He is speaking now as to the lumber producers east of the Rocky Mountains.

The only exception (generally) is where the manufacturer owns his own timber. The owner of the timber sometimes cuts it himself and sells the logs or hires the manufacturer to manufacture it for him and he sells the rough lumber.

I desire particularly to call the attention of the Senate to the following:

The manufacturers are of the class who shoulder the great burden of this business. They employ a vast capital invested in the business, and give employment to the millions of workingmen engaged in it. The manufacturer buys the timber, cuts, skids, and banks the logs, tows or transports them to the mills, manufactures them into lumber, piles it in his yard to dry for shipment and delivers it on the rail of the vessel, or in cars for the yardman, unless it goes to the consumer after the planingmill has handled that which is necessary to go through it.

The lumber must remain in pile not less than sixty days, and it will average ninety days; and this average will apply everywhere. The manufacturer takes nearly all the chances incident to the business, all losses by fire and flood, and employs all the capital practically engaged in the whole business. The yardman buys of the manufacturer on sixty or ninety days and four months' time, and therefore requires small capital. The manufacturer really furnishes him the capital by giving him time for payment. The planing mill has very small capital engaged in the business, and it is so small in comparison that it scarcely can be considered in connection with the amount of money engaged in the lumber business proper. There are sash, door, and blind factories and furniture factories; these are not considered in connection with the lumber business proper, because you will find another item of duties on these products.

The manufacturer's outlay is about as follows:

For the timber or stumpage, $2 to $7 per M, average	$3.50
Cutting and delivering it to mill, $3 to $7, average	4.50
Manufacturing and piling	1.50
Insurance and shipping	.50
Miscellaneous	.25
Total	10.25

This is a fair average and it is under the average of cost to manufacturers in Michigan, Wisconsin, and Minnesota. It will be seen that the manufacturer of 200,000,000 feet of lumber has therefore invested in it when in pile, $2,050,000. It will be an average of three months before any of it is returned to him.

In addition to this investment is the cost of mills, docks, and mill yards. Of this $2,050,000, $700,000 is paid for standing timber; the balance is substantially all labor. It is safe to say that $125,000 will pay for towing or other transportation, costs of the logs, and for implements and other materials consumed in the operation, so that there is no business, excepting that of producing iron ore, where so great a percentage of the cost is labor as in the lumber business.

Now, Mr. President, I desire to call particular attention to the following paragraph in the letter of this eminent Democrat:

Yet people ignorant of the business, holding high official positions, even to that of the Chief Executive of the nation, call this product "raw material," and yielding to a mere sentimental notion, and in gross violation of all fairness and justice, put the lumbermen under the disabilities involved in free trade, when at the same time every tool and machine, all the rope, steel, iron, waste, and other materials used by him, all the articles consumed by himself and his family, and the men and their families who work for him, are placed under a high Government tax, high protective duties, as shown by the bill which you are now considering. This is what I call injustice. The planing-mill man who has little or no responsibility takes no chances and is protected against competition by a very high rate of duty.

I understand he refers to the bill before the Senate—

Note particularly the cost of planing, about which so much has been said. As to the planing-mill man he says:

A capital of $30,000 and thirty men will handle in every way in one year 200,000,000 feet of lumber which has cost $2,050,000 to the manufacturer put on sticks.

This shows that the average cost of planing in Wisconsin does not exceed 25 cents per thousand feet.

The "manufacturer" is required to employ not less than two thousand men to do his work, and receives no protection under this bill.

The McKinley bill reduced the duty from $2 to $1. During the time the McKinley bill has been in operation we have obtained for our lumber on an average $2 to $3 more per thousand than we did before, excepting this season, when it has fallen back to about the prices that were obtained a year or two before the McKinley bill was passed.

Now, the McKinley bill had nothing to do with raising the price of lumber, and I suppose directly had nothing to do with lowering it to the present price. The prices average now $2.50 lower than fifteen months ago.

Mr. President, this lumberman gives it to me as his conviction that taking the duty off lumber will not cheapen the product to the consumer to any extent appreciable. He believes it unfair to remove the duty and that no good will be accomplished thereby.

Mr. President, when I had occasion to address the Senate a few days ago on the tariff in its general relations to home industries, and particularly with reference to the interests of my own State, I submitted a statement of the great extent to which my people are engaged in the lumber industry, and discussed this branch of the subject so fully that I do not deem it necessary to go into any further statistical statements at this time.

The Senator from California and the Senators from Oregon yesterday made ample statements as to the condition of this industry on the Pacific coast, which are in harmony with the statements heretofore made by me.

I wish every Senator who desires that a revenue bill be framed in accordance with the interests of all the people of the country, without favoring any particular class, could have done me the honor to listen to my explanation on that branch of the subject, but that was practically impossible at that time. Those who care for accurate details concerning the lumber interests of the State of Washington can obtain them from the RECORD.

I mention this because I do not wish to weary the Senate by undue prolongation of the discussion of this paragraph, yet I wish to perform my full duty to the people of my State as well as to the people of the United States, so that the importance of this branch of the tariff may not be underrated. Questions have been asked by the Senator from Nebraska why we can not produce lumber in the State of Washington as cheaply as it can be produced in British Columbia. It is easy for me to enumerate some of these reasons. In the first place, our labor is more expensive because we can not employ Chinese, Japanese, and Indians to the extent that they are employed in British Columbia.

Our laboring men will not work in harmony with the Chinese, and there are many kinds of work, perhaps I may say the lower orders of work, that can be efficiently performed by the Chinese, and that are performed by them in British Columbia. Of course the Chinese are not so expert as axmen or teamsters, or as sawyers.

Then again, the cost of living is somewhat higher in America than it is in British Columbia, owing to the duties imposed on the articles which our citizens wear and use. We subject ourselves to the payment of duties that are demanded by other sections of the Union to protect their interests, and yet it is proposed to leave our interests unprotected.

Third. The manufacturers pay more for their machinery, tools, cordage, steel, and iron, and every imported article that is used in connection with the business.

Fourth. In the United States we pay higher rates for the timber in the tree, namely, "stumpage," than is done in British Columbia. In fact, the timber in British Columbia is not paid for in stumpage rates as in America, but is leased from the Government at a low rate per acre, giving the timber owner an opportunity to obtain his wood at less cost in the tree. This is a very essential point. The difference in the cost of the raw material in the tree is exceedingly important. The cost of stumpage is probably from four to ten times as much in Washington as it would be in British Columbia at present rates.

Then, Mr. President, there are two other points to which I desire briefly to again call the attention of the Senate.

The first is as to the effect of the proposed legislation upon the value of our lands, reducing the value of the same in comparison with their present value, and perhaps in some respects below the value of the lands in British Columbia. Our citizens have been induced to invest in the lands obtained from the Government of the United States, and many have obtained title to valuable timber lands and are paying taxes on the same to-day, and have been paying such taxes for years. The Government has millions of acres more of these timber lands to sell. The State of Washington has half a million or more acres with which it has been endowed by the United States in the terms of the act under which this State came into the Union. The values of all these lands will be impaired if lumber shall come in free of duty.

The second point to which I wish to call the attention of the Senate is, the effect upon the merchant marine of the Pacific coast. I do not know but the same effect will be true as to the Atlantic coast. We have a large coastwise trade in lumber, and our shipbuilding interests have been largely promoted thereby. The American mill owner is compelled by law to ship in American vessels, while the Canadians and British Columbians under the bill proposed would have the choice of the flags of all nations.

Our coasting trade would thus be thrown open to foreign vessels to our great detriment and injury. And our shipbuilding interests, particularly on the Pacific coast, would suffer prostration from an enactment admitting lumber free of duty.

I would implore the Committee on Finance to reconsider their determination in reference to this item of free lumber. Let a spirit of fairness prevail. Let us have a logical, symmetrical bill. If we are to have a cut in the rates of duty let it be so general and so reasonable as to be fair to all sections. Let the bill be constructed upon business principles. Otherwise we can not secure the respect of the American people.

There is one other thought which occurs to me which has not been stated in the debate in the Senate of the United States with regard to the interests of the people in different sections of

the country. Sometimes interests stand out in strong rivalry and those rivalries are legislated upon. A great deal of interest is excited sometimes in one part of the country with reference to its peculiar business interests in comparison with the business interests of other sections of the country.

Thus we hear it said "cotton is king," or that one of the cereals has a much greater value, or that hay is much more valuable. It has come about in this way, perhaps, that friction has been engendered in time past, and it has been continued to the present time more or less.

I wish to remark upon the different attitude that the people of the State of Washington occupy in this respect. The State itself is a child of the whole nation. All the States engaged in the work of creating this new State, and we in that way are relieved from any suspicion of being inimical to any other interest, if any such existed on the part of any State or its representatives here.

We, I say, are the children of the people of the United States, and our State is the child of all the older States. Is it fair, is it right that you should not save your children, your friends, and your relatives who have taken up their residence there? Senators come to me almost every day about some citizen of Texas, or Mississippi, or Alabama, or Tennessee, or Kentucky, or Virginia—I might go all through the list of Southern States—whose people have settled in the State of Washington.

You see our interests come up closely in line with yours. Your friends are there. Young men are going to that country from older States, from all over the Union. I wish to impress upon the Senate the fact that this great industry, the lumber industry, is the paramount industry there, and that you do us great injustice if you crush this industry in the State of Washington.

It is not fair, it is not right to yourselves. It is not fair to the young men who have gone out there and taken their part and lot with us. I hope sincerely that the Finance Committee will themselves restore in this bill at least a part of the duty that is found in the McKinley act.

I do not wish to take the time of the Senate any longer, but this is the gravest question involved in the bill. As I said before it is just as important to us as the question of sugar is to the Senators from Louisiana.

Mr. CHANDLER. Mr. President, I have been waiting for two days for the opportunity to say a word in behalf of lumber, by way of appeal to the usually flinty hearts of the Senator from Missouri and the Senator from Arkansas, who I hope are in good humor this afternoon, to do more for the protection of lumber than is done by the bill as now presented.

While I have been waiting another question has come before the Senate, and has occupied much of our time, and I have been prevented by the Senator from Tennessee from saying what I rose to say on that subject.

That question was whether the Senate of the United States by a statute had given power to one of its committees to call before it a witness, and to decide that a question asked him was pertinent, and upon his refusing to answer to report him to the Senate, so that the Presiding Officer, under the seal of the Senate, should certify the contumacy to the district attorney for the prosecution of the witness under the law; while the Senators themselves must sit dumb in their seats, witnesses of this proceeding on the part of one of its committees and its Presiding Officer, with no power to arrest the movement, and with no power to any one of its members even to lift his voice in parliamentary inquiry as to what is proposed to be done.

Mr. President, if that is the condition of this body with reference to proceedings in its name and the use of its seal, then I conceive it to be a much more important question than any involved in the pending bill. I might go on and elaborate my views upon this question in debate upon this bill without the fear of the Senator from Tennessee or of any of the other Democratic Senators before my eyes, because I painfully notice they are nearly all gone. However, I have no doubt that I shall have an opportunity on Thursday, upon the resolution of the Senator from Oregon [Mr. DOLPH], unless he is excluded from presenting that resolution for consideration, to express my views as to whether the Senate controls its own seal or whether it has irrevocably transferred the custody and the use of that seal to the Senator from Delaware and the Presiding Officer of this body. Therefore, I will refrain from further discussion of this recent question and place myself where I was yesterday forenoon, in the attitude of appealing to the Senators from Missouri and Arkansas to grant an additional duty upon lumber.

I appeal for the preservation of the industry of sawed lumber carried on in the sawmills of New England, and of the North, the South, and the West, including the Pacific coast, because I believe that under the schedule upon sawed lumber as it is now made up by the Senator from Arkansas the sawmills of the country will be destroyed.

Mr. PEFFER. The Senator includes Kansas in his list of States?

Mr. CHANDLER. My heart is large enough to take in all the forty-four States, and especially do I take in that child of freedom and of New England, the State of Kansas, with the Senator himself, and all that he implies.

Mr. President, there is no question here in reference to free raw material, nor is there any question concerning the preservation of our forests, for the simple reason that logs either in the rough or hewn are now upon the free list, and nobody asks that they may be made dutiable. So that, if we want raw material pure and simple for manufactures of wood, we have it. If there is anything to be gained in the preservation of our forests by the importation of logs from the Dominion of Canada, that resource is open to us, as the logs can come in free now. So there is no question of free raw material or of the preservation of our forests involved in the decision whether the sawing of lumber as a distinct industry shall be blotted out and the sawmills closed or annihilated.

Proceeding to the consideration of the question of sawed lumber, I desire to give a few facts and figures. The present duty on sawed lumber, undressed, is $1 per thousand feet on hemlock, whitewood, sycamore, white pine, and basswood, and $2 per thousand feet on other undressed boards or lumber. To this is added 50 cents per thousand feet for each side planed or tongued and grooved. The proposed law places the undressed or rough sawed lumber on the free list, but retains the duties on the dressed article.

The entire imports of dressed lumber, on which a duty is provided, for the year 1893 amounted to 23,167,000 feet, valued at $193,785.26 and the duty collected was $46,429. The equivalent ad valorem duty ranged from 13.20 to 30.99 per cent, according to the finishing of the lumber, that is, whether it was planed on one or both sides and tongued and grooved, and whether the rough lumber would pay $1 or $2 per thousand feet. So that the present tariff has practically excluded the importation from Canada of dressed lumber.

Of the lumber by the pending bill placed on the free list, that is, undressed lumber of all kinds, the imports, values, and duties are shown in the following table:

Lumber—boards, planks, deals, and other sawed lumber of hemlock, whitewood, sycamore, white pine, and basswood, not planed or finished.
Law of 1890, $1 per thousand feet.
Proposed law, free.

Imports.

Year.	Thousand feet.	Value.	Duty.	Unit of value.	Equivalent ad valorem.
					Per cent.
1890	32,107	$301,786.43	$32,107.44	$9.71	10.64
1891	355,181	4,067,828.15	355,181.40	11.45	8.73
1892	470,662	5,503,342.98	470,662.75	11.71	8.55
1893	514,930	6,183,030.36	514,939.12	12.01	8.33

It will be seen from the table that the amount of importation has steadily increased from $301,786.43 in 1890 to $6,183,030.36 in 1893, and the duty has gone up from $32,107.44 to $514,939.12. So that on this class of undressed lumber the importations have increased under the duty of $1 a thousand feet.

On all sawed lumber, not specially provided for, not planed or finished—and this does not include cedar and other cabinet woods—the duty under the law of 1890 was $2 per thousand feet, and under the proposed law this class is made free. I here insert a table:

Year.	Thousand feet.	Value.	Duty.	Unit of value.	Equivalent ad valorem.
1890	535,375	$6,304,766.62	$1,070,751.20	$11.77	16.98
1891	318,707	3,501,832.30	637,415.85	10.99	18.20
1892	140,836	1,328,168.30	281,673.40	9.44	21.31
1893	154,111	1,440,203.30	308,222.19	9.35	21.40

From this table it will be seen that in 1890 there were 535,375 feet imported, and the importation has gone steadily down until, in 1893, there were only 154,111 feet imported. The value imported in 1890 was $6,304,766.62, and in 1893, $1,440,203.30; the duty in 1890 was $1,070,751.20, and in 1893 it was $308,222.19—all showing that under the present law, while $2 a thousand feet reduced the importation of one class of sawed lumber and protects the American industry, yet under the duty of $1 per thousand feet the importations of the other class of sawed lumber continue to increase.

Are either of the above descriptions of lumber sawed, but un-

dressed, free raw material? Bountiful nature covers parts of the earth with mighty forests. Man wants the full-grown trees for building purposes. With that potent implement of American civilization, the American ax, after having purchased the land, a stalwart axman penetrates the woods, fells the tree, and cuts it into proper lengths. Another with his team and sled draws it over the snow to the nearest stream on which it can be floated to a market. At the proper time these lumbermen, at the risk of life or limb, float these trees to the sawmill. Is that log free raw material? It was when it stood in the forest a valueless tree, for it bore no fruit and contributed in no possible way to the benefit of man.

Every dollar of its worth at the sawmill represented labor, and the hardest kind of labor. But at the sawmill, where capital is again invested, as in the purchase of the land on which the tree grew, other labor, some of it skilled and some unskilled, is put into this log, by turning it into undressed lumber, and the labor cost in that process represents more than the cost of the log. But there is still another labor cost. This lumber must be transported to market. When it reaches the market is it in any sense "raw material"?

Nature in the distribution of these woods placed them where the imaginary line which divides the Dominion of Canada from the United States passes through these forests. If the duty is taken off, labor being 25 per cent cheaper in the Dominion than in the United States, some hundreds of thousands of Northern workingmen employed in this industry will be compelled to accept lower wages or remain unemployed.

Mr. President, although I have thus spoken of the forests of New Hampshire, I have not been unmindful of the forests of the rest of the United States. I do not desire to repeat the statements so well made in the discussion of this subject by the Senators from Maine, the Senators from Oregon, and other Senators, but I do wish to ask the Senator from Arkansas [Mr. JONES], if he will do me the honor to listen to me, why it is, when the committee have provided, whether under a duty called a revenue duty, or a duty for revenue only, or a duty for revenue with incidental protection, for protecting every other form of the working of lumber except the putting of lumber into the sawmill and causing it to be sawed into boards, preparatory to the other processes which will be applied to it, that there is to be no protection whatever for the sawing of lumber.

I believe, if the Senator from Arkansas were to consult his deliberate judgment upon this question, he would admit, after logs are allowed to come in as free raw material, if you will, for the protection of the forests of the United States, if you please, that there is no other form of lumber into which the tree can be changed which is not entitled to its fair measure of protection, and I appeal to the Senator from Arkansas not to utterly and totally destroy the industry of sawing lumber, as he will do if the present lumber schedule passes without amendment.

Mr. President, I desire to call attention to what the lumbermen, who are most interested in this subject, say for themselves. These bulletins are full of the most ample testimony against any reduction of the duties imposed upon any kind of manufactured lumber, and they are clearly opposed to the destruction of the duty upon sawed lumber.

The Senator from Missouri [Mr. VEST] read yesterday from the testimony of Van Dyke & Co., contained in Bulletin No. 21, page 106, reply No. 2711. I shall insert the whole of this reply in my remarks, but shall not detain the Senate by reading it.

The reply referred to is as follows:

REPLY OF VAN DYKE & CO., OF CARROLL, COOS COUNTY, N. H., MANUFACTURERS OF LUMBER.

[Established in 1868. Capital invested, $125,000.]

Our product of lumber, mostly dimension, is 10,000,000 feet a year. Value has varied from $14 to $18 per thousand feet.
We have run less than full time within the last year. No orders or sale for lumber.
We regard the rate under the tariff act of 1890 as low. The value of timber on the stump in Canada is much less than here, and labor is from 30 to 40 per cent less.
The labor cost of our product constitutes three-fourths of the entire cost of product.
As to domestic wholesale prices of goods, given for dimension stuff only at the mill: 1884, $12; 1890, $13; 1892, $13; 1894, $10.50 per thousand feet.
Not much competition in our line. There has been considerable increase in the importation of shingles and railroad ties.
We desire ad valorem duty because of the difference in price in the foreign and domestic markets.
We are not manufacturing as many goods as in 1892, on account of the general depression in business.
Tendency of wages has been downward during the past twelve months.
We have no difficulty with existing law.
Four years ago prices of living generally increased, but there has been a downward tendency since.
Financial depression is due to overproduction and uncertainty in regard to tariff and financial legislation at Washington. Settle the tariff question at once
Timber on the stump is our raw material.
Our goods are necessities.
We pay 6 per cent on loans.
Most of our labor comes from Canada. We can not procure it elsewhere very well.
About one-third of our labor is skilled.
We can not compete with Canadian prices and should have to close our business if there be any reduction of duty on goods.
We employ 150 laborers, nearly all men. Unskilled average $1.40, skilled average $2.50 per day.
Our hours of labor are sixty per week.
Foreign articles do to a considerable extent compete with ours.
Not any of our manufacture is exported.
Since 1883 the cost of manufacturing has decreased 15 to 20 per cent, mostly within the last year.
The decrease has been in labor.
Our selling prices have decreased since 1890.
Free raw material would make no difference with regard to the necessity for a duty on manufactured products.
Let existing rates of duty stand as they are.
We think that there should be a duty on manufactured lumber sufficient to equalize the cost of stumpage and the price of labor in Canada and this country, otherwise we shall have to close our mills. Without a duty we can not compete with Canadian prices.

There is also a return from the Easton Lumber Company, of Easton, N. H., manufacturers of hemlock, spruce, and hardwood lumber. They say:

Free raw material (free logs) is all right. Free manufactured articles or goods is a betrayal of Democratic pledges, and will not be forgotten.

Precisely what Democratic pledges the Easton Company refer to, I do not know.

Mr. ALLEN. Will the Senator kindly yield to me for a question or two?

Mr. CHANDLER. I have in mind two or three unanswered questions already asked by the Senator from Nebraska of the Senator from Oregon [Mr. DOLPH], and if I am led off with another now I do not know when I shall be able to answer all the Senator's questions, but still I will add to the number with pleasure.

Mr. ALLEN. I infer that the bulletin from which the Senator proposes to read contains the answers simply of those who are themselves engaged in the lumber trade, and therefore may be looked upon as interested witnesses and their evidence be taken with some degree of allowance. I should like to ask the Senator if he has anything from the consumers of lumber as to their opinion about the subject of taxing lumber or not?

Mr. CHANDLER. I do not know whether the consumers of lumber had circulars sent to them, but I think there are in these bulletins many answers from wood-workers, who use lumber, and it would be well for the Senator to take these dozen bulletins on the subject of lumber, examine them, and see what the workers in wood, for whom manufactured lumber is in a certain sense raw material, say with reference to this duty.

Mr. ALLEN. They are not the men I am looking after. They are comparatively an insignificant factor in the determination of the question. My question is, whether the Senator has any information upon the subject from those persons who are engaged in building houses and barns and making fences, and that vast class, embracing millions of people in the prairie States, who are required to consume the lumber which he desires to have protected?

Mr. CHANDLER. Mr. President, I recognize the fact that the Senator did not ask the question because he thought there were any such answers in these bulletins to inquiries, as to the expediency of retaining the duty on lumber, made of the house-builders and farmers, who are his constituents, on the prairies of Nebraska. The Senator only asks the question in order to point his argument that, while the lumbermen and even the manufacturers of wood may want the duty, the consumer of lumber does not need a duty. Was not that the only object of the Senator's inquiry?

Mr. ALLEN. I take pleasure in answering the Senator, because he opens up a subject that ought to be discussed.

All the way through the discussion upon this schedule Senators have confined themselves to the reading of the expressions of opinion of those engaged in the lumber trade, those engaged in the handling of lumber, and the expressions of opinion of those living in what may be termed the lumber States. It occurs to me, if the Senator from New Hampshire will indulge me a moment, that it is slightly singular that there is not statesmanship enough and patriotism enough in this Senate to take into consideration the welfare of the millions of people in this country who are compelled to use lumber. I do not suppose the Senator's State of New Hampshire sent the Senator here for the purpose of looking after the interest of New Hampshire alone, nor do I suppose that wise policy and statesmanship upon his part would require him to look at the interests of New Hampshire alone.

What are you going to do with the millions of poor people in the prairie States who are required to use this lumber for the construction of houses, for the construction of places of shelter, and to whom lumber is an absolute necessity? Are you going

to tax them without limit upon this necessary article, simply in order that the tax may contribute in some slight degree to the upbuilding of the lumber interests of New Hampshire, and Michigan, and Wisconsin, and the five or six lumber States of the Union?

Mr. ALDRICH. Will the Senator allow me to ask him a question?

Mr. ALLEN. With the permission of the Senator from New Hampshire, who has the floor, I will.

Mr. HOAR. Will the Senator from Rhode Island allow me to ask a question?

Mr. CHANDLER. I am afraid my own speech will disappear, but I will yield to the Senator from Massachusetts [Mr. HOAR] to ask the Senator from Rhode Island [Mr. ALDRICH] a question.

Mr. ALDRICH. I desire to ask the Senator from Nebraska whether the people of Nebraska use sawed lumber or planed lumber, whether they have the lumber planed that they use in building houses in Nebraska?

Mr. ALLEN. They use all kinds of lumber.

Mr. ALDRICH. Mostly planed, I suppose.

Mr. ALLEN. They use what is known as mill lumber and dressed lumber.

Mr. ALDRICH. I was about to say to the Senator from Nebraska that he should use his influence with the Democratic committee to have planed lumber put on the free list, as most people use planed lumber and very few use sawed lumber without being planed.

Mr. ALLEN. Why not put all lumber on the free list?

Mr. ALDRICH. I am not moving on that line. I am in favor of protection.

Mr. ALLEN. We use much rough lumber in the construction of houses and in the construction of fences and of outbuildings. These things are a necessity to the people of the State of Nebraska, and not only to them, but to the seven or eight million people who live in the prairie States; and yet you are perfectly willing to take these people by the throat and hold them up, as the highwayman holds up his victim, and take money out of them for the purpose of putting that money in the pockets of a few men along the northern border of the United States.

Mr. HOAR. The question I desire to put to the Senator from Rhode Island, with the leave of the Senator from New Hampshire, is this, whether, according to his opinion, what was said yesterday by the Senator from Washington [Mr. SQUIRE] is true? The Senator from Washington said that the Southern lumber which comes into the market comes usually sawed or planed, and that the planing or dressing—which is all that the duty applies to, and is a Southern industry—costs about 25 cents a thousand feet, while the duty is $1, I think. So there is a duty of 400 per cent on this Southern industry, if these figures are right.

Mr. DOLPH. The Senator means the proposed duty.

Mr. HOAR. Yes; the duty proposed under the pending bill. We could not get out of the Senator from Arkansas whether that was true or not, although several questions were put to him, and, therefore, I should like to ask the Senator from Rhode Island—and I will repeat the question, as I see the Senator from Arkansas [Mr. JONES] is now listening—the statement made by the Senator from Washington was that the Southern lumber which comes into the market comes in usually planed or dressed for flooring and other similar purposes—necessaries of life, as the Senator from Nebraska contends—and the process which makes it dutiable costs about 25 cents a thousand, and you have got a dollar a thousand duty; so there is a duty of about 400 per cent on this Southern industry. That is what the Senator from Washington said, and I ask the Senator from Rhode Island or the Senator from Arkansas to tell us whether that be true?

Mr. JONES of Arkansas. I can not answer definitely as to the truth of the calculation, but I do not believe there is anything whatever in it.

Mr. HOAR. How much is it probably?

Mr. JONES of Arkansas. I think it must cost very much more; but I can not undertake to say exactly how much.

Mr. HOAR. How much does the Senator think?

Mr. JONES of Arkansas. I have never been a sawmill man, but I do know that it requires considerable trouble to handle the material. You have to dry the lumber for the purpose of dressing it. It can not be dressed until you first dry it. It has to be subjected to that process, which is very troublesome and expensive, and, after that is done, the dressing must be done at very much more cost. I ask if the Senator from West Virginia can not tell what that work is worth?

Mr. CAMDEN. About a dollar and a half a thousand.

Mr. JONES of Arkansas. The Senator from West Virginia, who is familiar with this sort of business, says that dressing lumber is worth one dollar and a half a thousand.

Mr. HOAR. Then you have got, if the cost is a dollar a thousand, 100 per cent duty; and if the cost is a dollar and a half, you have nearly 70 per cent duty.

I did not put the question to the Senator as a sawmill man, but I put it to him as a committeeman, who had recommended this thing to us to vote on.

Mr. ALDRICH. My information is that the cost of planing lumber on both sides is not over a dollar a thousand, and I think the Senator from West Virginia, if he investigates carefully, will find that that is the fact.

Mr. CAMDEN. Will the Senator from Rhode Island be kind enough to repeat his statement, as I did not hear it fully?

Mr. ALDRICH. My information, received from many sources, is that it costs not over a dollar a thousand feet to plane lumber on both sides, and that that is a large price for the work done, a liberal allowance for planing on both sides, and I think the Senator must be mistaken when he says that a dollar and a half a thousand would be a fair price for that work.

Mr. CAMDEN. I may be mistaken, but I know what is the usual charge at the mills for doing such work for outside parties. At that figure it may be very profitable.

Mr. HOAR. That is the charge when it is a small job, perhaps.

Mr. FRYE. I think this lumber is tongued and grooved as well as planed on both sides, and I think it will be found that planing on both sides and tonguing and grooving costs a dollar and a half a thousand feet.

Mr. ALDRICH. That is just the amount of the duty.

Mr. HOAR. Yes; that is the amount of the duty, and then it is 100 per cent.

Mr. ALLISON. Mr. President——

Mr. CHANDLER. I was about to invite the Senator from Iowa to say something. [Laughter.]

Mr. ALLISON. I am much obliged to the Senator. The Senator from Nebraska [Mr. ALLEN] seems to be under the impression that the duty, whatever it is, is constantly added to the price charged by the sawmill people in Michigan, Wisconsin, New Hampshire, and other States. The Senator says that these duties, whether upon lumber sawed, or lumber sawed and planed, or sawed, planed, and grooved, add to the price.

I wish to call the attention of the Senator from Nebraska to this fact while I am asking this question. I have understood that when we took one-half the duty from pine lumber under the act of 1890, instead of the price having been reduced the price has advanced between 1890 and 1894. So I do not understand, as the Senator from Nebraska seems to understand, that the duty is added to the price of the lumber consumed in Nebraska. If I thought so I should be more in sympathy with the Senator from Nebraska. I should be glad if the Senator from New Hampshire would state whether the duty is added to the price of lumber that is consumed in this country.

Mr. CHANDLER. All in good time, I say to the Senator from Iowa.

Mr. ALLISON. I am in no hurry.

Mr. ALLEN rose.

Mr. CHANDLER. Before yielding again to the Senator from Nebraska, which I shall do in a few moments, I wish to ask a question of the Senator from Arkansas. As he was courteous enough to answer in the course of my speech an inquiry put by the Senator from Massachusetts [Mr. HOAR], and I should feel hurt if the RECORD showed to posterity the Senator sitting dumb under my inquiry, therefore I ask the Senator if he will kindly tell me why, after letting logs in free, there is a duty imposed upon all forms of manufactured lumber, and no duty is imposed upon sawed lumber, and whether the effect will not be to destroy the saw mills? Will the Senator tell me whether his committee can not bring themselves to impose a duty upon sawed lumber?

Mr. JONES of Arkansas. I think not.

Mr. CHANDLER. Will the Senator tell us, if he can, why there is any discrimination between the mills which plane lumber, and tongue and groove lumber, and do other work upon lumber, and the sawmills?

Mr. JONES of Arkansas. The former is a much more advanced process than the simple process of sawing logs into boards.

Mr. HALE. The situation in which this is left is still more embarrassing to the committee than has been indicated by the Senator from New Hampshire. The log that is cut, hauled, and brought to our frontier is made free, and all that class of labor in cutting down, swamping, hauling, and driving, to bring it to our border is free.

Then the committee interposes, takes all the work of the sawmill, the freighting, and all that is necessary to bring it to market, and makes that free, and then interposes with another crooked turn, and when the lumber is brought to the process of planing and grooving, dumps on to it a duty in some cases of

nearly a hundred per cent. I hope the Senator from New Hampshire will push his inquiries in this direction.

Mr. CHANDLER. I must push the inquiry toward the Senator from Maine, because the Senator from Arkansas is very sententious. It costs $2 a thousand, I suppose, to saw the log, and it does not cost more than a dollar or a dollar and a quarter for planing, tonguing, and grooving.

Mr. HALE. It does not cost 50 cents.

Mr. CHANDLER. Why should a process which costs from 50 cents to a dollar and a quarter have a duty, and a process which costs $2 have no duty? Will the Senator from Maine answer me that?

Mr. JONES of Arkansas rose.

Mr. CHANDLER. I am very glad that I am to get an answer from the Senator from Arkansas.

Mr. JONES of Arkansas. If the contention of the Senator from New Hampshire is correct, that the tariff imposed on this planed lumber is too high, I should be as much rejoiced to find it out as anybody in the Senate and I should be willing to meet the objections by putting this class of lumber on the free list as well as the rough.

Mr. CHANDLER. I know the Senator is disposed to back out of nearly every item which has been debated, but I pray him not to practice all his retreats upon me.

Mr. JONES of Arkansas. Putting it on the free list will certainly get rid of the difficulty.

Mr. ALDRICH. I suggest whether the duty is too high or not will probably depend on whether it is a revenue duty or a protective duty.

Mr. JONES of Arkansas. I am perfectly willing to obviate the difficulty and will make that motion when we reach the item.

Mr. ALDRICH. If it is a revenue duty imposed for the benefit of West Virginia it is not too high, but if it is a protective duty imposed for the benefit of Maine it is too high.

Mr. CHANDLER. If the Senator proposes to punish me for making my inquiry——

Mr. JONES of Arkansas. I do not propose to punish the Senator. I simply propose to meet the Senator's views, and for that purpose I shall move to put this class of lumber on the free list, as the other is, when we reach the item.

Mr. CHANDLER. The Senator is not meeting my views, as he knows very well, and the usually ingenuous Senator is very disingenuous when he says he proposes to meet my views, because I made no suggestion whatever that the duties on these other processes were too high.

I did ask the Senator if he would be kind enough to tell me why, when a duty was put upon these other processes, it was not put upon the product of the process of sawing. The Senator says, to meet my view, if I think the duty on these forms of dressed lumber is too high, the committee will withdraw the duty and put them on the free list. I beg to say to the Senator that I said nothing which justified that statement. I was trying to induce him to put a duty upon sawed lumber, so that the sawmills may not be destroyed, and so that the logs may be sawed in the United States and not in Canada.

Mr. DOLPH. Will the Senator yield to me just a moment, to call attention to the fact that are some products of timber which are placed upon the free list, which are not quite as advanced products as the planed and grooved and tongued lumber?

Mr. CHANDLER. I do not wish to yield to the Senator from Oregon to go on with his process of proving inconsistencies upon the other side of the Chamber. I am afraid that lumber in all its forms will be placed on the free list.

Mr. DOLPH. I hope the Senator will not now commit himself to such an unpardonable thing as he has reprimanded me for, not yielding to Senators on the other side of the Chamber.

Mr. CHANDLER. Simply because I am trying to come to answers to some of the questions of the Senator from Nebraska which the Senator from Oregon has not yet answered.

Mr. DOLPH. This is pertinent to the suggestion. Why should not wheels, posts, last blocks, wagon blocks, gun blocks, and laths and shingles be put upon the free list, which require so much skilled labor for their manufacture, and a duty be placed only upon lumber which is planed on one or both sides?

Mr. CHANDLER. The Senator from Arkansas, I suppose, would say, "If you are not satisfied, we will withdraw the duties upon the finished products."

Mr. Van Dyke, from whose circular I read, came here the other day. There came with him Mr. George R. Eaton, of the Lancaster Lumber Company, and Mr. Irving W. Drew. These three gentlemen came to try to secure a duty upon sawed lumber. They were all Democrats. If there are any Democrats in New Hampshire, these three men are such. They have been dyed-in-the-wool Democrats from their youth up. Messrs. Van Dyke and Eaton are lumbermen. Mr. Drew is their counsel. I introduced these gentlemen to the Senator from Arkansas and to other Senators engaged in the business of making a tariff. They were received courteously and told the Senators what they wished, and they also state to the Senate what they wish in these bulletins. They know what will help and what will harm them, and they said if there was no duty upon sawed lumber, the business would practically be destroyed in Northern New Hampshire, in Northern Maine, and in all the lumber districts of which they had any knowledge. They went back to New Hampshire anxiously waiting and fervently hoping that the hearts of the Senators engaged in the construction of this bill would yield to them some duty upon sawed lumber. I trust that their hopes are not to be disappointed.

Mr. President, I come back to the inquiry of the Senator from Nebraska, not so much to answer it now as to ask him to excuse me until a later period in my speech or until some other day, when I shall endeavor to answer all the questions I have heard him put, which have not yet been answered upon this side of the Chamber. The Senator is interested in the consumers of lumber.

Mr. ALLEN. Will the Senator permit me to ask him a question?

Mr. CHANDLER. Yes, sir.

Mr. ALLEN. I will excuse the entire speech of the Senator, if we can get a vote upon this question.

Mr. CHANDLER. If the Senator is ready to vote with me to postpone this bill until the first Monday in December next, I think I shall be inclined to take him at his word; but we are pursuing the debate on this subject, and the Senator raises the question whether a duty on lumber is a benefit to the consumer of lumber. I say I shall answer that question before I get through this speech or some other speech which I may make upon the pending bill. I am only now willing to prolong my remarks in order to say to the Senator from Nebraska that I am not sectional or local in my views upon the tariff. It is true that I am now speaking for an industry of my own State.

I am afraid that the Senator is sectional and local, when he so often calls to our attention the fact that his State is without forest and filled with consumers of lumber, and, therefore, insists that there ought not to be any duty upon lumber. I am surprised that the Senator, when charging me with being local and sectional, is local and sectional himself. I have the highest respect for the Senator from Nebraska. I know that in many ways he is not local; I know that many of his views are national, that he is in favor of exercising to the full all the powers of the National Government for the purpose of benefiting the people of the country.

The Senator is a leader in a new party, which he expects to be a great party, and it is my impression that when the Populist party takes the field in the next Presidential election, the Senator, not unwillingly, may lead the forces as the chosen nominee for the Presidency. Therefore I beg to say to the Senator, that when he reproaches me for arguing for a local industry in my own State, he must not make his objection in the interest solely of the people of Nebraska, but he must let his view range over the whole country and take in, if he can, the whole system of protection, and must realize that the system is a benefit to all the people and not local and sectional in its benefits.

Mr. ALLEN. Will the Senator from New Hampshire permit me a question?

Mr. CHANDLER. Yes, sir.

Mr. ALLEN. Mr. President, passing over the very fertile imagination of the Senator from New Hampshire, I beg only to say to him at this time that there are a great many millions of people in this country whose homes are not yet constructed.

The State of Nebraska is a very young State, a very new State, admitted in 1867, if I recollect aright. The people of the prairie States are compelled to construct homes of this protected lumber. We have no timber of our own; timber is foreign to our soil to a very great extent. The State of New Hampshire is, as a colony and a State, over 300 years old. Your homes are constructed, your industries are developed as highly as they possibly can be, and yet I understand the Senator from New Hampshire to contend, however much he may skirmish around and indirectly deny it, that it is perfectly legitimate for New Hampshire, and a few States like New Hampshire, to tax the forms of rough lumber of which the people of the great prairie States are compelled to construct their houses to preserve themselves from the weather. It is not a thing which we can dispense with. We are either compelled to purchase this protected lumber for the purpose of constructing homes and necessary structures for the preservation of our people, and pay the taxes that you see fit to levy upon us, or we are compelled to construct those homes of sod. There are a great many sod houses in the State of Nebraska.

Are you not willing to assist us to some extent, at least, in

developing that great portion of this country from which you and almost the balance of the civilized world are compelled to draw your food products? If you will give us free lumber, with which we can construct our cities and villages, and our farm houses and barns and fences, and assist us in some slight degree to develop the great possibilities of our country, we shall amply repay you by the products which we produce and sell in your markets. Are you not willing to do that?

Mr. CHANDLER. May I ask the Senator a question? Is he against all tariff duties?

Mr. ALLEN. Certainly not.

Mr. CHANDLER. If the Senator is in favor of tariff duties, is he not in favor of protecting industries while enacting tariff duties?

Mr. ALLEN. I do not propose, Mr. President, to be drawn into the general discussion of the question of protection and free trade. I am not a protectionist for protection's sake. I will say to the Senator that I do not believe in free ports. I am not, therefore, a protectionist according to the common acceptation of the term upon the one hand, nor a free trader upon the other.

I believe that the Constitution of this country marks out the line of taxation, and marks it out so plainly that almost a blind man can read it; but I believe the spirit of avarice which has existed in this country so long, and which continues to exist, and exists in this Chamber and is manifested here daily, has overridden the plain language of the Constitution of this country; and so far as it has any practical effect upon this question it is a mere rope of sand, not that it should not be observed, but because men who desire to make money out of their brother men unlawfully have overriden the Constitution in this Chamber and in the other end of the Capitol.

I do not believe there is a man upon the face of the earth who is honest with himself who will for one moment contend that your tariff taxation in this country should extend beyond the revenue limit. That it may be perfectly proper under some circumstances to so levy your taxes within the revenue limit as to discriminate in favor of certain industries, I do not now deny. I think that can be done, but protection can not be levied for protection's sake. It must be a necessary incident of the raising of revenue.

Aside from that question—as I am going to desert the Senator from New Hampshire pretty soon, because I see there is no disposition to bring this question to a vote—I say that the policy of taxing materials that go into the homes of this country is unwise. It should be the policy of a great and enlightened nation like this to refrain from taxing anything which is essential to the preservation of human life. The necessary homes which shelter our people from the blasts should be free from taxation, if it is possible to render them free. All the clothing and food necessary to protect and sustain our people should be free from taxation if possible, or, at least, the lowest rate of taxes should be levied upon them.

I have no sympathy with that pseudo statesmanship which would put all the burden of taxation upon the poor people and the poor homes of this country. I understand quite well that it is not popular to stand up in this Chamber as I now do and contend for those homes; it is not popular with men dealing in lumber and the great financial interests; but, Mr. President, it is right, and no man by any species of pettifogging or caviling can deny the force of the argument.

Mr. CHANDLER. Mr. President, the Senator from Nebraska said that he would not be drawn into a general discussion of the tariff question, and yet he took time to state his own views quite fully. I shall not be drawn now into a general discussion of the tariff question, but, inasmuch as the Senator has stated that he believes in incidental protection I simply say to him that the lumber of New Hampshire is entitled to a share of that protection just as much as the beet-sugar industry of Nebraska is entitled to protection. The Senator is opposed to a duty upon lumber, he says. He is in favor of a bounty, or, if not a bounty, in favor of a duty upon sugar.

Mr. ALLEN. How do you know?

Mr. CHANDLER. I have no doubt the Senator is in favor of them, I will wait for a denial. Mr. President, I only rose to speak a few minutes, but by reason of the interruptions my remarks have been unduly prolonged.

I desire now to put into the RECORD a copy of the reply of B. F. Andrews & Son, of Lisbon, N. H., manufacturers of spruce lumber, being Bulletin No. 22, page 70. They say:

[Established in 1890. Capital invested, $10,000.]

One mill built in fall of 1890; the other in fall of 1892. We manufacture framing lumber. Product, about $45,000 per year.

We have not shut down until this winter; we were obliged to do so owing to lack of orders.

In regard to reducing the rates of duty one-third; the cost of production would have to be reduced in proportion to the cost in the reduction in duty.

In 1890 spruce frame sold at $15. In 1892 the price was nearly the same. In the first part of 1893 it was the same, but the latter part of 1893 it fell to the present price of $13.50.

It seems to us there has been more competition within the last two years, especially on seasoned lumber.

We do not wish any change on the present duty of lumber. Why? Because one of our mills is located about 12 miles from the railroad; the second mill about 7 miles from the railroad. Consequently the cost of delivering our lumber on cars is almost entirely on labor. With several contracts made for teaming for some time in the future, we could not produce lumber at a less price. It would mean the closing of our business.

We have built one mill since 1892, which has increased our product. The 1st of January we made a reduction of 10 per cent in wages, excepting on contracts where we could not.

We have no trouble in construing existing law.

We think the cost of living has decreased.

The logs are our raw materials.

Our goods are necessities.

We pay 6 per cent on loans.

Very small amount of our labor is skilled.

We can not meet any reduction on goods.

We employ 100 people. Wages, $1.50 per day common labor; $3 per day skilled labor. They are employed sixty hours per week.

We have to compete with Canadian lumber.

None of manufacture is exported.

Selling prices have decreased within the last year from $1 to $2 per 1,000.

We use from $500 to $600 worth of hay and grain, besides other products.

Logs are free.

We do not care for any change in our line of business. We can not have any reduction in prices, as it would ruin our business.

There is also a communication in Bulletin No. 23, page 55, of C. A. Stickney, of Brookline, N. H., who is a manufacturer of hard-wood lumber and cooperage stock. He says:

[Established in 1884. Capital stock, $10,000.]

Our yearly amount of production from commencement of industry, average 500,000 feet; value, $10 per 1,000 feet.

I have run one-half time since January, 1894.

To place domestic productions on an equal footing with the foreign product the rates of duty should be 25 per cent.

In regard to reducing the rates of duty one-third, would be obliged to pay smaller wages by exact amount of reduction in duty.

I make a large lot of box boards, which formerly sold for $9. Can make no sales at any price.

More lumber is now shipped in from the provinces than four years ago.

I desire ad valorem duty.

I am producing 50 per cent less goods now than in 1892; too much tariff tinkering.

I can hire help for anything I offer.

The cost of living of skilled workmen with family of three would be: For rent, $96; fuel, $25; provisions, $40; groceries, $92; clothing, $35. Total, $288 per year.

I have no difficulty with existing law.

I would suggest that Congress settle the tariff some way—I do not care how. It is the long wrangling that has stupefied all kinds of business in this section. Give us something to base our calculations on and business will boom in thirty days.

There is also on page 68 of Bulletin No. 23 a statement of G. E. Knapp, of Tilton, N. H.; also in Bulletin 24, on page 9, a statement of Moses R. Weeks, of North Sanbornton, N. H.; also on page 105, Bulletin No. 24, the statement of S. S. Stone, of Fitzwilliam, N. H., which I ask leave to insert in the RECORD. These are all the New Hampshire reports which I find in the Bulletins printed up to this time.

The PRESIDING OFFICER (Mr. PASCO in the chair). Is there objection to the request of the Senator from New Hampshire? The Chair hears none, and it is so ordered.

The papers referred to are as follows:

REPLY OF G. E. KNAPP, OF TILTON, N. H., MANUFACTURER OF PINE, HEMLOCK, AND HARD-WOOD LUMBER.

[Established in 1886. Capital invested, $8,000.]

We manufacture stock to amount yearly to $10,000.

The hard times have been so bad for the past year I have not run but two-thirds of the time.

I am not manufacturing as many goods the past year as in 1892.

There has been great reduction in wages the last twelve months.

I believe if duty was taken off lumber that it would make the biggest half of our lumber on the stump almost worthless, unless there is great reduction in wages; of course the lots near market and railroad will be greatly reduced in price. The great bulk of our lumber is from $1 to $2 stumpage.

REPLY OF MOSES R. WEEKS, OF NORTH SANBORNTON, N. H., MANUFACTURER OF PINE, HEMLOCK, AND HARDWOOD LUMBER, AND SHINGLES.

[Established in 1884. Capital invested, $4,000.]

Have been handling this industry for ten years; handle about 300,000 feet per year. In 1884 boards were worth $13 per 1,000, shingles $2.50; and 1890, boards $12, shingles $2.25; in 1892, boards $12, shingles $2.25; present date, boards worth $9 per 1,000, shingles $2.

Wages during the past year have been about 20 per cent lower.

As I understand matters, the change from high tariff to low should be fixed from three to ten years ahead, so that the people could make preparation for it before it becomes a law. I believe if the Wilson bill should be postponed till the last days of the present Administration it would give the people a better understanding of tariff reform.

REPLY OF S. S. STONE, OF FITZWILLIAM, N. H., MANUFACTURER OF HARD-WOOD LUMBER, PINE, ETC.

The hardwood I put into chair stock turned on shave lathe. My pine is sawed into boards, plank, and pail staves. My business has increased so that I had all that I could do, and did not have to solicit orders till this last year; and I have not sold near all of that I got out last season, and do not know when I shall. My business was good enough for me before the change in Administration, and as the people wanted a change they have got it to their full.

I paid $1.50 per day till last fall, and since $1.25, and do not work only about half the time.

In my humble opinion, if the Wilson bill was burned and the present law guaranteed to the people, business would start again, and we should see prosperity through the country. As for selling goods, I have not had an order for any amount for six months. People do not buy when they have nothing to do. The rate of taxes the last year was $1.33 per $100. I use cash and no credit in my work and timber, but when selling have to give from sixty to ninety days, and this year am lucky to get it in four months; that is slow for collection. No new industries the last year. The best remedy that I know is confidence in the ruling party, but I think that can not be unless they legislate for the protection of our farmers and mechanics and manufacturers at home.

Mr. CHANDLER. I regret that my colleague [Mr. GALLINGER], who understands this subject much better than I do, is not here. He is absent in New Hampshire for the purpose of delivering a Decoration Day address. I have endeavored to present to the Senate as briefly as I could the prospect that the business of sawing lumber will be destroyed if there is not some duty upon sawed lumber. It is unfortunate that the Senator from Arkansas does not see fit to grant such a duty. The other forms of manufactured lumber are protected, and, in justice to the lumber industries of the whole country, the infliction, which the neglect to put a duty upon sawed lumber may bring, ought not to be insisted upon.

THE REVENUE BILL.

Mr. HALE. Mr. President, I suppose that the fiat has gone forth, and that whatever the result may be to this great industry, it is to be submitted to the slaughtering process which the Democratic members of the Committee on Finance, in their pleasure and good will, see fit to visit upon any particular industry. No sane man can give any reason worthy of consideration by another sensible man why coal and iron ore and lead and sugar have been taken from the position which they occupied in the Wilson bill, and even later in the Voorhees bill, and a duty of some 40 per cent placed upon them; and yet on this great industry, which is immensely larger than any other, the ruthless knife of free trade is laid to its throat. I defy, Mr. President, the Senator from Arkansas [Mr. JONES] or the Senator from Missouri [Mr. VEST], who has set himself up in this most determined fashion after getting what some of his people want upon lead, against any duty upon lumber, to give any reason for such action on this floor that should be worthy of consideration by the Senate or by the American people.

This debate has lasted two days, and no Senator has ventured to pretend or assume for a moment that there is any reason why this invidious selection should be made. The only man upon the other side who has even attempted to give a reason, by posing here as the advocate of the consumer, is the Senator from Nebraska [Mr. ALLEN], who early and late upon all these articles stands in his place, the assumed representative of the consumer of this product of everyday life, and against a duty. When the time comes that an industry in his State is affected I hope we shall see what the Senator's attitude is then, whether he is against a duty and against a bounty upon the great article of sugar, which affects the people in everyday life and in their consumption ten times as much as lumber does. There will be an opportunity then of seeing, as has been seen with other Senators, whether or not there is any consistency in this theory that the ax should be laid to the roots of the tree upon certain articles and not upon others.

Mr. President, without consuming too much time, I want to say that we and the country are indebted to the Committee on Finance for furnishing to us a great body of material coming from the people. These different bulletins devoted to the wood and lumber schedules tell the story from beginning to end, not only of the manufacturers of lumber, but the manufacturers of articles who purchase from lumber dealers. The attempt that is made here, and the determination that is meant to be carried out, of putting lumber upon the free list, is a direct blow to all their industries and to all the people who are dependent upon them. As I read—and I have no doubt the reflection has occurred to other Senators—as I read the replies to the circulars which Senators of the committee on the other side of the Chamber unwarily sent out, there has come to me the conviction that they have not only done a service to us here in furnishing the sentiments of the people, but they have set afoot, Mr. President, inquiries and thoughts and reflections which will grow and amplify and fructify in future years. The benefit which has come from these circulars sent out in this unwary moment by Senators of the committe upon the other side, which have brought out these answers, will never be estimated until in future years; and nobody runs away from them as do the Senators upon the other side in charge of this bill.

I do not wonder that it has been said by Democratic Senators that they have equipped us with facts that we could not have got in any other way. I do not wonder that they do not take the circulars from their own States and read from them. I have here a list of twenty or thirty replies from the States of Virginia, North Carolina, Arkansas, Tennessee, Kentucky, and Missouri, intelligent replies, thoughtful replies, exhaustive replies, upon the subjects—matter of which they are speaking, all protesting and entreating the Democratic committee not to put this article upon the free list, and thereby strike down this great industry. But it will be of no avail, Mr. President.

If there had been Democrats representing these industries in Southern States who had held their knife to the throat of the committee as did Senators representing iron ore and coal and lead——

Mr. FAULKNER. Will the Senator permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from West Virginia?

Mr. HALE. Yes, sir.

Mr. FAULKNER. I understand the Senator to say that Senators representing the coal interest held their knives at the throat of the committee, and compelled them to yield to their demands. I desire to ask the Senator upon what authority he makes that statement, if he alludes to me?

Mr. HALE. I do not know whether I alluded to the Senator as a man who is in the habit of holding knives. I say this——

Mr. FAULKNER. I am frank to say that I advocated a duty on coal, and therefore assume that the Senator alluded to me.

Mr. HALE. I suppose the Senator did advocate a duty on coal, and he had a right to do so.

Mr. FAULKNER. But that is not the question I am referring to. I understood the Senator to say that those who advocated coal held knives at the throats of the committee. I want to know upon what authority the Senator makes that statement.

Mr. HALE. I do not withdraw the statement. Of course I am using metaphors. I do not suppose that the Senator took a knife or a broadax or a sword or a poignard, but I do suppose that the Senator early and late insisted upon his view that coal is an article that needs protection, and that it should have a duty placed upon it, and insisted with his usual force and vigor and determination and insistance before the committee, and had his way. That is what I supposed.

Mr. FAULKNER. The Senator must have heard the remarks made by the Senator from West Virginia upon this floor commenting upon the article of the New York Herald which placed him in the position of having demanded a duty on coal. I then distinctly stated to the Senate that I had presented what I considered to be the reasons why a reasonable revenue duty should be placed upon coal, but that at the same time I had distinctly told the committee, whether they concurred with me in those views or not, whether they placed coal upon the free or the dutiable list, that whatever measure they reported from the committee would receive my earnest and active support.

Mr. HALE. Luckily the Senator from West Virginia, under the action of the committee, has not to be subjected to that condition. I only know this about it, that the Senator from Missouri and the Senator from Maryland at some length did in terms declare to the Senate that unless they had made these concessions to certain interests the bill never could have been passed. I do not know whether all the Senators who urged the concessions which were yielded to by the committee were as gentle and lamblike as the Senator from West Virginia. I know that they must have referred to somebody when they declared that the bill could not have been passed without these concessions, and I know that there was nobody in all the South who took such an attitude with reference to this great industry of lumber, which permeates the South, East, and West, and from the border to the Gulf, as to make the Committee on Finance yield on that subject.

Mr. FAULKNER. That is not the question. I do not desire to become involved in a controversy with my friend the Senator from Maine touching anything except a personal allusion that seemed to refer to myself. I have stated to the Senator frankly what occurred between the committee and myself and within the hearing, as he sees, of the members of that committee; and I want it to be the last time when I shall have to say on the floor of the Senate that I made no demands, nor suggested any condition or qualification for my upport of the bill to be reported. I hope it will be understood now and forever after this frank and clear denial upon my part, that any one who attempts to insinuate that such action was taken by me states what is absolutely and without any qualification untrue.

Mr. HALE. Nobody has called the Senator from West Virginia into this controversy by name. I was only making a general statement founded upon the declarations of the Senator from Maryland, who a few days ago assumed the leadership of the party and the championship of this measure, and the Senator from Missouri, who when hard pushed followed up the same assertion, that unless they had made concessions to certain Sen-

ators the bill could never have passed. It is not for me, Mr. President, to pick out and make a list of the Senators the Senator from Maryland and the Senator from Missouri referred to. They can make up the list a great deal better than I can, and a great deal more accurately, although I give something for my guess on the subject. If the Senator from West Virginia is out of that list, and is not and was not included and comprehended in the statement of the two Senators who have taken charge of the bill, then all the better for him; others are in it, at any rate.

As the Senator from Massachusetts [Mr. HOAR] suggests to me, I think it is true that every one of the Senators who has from time to time taken charge of the bill has declared that he was personally opposed to the concessions.

Mr. President, the debate, what little there has been upon the other side of the Chamber—mainly the debate over there has taken the form of silence when assailed—the debate for the last two weeks has been nothing but the humiliating confesssion of one Senator after another upon the other side that he has been constrained by force to yield to propositions that in politics and political economy he believed to be wrong and bad legislation for the sake of getting this bill through.

I was merely saying that it is unfortunate for this industry, it is unfortunate for lumber, it is unfortunate for all the great interests of labor, unfortunate for this great industry, that there was not some Senator upon the other side so interested by his constituents in this matter that he took the same attitude which was taken about lead and coal and iron, and therefore it is that lumber is to be whistled down the wind. The knife is put to its throat; the industry is to be slaughtered.

Mr. PLATT. Mr. President, I do not wish to consume any time in debating the question relating to lumber. I merely wish to say, in answer to some suggestions which the Senator from Nebraska [Mr. ALLEN] made, that the State of Connecticut is just as much a treeless State, so far as lumber is concerned, as the State of Nebraska. I do not think that a house has been built in Connecticut in the last ten years into which any Connecticut lumber has gone. We buy all our lumber outside of the State. It is the product of other States. The sawmills which we once had upon our streams are very largely abandoned.

It has not occurred to the people of the State of Connecticut that they were being taxed upon the lumber which they bought for the benefit of New Hampshire, or Oregon, or California, or Michigan, or any other State. It is the last thing that enters into their minds. This morning when I came to the Senate and knew that the lumber schedule was coming under consideration, I telegraphed to the leading lumber-dealer in my city asking him from how many different States he drew the lumber which he sold. I have received the following reply:

MERIDEN, CONN., *May 29, 1894.*

Hon. O. H. PLATT:

We sell lumber from twenty-eight different States.

JOHN L. BILLARD.

That is the situation in Connecticut. It is precisely the same situation that there is in Nebraska, or Kansas, or Iowa, or in the different States which are called prairie and treeless States.

Mr. ALLEN. I should like to ask the Senator from Connecticut if it is not true that the principal industries of his State are protected industries?

Mr. PLATT. I suppose they are, and I suppose the principal industries of Nebraska are protected industries.

Mr. ALLEN. We have not a protected industry in the State of any consequence.

Mr. PLATT. I am very likely to be led off somewhat by that remark. But it occurred to me when the Senator from South Dakota [Mr. PETTIGREW] was speaking to-day that South Dakota is protected on its wheat and Nebraska is protected on its wheat and its corn. If this bill passes they will see the necessity of protection on wheat and corn, because in my judgment it will be withdrawn by this bill.

Mr. ALLEN. If the Senator will permit me, there never has been a time in the history of this country when farm products were lower than to-day.

Mr. PLATT. There has never been a time when lumber was lower.

Mr. ALLEN. It is the grimmest kind of sarcasm to say to the people who produce corn, wheat, oats, and meat products in the volume in which we produce them that any protective law on the face of the earth would protect them.

Mr. PLATT. Will the Senator just listen to what I am going to call attention to? We have not reached it yet, but we are coming to this paragraph—

190. Buckwheat, corn or maize, cornmeal, oats, rye, rye flour, wheat, and wheat flour, 20 per cent ad valorem—

I will not state what the duties are now. The present duty is 20 cents a bushel on wheat, I believe, and so on—

but each of the above products shall be admitted free of duty from any country which imposes no import duty on the like product when exported from the United States.

If this bill passes Nebraska will have free corn and free wheat. She will come in competition with Canadian wheat and with Argentine corn, and she will find out very quickly whether she needs the protection which she has heretofore had.

Mr. HOAR. Barley is a protected industry.

Mr. PLATT. Barley is a protected industry, and I imagine that it is a Nebraska industry to some extent. I am sure that beet sugar is protected by the large bounty which is placed upon it. Oh, no, Mr. President, that will not do. There is no State which does not feel the benefit of protection.

To come back to lumber, we have not supposed that we were taxed in Connecticut for the benefit of the people who are engaged in this industry in these twenty-eight States. I think the Senator from Nebraska, like a great many others, is mistaken in regard to this matter; and he regards the old campaign lie that the tariff is a tax, which has been used to catch votes, as being a really true statement of a principle. That is the difficulty with the Senator. It is the difficulty with the Senators upon the other side.

I do not believe that with absolute free lumber sawed, or with lumber planed free, or with any of these lumber products upon the free list, lumber will be one cent cheaper in Nebraska or in Connecticut. If I felt that it would I should still be in favor of the protective duty, because I believe that the whole country receives the benefit of that duty.

But I merely rose for the purpose of saying that at least we can not in Connecticut be accused of any selfish interest or selfish desire when we say that we are willing to vote for a duty upon sawed lumber and all the other products of lumber which require American labor in their development. I believe that whenever and wherever the labor of American laborers and workingmen is protected benefit is thereby done to the whole country, whether it be Nebraska, or Connecticut, or Texas, or California, or any other State. Emphatically in this matter we are all members of one body. You can not protect the lumber industry in Maine or New Hampshire, in Oregon, or California, or Washington, in Michigan or Minnesota, without thereby a reflex benefit being distributed through the whole country and the people of Nebraska, and Kansas, and Connecticut, treeless States, feeling that benefit.

Mr. PEFFER. Mr. President, I wish to add a word or two by way of defense of my amendment. I will begin by saying that I first began the study of the tariff question by reason of the charge made by Democratic writers and speakers that the duties levied upon imported articles are always added to the cost of the article; that is to say, that the consumer is charged up with and has to pay as much above a fair price as the duty on the article is.

I began an investigation of the lumber qestion among the first items upon the tariff list. The Legislature of the State of Kansas some ten years ago, if I remember correctly, passed a resolution through both houses unanimously favoring the removal of all restrictions, so far as duties are concerned, upon lumber. From that day to this, so far as I know, at least 90 per cent of the people of Kansas, and especially the farmers, have been in favor of free lumber. They believe the doctrine taught by Democratic speakers and writers, and so believing, they ask to have the duties removed.

In 1886 or 1887, when the present Executive was President of the United States, an agent of the Government was sent to Canada for the purpose of investigating this particular subject. I do not now recall his name, but I think it was Hitchcock. His report was quite elaborate, and it was to the effect that whatever the duty on lumber might be, whatever lumber was imported from Canada the duty was paid by the Canadians, by the persons who own the lumber on the other side of the line; that the Canadian paid the duty and the duty was simply that much money going into the Treasury of the United States; that the lumbermen upon this side produce such a large quantity of lumber that they and they alone control the American price of lumber. I believe to-day that that is true.

My investigation of the subject then and many times since, not only through reports of Government officers, but in conferences with men engaged in the business, is that as to all articles of which we produce an overabundance, as, for example, wheat, and that illustrates the lumber question particularly—when we produce more of any article than we consume ourselves and export it largely; when we produce more than enough to supply our home market and have an abundance to spare, in all such cases, no matter what the article may be, our product and

ours alone regulates the market price of the article; and (unless it may be some article over which a few men have control, and a trust is formed) where there is the usual natural and legitimate competition between manufacturers or producers the price of that particular article is a fair price; it is conceded to be a fair price upon all hands.

But, Mr. President, while that is true; while I do not believe that even the present duty adds anything to the retail price of lumber, and while I do not believe that the people of my own State would receive a farthing's worth of benefit from the removal of the duty upon undressed lumber, yet I insist that they are entitled to it, and for two or three different reasons. In the first place we do not need a duty on wheat in order to raise the price of wheat. We do not need any duty on corn in order to raise the price on corn or protect the farmer against competition. What your duty does is simply to gather in a little revenue for the Treasury or leave a little more room, perhaps, for our own products, but it does not affect the price of the home production a particle. Its effect is infinitesimal, beyond conception.

We produce such an overabundance of lumber, and there is so much competition among lumber producers that the price of the domestic article to the consumer is a fair price, and will be so conceded when the subject is examined thoroughly. While that is true, the farmers might generally, no matter what their politics, have the opinion that if lumber were put upon the free list they would receive their lumber cheaper. The consumers have that opinion, and it is a very candid and a very sincere one. Lumber can be safely placed upon the free list without in any manner or to any extent endangering the interests of the workmen at the sawmills, and no possible harm can arise anywhere. The satisfaction it will give to the consumer is a very considerable one indeed. Even though the price might rise, or even though the price might fall in the market, depending upon other circumstances, still if the people get their lumber free they will be satisfied, and that will be a great relief to gentlemen who will ask a reëlection to public office in times to come.

My proposition is not to put all classes of lumber upon the free list, but to put undressed lumber on the free list. A question was suggested at least to the Senator from Nebraska [Mr. ALLEN], when he was on the floor some time ago, as to how much undressed lumber probably the people of his State and of my State and other prairie States use, and I thought it suggested the inference upon the part of the propounder of the question that there is not much undressed lumber used among the people in the country. In truth we use more undressed lumber, thousand for thousand feet, than dressed lumber. All of our fencing, all of our weatherboarding for barns and for outbuildings are undressed lumber. Our studding, our joists, our rafters, our sills, and our framing timber—every one of those articles of timber and lumber is undressed. When you come to make out a bill of lumber for a house, for example, or for a barn, or for both, you will find that the proportion of dressed lumber is considerably smaller than that of undressed lumber, for all of the frame work, all of the strips of the building, except only the mere matter of flooring, which rests upon joists, are made out of undressed lumber.

This undressed lumber is the first remove from the logs. Logs are free, and the cost of making undressed lumber on either side of the Canadian line I daresay is substantially equal. American sawyers have mills upon both sides of the line and they use the same kind of labor for sawing the same kind of timber. Many of the American sawyers own large tracts of timber land on the other side, or at least they own the stumpage. They have purchased the trees or the right to take them away. Viewing this subject all around, I do not see where any harm can come; but I do see where a good deal of good can come from putting undressed lumber upon the free list.

And, Mr. President, about the labor question, just one more word. Senators lay a good deal of stress upon the wages of the workingmen in the sawmills. I have yet to hear from any of those workingmen. I have not known of any of them being here asking for any legislation concerning their wages. The trouble is (and the remark will apply to all classes of labor very nearly, here and elsewhere) the working people of this country have learned that they have to do for their interests just what the Senators are doing here now for the interests they represent; they have to fight for them; and they do not get any concessions by reason of tariff duties. We have an illustration of that now, and I shall have occasion to call attention to it when we come to the subject of coal. A little while ago the president of the American Coal Miners' Association, in speaking to the operators, used this language substantially: "There can be no compromise on the line of starvation wages." These men have to fight for everything that they gain, and they are willing to take their chances with their employers.

Now, Mr. President, I ask for the adoption of my amendment.

Mr. HIGGINS. Mr. President, I do not wish to take up much time this evening. There are some observations which I should be glad to submit to this schedule, but I can take occasion to do it later in the course of the debate, and I do not care to delay the vote upon the subject of lumber.

I regret to have a difference with my friend from Kansas [Mr. PEFFER] as to the illustration he used in his endeavor to show that a duty on lumber would be of no benefit to lumber dealers. He said that the products of a farm furnish a good illustration and that a duty on farm products can not affect either the value or the price with the conditions of their production in this country.

Now, take the example of barley. I do not know whether the imposition of a duty upon barley raises the price or not, but it is very clear that if a duty is put upon barley sufficient to exclude the Canadian product it makes just that much more market for barley raised in the United States, and to that extent extends the area the American farmer can profitably give to the growth of barley.

Mr. PEFFER. Will the Senator from Delaware permit me?

Mr. HIGGINS. Certainly.

Mr. PEFFER. Three years ago a committee of this body was appointed to examine into the subject about which we are now speaking among others. It was the committee of which the Senator from Rhode Island [Mr. ALDRICH] was at the head. Among other things they reported upon the absence of any effect upon the prices of American farm products by reason of duties laid upon competing Canadian products.

Mr. HIGGINS. My argument, if I may so call it, begins right there. I assume that it does not raise the price. The United States is too great in its power of agricultural production for the price to go up; but it can itself, without any competition from Canada, fully meet the demand. The question, therefore, that remains is whether the barley which is consumed in the United States shall be barley that is grown in our own country or on the Canadian side of the line. So, apart from the question whether it raises or lowers the price, admitting that it does not raise the price, I say that the American farmer has a very great interest in that. I do not know that it would affect wheat, because wheat is a matter of world-wide production. Wheat is, therefore, exceptional. But that is not the case with regard to any other farm product. I was quite struck this morning with the very novel, but I think sound proposition of the Senator from South Dakota [Mr. PETTIGREW], that actually Argentine corn can be laid down at New York at 8 cents less than Nebraska corn can be transported to the seaboard, and that therefore the Nebraska farmer, quite as much as the New Hampshire or Delaware farmer, needs a duty upon maize or Indian corn.

Mr. ALLEN. I suggest to the Senator from Delaware that we now come very nearly laying down our corn in Nebraska for practically nothing. Corn is worth only about 18 cents a bushel to the farmer.

Mr. HIGGINS. I think, however low it may go in Nebraska, and yet the farmers be able to produce it, corn can go still lower in the Argentine Republic. But that was only an illustration given by the Senator from Kansas in reference to agricultural products. I wish merely to further emphasize what has already been drawn to the attention of the Senate in this discussion, and that is the interest which the Southern States have in the products of wood and lumber. There is a very important lumber industry in my own State that has been absolutely paralyzed, its entire operation suspended, during the present business depression. I am not now going into any discussion of the causes of that depression or suggest the remedy for it, but if the lumber of my State has to meet with the competition of Canadian lumber the owner of the timber, the wage-worker in it, the owner of the sawmill, all will have to contemplate taking less for their interest in the product.

Our interest is but a small one, comparatively. The interest of the South proper is simply vast. It is an interest in which capital and labor have an equal share. It is an interest where both capital and labor will receive an equally severe blow. It is an interest which is tossed over to the wild beasts by the effect of this bill. There seems to be no one to take care of it, notwithstanding the indignant and almost unanimous protest of the lumber dealers of the South in regard to it. I wish to just add to the record one or two words that I find in some of these replies. Here is one of W. T. Smith, president of the Lumber Manufacturing Association of Alabama, from which extracts have already been read by the Senator from Oregon [Mr. DOLPH]. I wish to add only a few words from Mr. Smith. He says:

Our lumber manufacturers in the South were in a fairly prosperous condition up to the time the tariff was lowered on Canadian lumber in 1890 and reduced to $1 per 1,000 feet, soon after which we began to feel the effects, and our prices as well as our demand began to decrease, and so continued until

the panic came on last summer. And these low prices, caused by Canadian competition, are not only hurting the manufacturers, but are seriously affecting the poor man and his family, for with them it is a matter of bread, as the wages of the men have been cut from $1 to 80 cents per day, and with this reduction the mills running are not paying expenses, while many have been closed. The very men whom the Democratic party are evidently trying to aid, are really being chastised with the Canadian tariff rod.

In another place this reply says:

I wish to call your special attention to the fact that while the McKinley bill raised the tariff on many things, it lowered it one-half on Canadian lumber. This was caused by the influence brought to bear upon the tariff framers by those whose interest it was to have free Canadian lumber. They were on hand and put in their claim and plea while we of the South were resting secure, feeling that our representatives would look after our interests, but unfortunately for Southern people the attention of our representatives had never been called to the subject; but such shall not be the case at this time.

This gentleman has spoken and he has spoken in a very loud voice; and yet the junior Senator from Louisiana [Mr. BLANCHARD] based his defense of this measure as a nonsectional one on the ground that the Senators from the South were willing for the sacrifice of Southern lumber, and hence they plead not guilty to the charge that the bill is sectional. The junior Senator from Georgia [Mr. WALSH] in his very interesting speech yesterday made very much the same plea. This report goes on:

If the interests of the manufacturers and laborers are not looked after, the blame shall be with the party in power, for we are doing all that lies in our power to set facts before our representatives and are pleading as men pleading for their lives, while the prayers of thousands are daily ascending in our behalf.

It might be said, suppose this was a Republican down South, but it appears not. He says:

I have been all my life what I thought to be a Democrat, but I must say if the Wilson bill is Democratic doctrine, then may the Lord deliver us from Democracy; but I claim the bill is not Democratic, and I do not intend to leave the old ship, but will insist upon such repairs being made as will enable her to keep afloat and abreast with the most modern vessels; in other words, Democracy must return to its first love.

Then he goes on with some political talk that is of more or less interest:

Our next political issue will not be between the Republican and Democratic parties, but will be tariff or no tariff, and on this issue the East and South will unite, and the cry will be for protection.

He says:

Now, gentlemen, in closing let me say that the class of citizens whom I am representing to-day is not among those who would predominate at the expense of the many, or who can be pointed out as being among the favored few; but they are men who through many years of toil have been content to unite their energies with the natural advantages to win a moderate reward for their labor, hitherto knowing no political creed higher than the protection of home and the development of the country.

When the struggle between the States was ended the majority of our present lumber manufacturers in the South were young men, many of whom were penniless and almost destitute of clothing; but with the courage and energy which mark all successful men they began the struggle against want, and by untiring labor through these many years have forced their way to the front ranks of our business men.

So the complaint comes from a source both highly respectable and strictly legitimate. There is a report here from Paxton & Mattox, of Clinch Haven, Ga., manufacturers of yellow pine lumber, whose manufactory was established in 1888, with an invested capital of $147,000. They say:

In answering your questions on inclosed sheets, we have omitted taking them up by number, because as we manufacture only lumber products, many of them do not apply to our business. We trust, however, that you will sufficiently understand our answers to catch the drift of our meaning. However, we beg to say as a matter of information and fact, that our business has been very nearly ruined by the tariff agitations, because all building operations and other internal improvements which were consumptive of lumber and lumber products have ceased almost entirely throughout the United States on account of scarcity of money and the lack of confidence engendered by the uncertainty of tariff legislation. And the subsequent placing of lumber upon the free list by the Wilson bill has had the effect to completely paralyze Southern business in this particular line, because the consumers of lumber in the Northern, Eastern, and Western States know that free importation of lumber from Canada and from Norway and Sweden will necessarily force the price of yellow pine lumber much lower in scale of prices, and for this reason millions of feet of "schedules" have been withdrawn from the market.

We can not see any reasonable cause why lumber should be on the free list, as it is an industry that needs all the protection that can be accorded it, and we have been at a loss to understand why and how our Southern members of Congress could be agitating and urging and voting to place lumber, wool, sugar, and other strictly Southern industries upon the free list—thus placing the business of their constituents in direct competition with the products of foreign pauper labor, and we earnestly beg that you will consider this protest and use your best efforts to place a duty upon foreign lumber, as well as upon many other raw materials that are either grown or manufactured exclusively in the South.

In conclusion, we beg to say that a business life of forty-odd years has convinced us that as a people the Southern States need protection instead of free trade; and we know from experience that if the question of high or low tariff was explained to the masses of the white people of the South, at least 75 per cent of the masses would be in favor of a high tariff. We are, and have been, misrepresented by political "bosses," and controlled to a great extent by the "party lash," but the present condition of things brought about by tariff agitation has awakened the people, and many of the "political leaders" will be relegated to the rear when the masses have another chance to vote.

I have here a list of probably 15 or 20 replies from as many firms and concerns in the manufacture of lumber throughout the South, all giving the same voice. To be sure there are some who advocate the doctrine of free trade, but relatively few. I do not intend at this time to enlarge upon them further.

It is very apparent that the injury that is to be done by the bill to the interests in the South hitherto protected will not fail to meet with a response from the interests which are thus struck down. The Democratic party in the South will hear in the future from its citizens who are interested in lumber. It will hear from all of those in the South who are interested in all the industries outside of lumber, who have received and enjoyed protection. I believe the day will speedily come when the South will see that while envied if not hated New England, whose industries are no longer infant industries, can do without a large measure of protection, the South itself, with its industries relatively new and so to speak infant, needs and demands the largest measure of protection.

I believe, Mr. President, that the day is soon to come when the business men of the South, owners of, and persons interested in, its protected industries, will not, so to speak, be politically inarticulate. They will realize at last that in self-protection they will be called upon to speak, to act, to vote, in order that they may see that the real interests of their section, of their States, of their people, of their neighbors and their families are truly represented in the Halls of Congress, and not represented by gentlemen who feel it incumbent upon them to destroy the industries which are to be found in their respective States.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas [Mr. PEFFER] to the amendment of the Senator from Maine [Mr. HALE].

Mr. HALE. Let the amendment to the amendment be stated.

The SECRETARY. Strike out the amendment and insert:

Sawed boards, planks, deals, and other lumber of hemlock, whitewood, sycamore, white pine, and basswood shall be admitted free of duty; but when lumber of any sort is planed or finished there shall be levied and paid for each side so planed or finished 25 cents per thousand feet board measure; and if planed on one side and tongued and grooved, 50 cents per thousand feet; and if planed on two sides and tongued and grooved, 75 cents per thousand feet board measure; and in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tongueing and grooving: *Provided*, That in case any foreign country shall impose an export duty upon pine, spruce, elm, or other logs, or upon stave bolts, shingle wood, or heading blocks exported to the United States from such country, then the duty upon the sawed lumber herein provided for, when imported from such country, shall remain the same as fixed by the law in force prior to the passage of this act.

Mr. PEFFER. The change that my amendment makes from the amendment proposed by the Senator from Maine is to this effect: to put undressed lumber on the free list and to charge a duty of 25 cents per thousand feet for each side of the lumber dressed, and 25 cents per thousand feet more for the matching or the groove.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Kansas to the amendment of the Senator from Maine.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment offered by the Senator from Maine [Mr. HALE].

Mr. HALE. I will simply state, without occupying more time, that my amendment upon these grades of long lumber retains the existing rates. I ask for the yeas and nays on agreeing to the amendment.

Mr. HILL. What is the precise question involved?

Mr. HALE. The amendment offered by myself restoring the bill to the present law on these grades of long lumber.

Mr. HILL. I inquire of the Senator from Maine whether the voting down of his amendment will substantially give us free lumber?

Mr. HALE. That is what it means, free lumber. All the articles that are comprehended in my amendment are put on the free list as the bill is reported by the committee. The amendment proposes to restore them to the dutiable list at the old rates.

Mr. HILL. I voted the other day for free lead ore. I was told that by so doing I was voting for exactly what a certain lead trust wanted, and that I was playing into the hands of the owners of Mexican mines. I wish to be assured before I vote for free lumber, which I am anxious to do, whether I am playing into the hands of any lumber trust and am voting in the interest of the owners of Canadian timber. If I can be satisfied upon those two points, I wish to vote for free lumber and against the amendment. Can the Senator from Maine enlighten me?

Mr. HALE. I can assure the Senator from New York that he need have no question that the owners of Canadian lands, who desire to have our markets, are very much in favor of free lumber, and that is one of the arguments which has been made against the bill that is reported by the committee.

Mr. MITCHELL of Oregon. Free lumber will give about $1,100,000 to the Canadian treasury every year.

Mr. HALE. Yes, and take so much from our Treasury.

Mr. HILL. Is there any trust that will be affected by it?

Mr. HALE. I do not know. Large quantities of land have been accumulated in the hands of a few individuals in Canada, British Columbia, Ontario, New Brunswick, and Nova Scotia. Whether they have gone into the form of a trust I do not know, but substantially it amounts to that. It is one single interest all working for free lumber.

Mr. HILL. Notwithstanding the fact that the provision for free lumber may be said to be for the benefit of owners of Canadian lumber, and although it may be for the benefit of some trust or other, I think I will be consistent and vote for free lumber.

Mr. PERKINS. Mr. President, I merely desire to state for the benefit of the Senator from New York that the producers of lumber in British Columbia, on the Pacific coast, are competitors with the lumber that comes from the forests of Washington, Oregon, and California, owned by Americans. The system in British Columbia is different from that which prevails in the United States. In the United States, as is well known, we are obliged to purchase our lumber fields from the Government, paying $2.50 per acre. In British Columbia there is a system whereby the land is leased at so much per acre per annum, estimating the stumpage upon a township. The result is that the stumpage so estimated by the Government agent seldom costs the lumber mill owners more than from 20 to 30 cents per thousand.

At the present time there are leased in British Columbia under this system 386,122 acres, upon which it is estimated there are 8,000,000,000 feet of merchantable lumber now standing in the trees. Those who have leased the land pay no tax, either State, county, or Government taxes, other than the stumpage, which has been fixed, as I before stated, by the Government of Canada. In the United States those who own timber land must pay their State, county, and other annual taxes. The result, therefore, is that if there is not at the present time a great lumber trust in British Columbia our neighbors across the boundary have not availed themselves of the splendid chance to form a trust. But knowing them as we all do, I believe I hazard nothing when I say there is one of the grandest combinations forming a trust that we have anywhere upon this continent.

Mr. DUBOIS. Mr. President, my friend the Senator from New York [Mr. HILL], has taken occasion several times to refer to the lead trust. I made the statement very positively on this floor that nobody desires free lead ore except the smelting combine and the white-lead trust. That statement has never been and never will be contradicted. No request ever came to the Senate for free lead ore except from the white-lead trust and the smelting combine. If the Senator from New York is satisfied with his championship of those industries it makes no difference to me.

I have not investigated the present subject so fully as I did that of lead ore, because the latter directly affects the people of the Rocky Mountain region. But the Senator from New York will not outdo me in consistency. I voted for a duty on lead ore, and in order to be entirely safe I shall vote for a duty on lumber.

Mr. HARRIS. Mr. President.

Mr. HILL. I vote for——

Mr. HARRIS. Am I recognized?

The PRESIDING OFFICER. The Senator from Tennessee was recognized.

Mr. HARRIS. I move to lay the amendment on the table.

Mr. HALE. I hope the Senator from Tennessee will not do that.

Mr. ALDRICH. I think we can have a vote.

Mr. HALE. I think we shall be willing to take a vote on the amendment.

Mr. HARRIS. I am perfectly willing to withdraw the motion if we can come to a vote; but of course the Senator from Maine understands that my object is to cut off further debate.

Mr. HALE. I see what the Senator from Tennessee wants. I think the debate is over.

Mr. HARRIS. I will withdraw the motion if we can come to a vote.

Mr. HILL. The Senator can not have a vote right off after that suggestion.

Mr. HARRIS. Then, Mr. President, I move to lay the amendment on the table.

Mr. HILL. Let us have the yeas and nays upon that motion.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BUTLER (when his name was called). I am paired with the Senator from Pennsylvania [Mr. CAMERON]. If he were present I should vote "yea."

Mr. CALL (when his name was called). I am paired with the Senator from Vermont [Mr. MORRILL]. If he were present I should vote "yea."

Mr. GIBSON (when his name was called). I am paired with the junior Senator from Michigan [Mr. PATTON]. I transfer my pair to the junior Senator from North Carolina [Mr. JARVIS], and vote "yea."

Mr. HIGGINS (when his name was called). I am paired with the Senator from New Jersey [Mr. MCPHERSON].

Mr. CHANDLER (when Mr. HOAR'S name was called). The Senator from Massachusetts desired me to state that he is paired with the Senator from Alabama [Mr. PUGH].

Mr. MILLS (when his name was called). I am paired with the Senator from New Hampshire [Mr. GALLINGER]. If he were here I should vote "yea."

Mr. PALMER (when his name was called). I am paired with the Senator from North Dakota [Mr. HANSBROUGH]. I transfer my pair to the Senator from Georgia [Mr. WALSH] and vote. I vote "yea."

The roll call was concluded.

Mr. BLANCHARD. I am paired with the senior Senator from Michigan [Mr. MCMILLAN]. If he were present I should vote "yea" and he would vote "nay."

Mr. PALMER (after having voted in the affirmative). Since I voted I have been told that the senior Senator from Georgia [Mr. WALSH] is paired with the Senator from Nevada [Mr. JONES]. I therefore withdraw my vote.

The PRESIDING OFFICER. The vote is withdrawn.

Mr. CULLOM (after having voted in the negative). I notice that the senior Senator from Delaware [Mr. GRAY] is not in his seat. I will therefore withdraw my vote unless there can be an exchange of pairs.

Mr. BERRY. I am paired with the Senator from Colorado [Mr. TELLER], except in a case where there is no quorum. The Senator from Illinois [Mr. CULLOM] can allow his vote to stand, and the Senator from Colorado [Mr. TELLER] may stand paired with the Senator from Delaware [Mr. GRAY].

Mr. CULLOM. Then I will let my vote stand.

Mr. BERRY. I vote "yea."

Mr. PLATT. I am paired with the Senator from Virginia [Mr. HUNTON]. If he were present I should vote "nay."

Mr. BATE. I was paired with the senior Senator from Vermont [Mr. MORRILL], but I am told by the senior Senator from Florida [Mr. CALL] that he is paired with the senior Senator from Vermont, and he asks me to pair with the junior Senator from Vermont [Mr. PROCTOR], which I do. If the junior Senator from Vermont were present I should vote "yea."

The result was announced—yeas 27, nays 17; as follows:

YEAS—27.

Allen,	Faulkner,	Lindsay,	Smith,
Berry,	George,	Martin,	Turpie,
Brice,	Gibson,	Murphy,	Vest,
Caffery,	Harris,	Pasco,	Vilas.
Camden,	Irby,	Peffer,	Voorhees,
Cockrell,	Jones, Ark.	Ransom,	White.
Coke,	Kyle,	Roach,	

NAYS—17.

Aldrich,	Dolph,	Lodge,	Squire,
Allison,	Dubois,	Mitchell, Oregon	Washburn.
Chandler,	Frye,	Perkins,	
Cullom,	Hale,	Power,	
Davis,	Hawley,	Shoup,	

NOT VOTING—41.

Bate,	Gorman,	McPherson,	Pugh,
Blackburn,	Gray,	Manderson,	Quay,
Blanchard,	Hansbrough,	Mills,	Sherman,
Butler,	Higgins,	Mitchell, Wis.	Stewart,
Call,	Hill,	Morgan,	Teller,
Cameron,	Hoar,	Morrill,	Walsh,
Carey,	Hunton,	Palmer,	Wilson,
Daniel,	Jarvis,	Patton,	Wolcott.
Dixon,	Jones, Nev.	Pettigrew,	
Gallinger,	McLaurin,	Platt,	
Gordon,	McMillan,	Proctor,	

So the amendment was laid on the table.

Mr. HALE. I offer the same amendment changing the words "two dollars" to "one dollar," so that it will leave the present law fixing a duty upon all long lumber with the exception of spruce and one or two other kinds, but making the rate $1, the same as the rate on pine lumber. I ask the Secretary to read the amendment with those changes.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Insert as a new paragraph the following:

177½. Sawed boards, plank, deals, and other lumber of hemlock, whitewood, sycamore, white pine and basswood, $1 per thousand feet board measure; sawed lumber, not specially provided for in this act, $1 per thousand feet board measure; but when lumber of any sort is planed or finished, in addition to the rates herein provided, there shall be levied and paid for each side so planed or finished 50 cents per thousand feet board measure; and if planed on one side and tongued and grooved, $1 per thousand feet board measure; and if planed on two sides, and tongued and grooved, $1.50 per thousand feet board measure; and in estimating board measure under this schedule

no deduction shall be made on board measure on account of planing, tongueing and grooving: *Provided*, That in case any foreign country shall impose an export duty upon pine, spruce, elm, or other logs, or upon stave bolts, shingle wood, or heading blocks exported to the United States from such country, then the duty upon the sawed lumber herein provided for, when imported from such country, shall remain the same as fixed by the law in force prior to the passage of this act.

Mr. HALE. After the explanation I have made I do not wish to debate the amendment. I call for the yeas and nays.

Mr. FRYE. Can not the Senate Committee on Finance accept this amendment? It is a reduction of one-half of the duty.

Mr. VEST. Not much.

Mr. FRYE. Not much?

Mr. HILL. Mr. President, I will now say what I intended to say before the motion to lay upon the table the previous amendment was made. I do not believe that in voting for free lead ore I was gratifying the white lead trust or any other trust; I do not believe that in voting for free iron ore I gratified any iron trust, and I do not propose in voting for free raw materials to consider the question whether it gratifies any trust or not.

In 1890, when Mr. Carlisle voted for free lead ore, the same silly charge was made that he was playing into the hands of the lead trust. It did not affect him; it did not affect the Democrats who voted for the bill; it did not affect the Democrats who voted for free lead ore two years ago. Upon the question of raw materials I propose to vote to make them free, first, because the Democratic platform requires it; and secondly, because the Democrats are pledged to it from their record in the past. I believe it is in the interest of the consumers of this country, and I ignore the whole question as to whether it does or does not please any trust whatever. This is all I have to say.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Maine [Mr. HALE], upon which the yeas and nays have been demanded.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BUTLER (when his name was called). I am paired with the Senator from Pennsylvania [Mr. CAMERON], and withhold my vote unless it is necessary to make a quorum.

Mr. CALL (when his name was called). I am paired with the senior Senator from Vermont [Mr. MORRILL].

Mr. CULLOM (when his name was called). As I understand my pair with the Senator from Delaware [Mr. GRAY] has been transferred to the Senator from Colorado [Mr. TELLER], I will vote. I vote "yea."

Mr. GIBSON (when his name was called). I am paired with the junior Senator from Michigan [Mr. PATTON]. I will transfer my pair to the junior Senator from North Carolina [Mr. JARVIS] and vote. I vote "nay."

Mr. HIGGINS (when his name was called). I am paired with the senior Senator from New Jersey [Mr. MCPHERSON].

Mr. PALMER (when his name was called). I again announce my pair with the Senator from North Dakota [Mr. HANSBROUGH]. If he were here I should vote "nay."

Mr. HALE (when Mr. PETTIGREW'S name was called). The Senator from South Dakota [Mr. PETTIGREW] has left the Chamber, and is paired with the Senator from West Virginia [Mr. CAMDEN].

Mr. PLATT (when his name was called). I am paired with the Senator from Virginia [Mr. HUNTON]. If he were present I should vote "yea," and he would doubtless vote "nay."

The roll call was concluded.

Mr. BATE (after having voted in the negative). I have a right to vote to make a quorum anyway, but I find that I can pair the Senator from Vermont [Mr. PROCTOR] with the Senator from South Dakota [Mr. KYLE], and I will let my vote stand.

Mr. BLANCHARD. I am paired with the senior Senator from Michigan [Mr. MCMILLAN]. If he were present I should vote "nay" and he would vote "yea."

Mr. CAMDEN (after voting in the negative). I have a general pair with the Senator from South Dakota [Mr. PETTIGREW], but with a private understanding that when we are both in the city I need not observe it, and also with the understanding that I can vote to make a quorum. But as the Senator from South Dakota may feel an interest in this question, and is not here, I withdraw my vote.

Mr. BUTLER. I have the right, through an understanding with my pair, to vote to make a quorum. I vote "nay."

Mr. TURPIE. I am paired with the senior Senator from Minnesota [Mr. DAVIS], but I have a right to vote to make a quorum. I vote "nay."

Mr. CAMDEN. I understand there is likely not to be a quorum, and I desire to vote to make a quorum. I vote in accordance with a perfect agreement and understanding with the Senator from South Dakota [Mr. PETTIGREW]. I vote "nay."

Mr. CALL. I reserved the right to vote to make a quorum. I vote "nay."

The result was announced—yeas 14, nays 30; as follows:

YEAS—14.

Allison,	Dubois,	Lodge,	Shoup,
Chandler,	Frye,	Mitchell, Oregon	Washburn.
Cullom,	Hale,	Perkins,	
Dolph,	Hawley,	Power,	

NAYS—30.

Allen,	Cockrell,	Lindsay,	Smith,
Bate,	Coke,	McLaurin,	Turpie,
Berry,	Faulkner,	Martin,	Vest,
Brice,	George,	Murphy,	Vilas,
Butler,	Gibson,	Pasco,	Voorhees,
Caffery,	Harris,	Peffer,	White.
Call,	Irby,	Ransom,	
Camden,	Jones, Ark.	Roach,	

NOT VOTING—41.

Aldrich,	Gray,	Manderson,	Quay,
Blackburn,	Hansbrough,	Mills.	Sherman,
Blanchard,	Higgins,	Mitchell, Wis.	Squire,
Cameron,	Hill,	Morgan,	Stewart,
Carey,	Hoar,	Morrill,	Teller,
Daniel,	Hunton,	Palmer,	Walsh,
Davis,	Jarvis,	Patton,	Wilson.
Dixon,	Jones, Nev.	Pettigrew,	Wolcott.
Gallinger,	Kyle,	Platt,	
Gordon,	McMillan,	Proctor,	
Gorman,	McPherson,	Pugh,	

So the amendment was rejected.

Mr. ALLEN. I desire to offer an amendment. I move to strike out paragraph 178, and insert in lieu thereof what I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Strike out paragraph 178, and insert:

All logs, lumber, laths, shingles, and building material, such as are commonly used in the construction of dwelling houses, barns, outbuildings, and fences, shall be admitted free of duty: *Provided*, That in case any foreign country shall impose an export duty upon pine, spruce, elm, or other logs, or upon stave bolts, shingle wood, or heading blocks exported to the United States from such country, then the duty upon the sawed lumber, when imported from such country, shall remain the same as fixed by the law in force prior to the passage of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Nebraska [Mr. ALLEN].

Mr. ALLEN. Mr. President, I am induced to offer this amendment because I think it is the true policy of this country to admit all building material and such materials as enters into the construction of ordinary dwellings, barns, fences, and structures of that character entirely free of duty. The people of the prairie States, who are compelled to depend upon lumber from other States, have a right, in my judgment, to demand of Congress the admission of all their lumber free. One of the great items of cost to the people of the prairie States is that of lumber. We are compelled as a matter of necessity to get our lumber from other States.

We are compelled to patronize the lumber interests of Minnesota, Wisconsin, Michigan, and other States which manufacture lumber, and the people in the prairie States are consuming lumber by the millions of feet. We have no other resort. Our people manufacture brick to some extent, it is true, and the better classes of them perhaps construct brick houses; but even that can not be done as cheaply as such buildings can be erected by the purchase of even-taxed lumber. We have one other resort, and that is to take the native sod, and out of it construct a dwelling as best we can.

I do not speak particularly of the State of Nebraska, although we are deeply interested in this matter, but I speak of all of the great grain-growing prairie States that are now in process of development.

It occurs to me that it is good policy on the part of Congress to enable the people of those States to develop their States as rapidly as possible, and to give them lumber as cheaply as possible for the construction of their ordinary dwellings, their fences, and their necessary outbuildings incident to the use of farms and the occupation of dwellings. We are consuming the products of the pine forests by the millions of feet. It is an immense tax upon our people; it is a tax which ought not to rest upon them, and there is not the slightest compensation to them for this tax.

The Senator from Connecticut [Mr. PLATT] a short while ago undertook to make us believe that the farmers of the West are benefited by a protective tariff upon their corn, their wheat, their oats, their meat products, and such articles. There is not a citizen in the State of Nebraska or Kansas or any of those States so ignorant as to be imposed upon by an argument of that kind. It is impossible for Congress by any tariff legislation to protect the great staples grown there in greater quantities than they are in any other place on the face of the earth. We export them by the million pounds and the million bushels. It is the

price in the Liverpool market that fixes the price in this country, and that entirely regardless of any tariff that may be levied for their benefit.

If you will give us free lumber from which to construct roofs under which our people may shelter themselves, so that they will be protected from the inclemency of the weather, and assist us in some slight degree to develop the natural resources of those great States, we will compensate this country in the increased products of our fields. The world depends upon the great Mississippi Valley for its food product. Anything that has a tendency to develop this country, to increase its acreage of tilled lands, to increase its capacity to produce food products—anything that causes people to settle in that great valley and develop its resources, is for the benefit not only of the nation at large, but for the benefit of the world as well.

I do not propose to stand here and consume time upon the question of free lumber, but I do desire to say to those in charge of the pending measure that in my judgment the defeat or success of the bill on the final vote that is to be taken upon it depends, gentlemen, upon your making some concessions to some interests in this country to which you have not thus far made any concessions. I do believe it to be true that certain interests in this country have, metaphorically speaking, taken the Finance Committee by the throat and held them up and exacted certain concessions from them which are incorporated in the bill, but when it comes to the development of the great Western States, the State of Kansas, the State of Nebraska, the Dakotas, and States like those, you have not even consulted a Senator from one of those States. You have formulated and given to the Senate your bill and you are expecting Senators in this Chamber, who will never swallow it without some modifications, to swallow the bill as you give it to them.

Mr. HARRIS. I am assured in a manner I am bound to believe that there are perhaps seven or eight amendments which Senators feel it their duty to offer and demand a yea-and-nay vote upon. I do not think we can safely undertake to take that number of votes this evening, and if I can have a unanimous-consent agreement that upon the morning of the next legislative day we shall take those votes upon this schedule without further debate I shall be glad to have such an agreement, after which I shall ask the Senate to adjourn.

Mr. HALE. I think there is a general feeling upon this side that further debate would at least be useless, and I see no objection to the proposition of the Senator from Tennessee, understanding it to be that on the next legislative day, when we proceed to the consideration of the bill, further amendments upon the schedule shall be voted upon without further debate.

Mr. HARRIS. That is exactly what I mean by my suggestion.

Mr. HALE. I see no objection to it.

The PRESIDING OFFICER. Is there objection to the proposition made by the Senator from Tennessee? The Chair hears none.

Mr. HARRIS. Is the consent granted?

Mr. COCKRELL. Yes.

Mr. FRYE. It was granted.

The PRESIDING OFFICER. The proposition was agreed to.

EXECUTIVE SESSION.

Mr. HARRIS. 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 6 o'clock and 27 minutes p. m.) the Senate adjourned until Thursday, May 31, 1894, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate May 29, 1894.

POSTMASTERS.

Z. B. Dunlap, to be postmaster at Perry, in the county of Dallas and State of Iowa, in the place of Lewis B. Thornburgh, whose commission expired February 14, 1894.

George W. Owens, to be postmaster at Northwood, in the county of Worth and State of Iowa, in the place of Andrew C. Walker, removed.

Charles H. Trousdale, to be postmaster at Monroe, in the county of Ouachita and State of Louisiana, in the place of Robert Ray, whose commission expires June 2, 1894.

Charles C. Rogers, to be postmaster at Plainwell, in the county of Allegan and State of Michigan, in the place of Ogden Tomlinson, removed.

Edmund Caplis, to be postmaster at West Duluth, in the county of St. Louis and State of Minnesota, in the place of George J. Mallory, removed.

Martial Filiatrault, to be postmaster at Two Harbors, in the county of Lake and State of Minnesota, in the place of Gustave A. Schulze, removed.

James M. Nickell, to be postmaster at Hannibal, in the county of Marion and State of Missouri, in the place of John E. Catlett, whose commission expired March 20, 1894.

Harry B. Paul, to be postmaster at Camden, in the county of Camden and State of New Jersey, in the place of William J. Browning, whose commsssion expired December 19, 1893.

Michael F. Sheary, to be postmaster at Troy, in the county of Rensselaer and State of New York, in the place of Francis N. Mann, removed.

Bert Burns, to be postmaster at New Lisbon, in the county of Columbiana and State of Ohio, in the place of Frank McCord, whose commission expired January 27, 1894.

Martin V. Gibson, to be postmaster at Upper Sandusky, in the county of Wyandot and State of Ohio, in the place of John F. Rieser, whose commission expired May 17, 1894.

Thomas Chalfant, to be postmaster at Danville, in the county of Montour and State of Pennsylvania, in the place of Alexander J. Frick, whose commission expired January 28, 1894.

Pennell C. Evans, to be postmaster at Easton, in the county of Northampton and State of Pennsylvania, in the place of Samuel L. Fisler, removed.

Edwin L. Hawkes, to be postmaster at Pascoag, in the county of Providence and State of Rhode Island, the appointment of a postmaster for the said office having, by law, become vested in the President on and after April 1, 1893.

Daniel R. Southwick, jr., to be postmaster at Wakefield, in the county of Washington and State of Rhode Island, in the place of Benjamin F. Robinson, jr., whose commission expires June 14, 1894.

Charles E. Lillpop, to be postmaster at Chehalis, in the county of Lewis and State of Washington, in the place of William H. Mossman, whose commission expired April 19, 1894.

William Guilliaume, to be postmaster at Hartford, in the county of Washington and State of Wisconsin, in the place of Charles Smith, removed.

Henry Lotz, to be postmaster at Horicon, in the county of Dodge and State of Wisconsin, in the place of Harry B. Marsh, removed.

W. C. Pease, to be postmaster at Cumberland, in the county of Barrow and State of Wisconsin, in the place of Thomas M. Purtell, removed.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 29, 1894.

NAVAL OFFICER OF CUSTOMS.

Christopher C. Baldwin, of New York, to be naval officer of customs in the district of New York, in the State of New York.

MARSHAL.

Barry Baldwin, of California, to be marshal of the United States for the northern district of California.

POSTMASTERS.

John L. Brennan, to be postmaster at Sand Beach, in the county of Huron and State of Michigan.

Edwin H. Page, to be postmaster at Union City, in the county of Branch and State of Michigan.

James M. Nickell, to be postmaster at Hannibal, in the county of Marion and State of Missouri.

Frank R. Irvine, to be postmaster at Hinsdale, in the county of Dupage and State of Illinois.

Thomas J. Greenwood, to be postmaster at Warren, in the county of Jo Daviess and State of Illinois.

James J. Pearson, to be postmaster at Pontiac, in the county of Livingston and State of Illinois.

Jeremiah O'Rourke, to be postmaster at Harvey, in the county of Cook and State of Illinois.

George Nowlan, to be postmaster at Toulon, in the county of Stark and State of Illinois.

Peter M. McArthur, to be postmaster at Marseilles, in the county of Lasalle and State of Illinois.

Michael F. Sheary, to be postmaster at Troy, in the county of Rensselaer and State of New York.

George M. Payne, to be postmaster at San Luis Obispo, in the county of San Luis Obispo and State of California.

A. C. Fleming, to be postmaster at Lincoln, in the county of Placer and State of California.

John F. Eden, to be postmaster at Sullivan, in the county of Moultrie and State of Illinois.

HOUSE OF REPRESENTATIVES.

TUESDAY, May 29, 1894.

The House met at 12 o'clock m. Prayer by the Chaplain, Rev. E. B. BAGBY.

The Journal of the proceedings of yesterday was read and approved.

W. W. CAMPBELL.

The SPEAKER laid before the House a letter from the Attorney-General, relating to a list of judgments transmitted to Congress on the 29th day of December last, requesting that no appropriation be made to W. W. Campbell, as set forth by exhibit No. 28, he having taken the same to an appellate court on appeal; which was referred to the Committee on Appropriations.

J. P. JOHNSTON VS. THE UNITED STATES.

The SPEAKER also laid before the House a communication, transmitting copy of the findings of the Court of Claims in the case of J. P. Johnston *vs.* The United States; which was referred to the Committee on War Claims.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. CARUTH, indefinitely, on account of sickness in his family.

To Mr. COGSWELL, indefinitely, on account of sickness.

To Mr. THOMAS, indefinitely.

CAPT. JOHN W. PULLMAN.

Mr. SIBLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1637) for the relief of Capt. John W. Pullman.

The SPEAKER. The bill will be read, after which the Chair will ask if there be objection.

The bill was read, as follows:

Whereas John W. Pullman, who was commissioned a second lieutenant of the Eighth Cavalry in the United States Army on the 15th day of June, 1869, and consequently commissioned a captain in the Quartermaster's Department; and

Whereas Hon. W. A. Day, on the 12th day of June, 1889, then the Second Auditor of the Treasury of the United States, prepared a revised statement of Capt. Pullman's account, finding due the said John W. Pullman the sum of $1,396.31, and on the same day certified the result to the Second Comptroller of the Treasury for payment, which was subsequently returned to the Second Auditor without any decision, and "without prejudice" by him, inasmuch as Attorney-General Miller had expressed an opinion that a previous receipt given by Capt. Pullman for an amount that the accounting officer had erroneously adjudged his due, estopped him from receiving the portion that had been erroneously and unlawfully previously withheld, supporting such opinion by the declaration that "had it happened through a mistake of law of the accounting officer of the United States the captain had been paid too much instead of too little, it would seem quite clear that the excess could not be recovered back:" Therefore,

Be it enacted, etc., That the accounting officers of the Treasury be, and they are hereby, directed, on application being made by Capt. John W. Pullman, or his legal representatives, to adjust and pay his said claim as stated and certified to by the Second Auditor of the Treasury on the 12th day of June, 1889, in accordance with such certificate and the law applicable thereto as construed by the Supreme Court of the United States, out of any money in the Treasury not otherwise appropriated.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SAYERS. Mr. Speaker, before unanimous consent is given I would like the gentleman from Pennsylvania to explain the character of that bill, the nature of the claim, and the amount allowed.

Mr. SIBLEY. Mr. Speaker, the correctness of the account has been certified to by the Third Auditor of the Treasury. There is no question about its correctness, as I understand, in any quarter.

I have submitted it to a number of gentlemen, and would have shown it probably to the chairman of the Committee on Appropriations if I could have seen him. The bill has been before the Committee on Claims, and is reported favorably by that committee. I think it a proper account; there seems to be no question that the amount is due, and it has passed the committee after a careful and thorough examination.

Mr. SAYERS. What is the amount involved?

Mr. SIBLEY. The exact amount is stated in the bill—about twelve or thirteen hundred dollars.

Mr. DINGLEY. I would like to ask the gentleman from Pennsylvania why this bill is put in the form of directing the accounting officers of the Treasury, on application of the beneficiary of this claim, to adjust and pay the said claim as stated? Why not, if the amount has been already determined, put it in the shape of providing an appropriation to pay the exact amount of the claim?

Mr. SIBLEY. I am willing to admit to the gentleman from Maine that it is probably due to want of familiarity with such proceedings on my part. This, however, is a Senate bill——

Mr. DINGLEY. This is not simply a proposition to direct the officers to reëxamine the account and see what is due; but it provides for an adjustment of the account as stated. It is rather an unusual form, it seems to me.

Mr. SIBLEY. It is a Senate bill, not a House bill. It has been before the Senate and passed that body, and is certified in the report by the Auditor as being correct.

Mr. DINGLEY. If this is to determine whether any special amount is due, it seems to me the House should say so; or if it is an appropriation to pay an amount already found to be due, then an appropriation should be made, and not go through the needless process of directing that this shall be reëxamined or readjusted by the accounting officers. By putting it in this form, which is an unusual one, the impression is given that there is to be an examination for the purpose of determining the amount to be paid, when the amount to be paid is really stated in the bill.

Mr. CAMPBELL. In answer to the gentleman from Maine, I will state that the Committee on Claims, to whom this bill was referred, had the House and Senate bill under consideration, and came to the conclusion that it was best to adopt the Senate bill as passed by that body, as it seemed to the committee to meet the requirements of the case, and therefore the committee unanimously indorsed it.

Mr. DINGLEY. The Senate bill would seem to imply that this bill is for the reëxamination of the account, and for the adjustment of any balance which may be found due, not a provision, as I understand the bill really is, to pay an amount already adjusted. It instructs the officers of the Treasury to adjust the account. Perhaps no substantial injustice would be done by passing it in this form, but it would seem better to make it explicit and appropriate the amount to pay the claim as already adjusted if there be no question as to the correctness of that amount.

Mr. SIBLEY. The Auditor has certified to the amount.

Mr. DINGLEY. I understand that, but it has not been finally approved by the accounting officers of the Treasury. It has been allowed by the Second Auditor, but not by the Comptroller.

Mr. CAMPBELL. Similar action was taken in several other cases which have occurred, notably in the cases of Gen. Rosecrans, Gen. Grant, and also Gen. Kilpatrick.

Mr. DINGLEY. I understand there is no question that this balance is due.

Mr. CAMPBELL. None whatever.

Mr. SAYERS. I agree with the gentleman from Maine that the bill is not artistically drawn; but I think, taking the bill in connection with the preamble, that it amounts merely to an appropriation.

Mr. DINGLEY. That is what I understand to be the intention.

Mr. CAMPBELL. It provides payment for a claim already adjusted.

Mr. DINGLEY. If the amount is known to be due, there is perhaps no substantial injustice in passing it in this form.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered and ordered to a third reading; and being read the third time, was passed.

On motion of Mr. SIBLEY, a motion to reconsider the last vote was laid on the table.

ADJOURNMENT UNTIL THURSDAY.

Mr. CATCHINGS. Mr. Speaker, to-morrow being Decoration Day, I move that when the House adjourns to-day, it adjourn to meet on Thursday next.

The motion was agreed to.

ALBANY AND ASTORIA RAILROAD COMPANY.

Mr. HERMANN. Mr. Speaker, I ask unanimous consent for the present consideration of the 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.

The bill was read at length.

The SPEAKER. Is there objection to the request for the present consideration of this bill?

There was no objection.

The bill was ordered to a third reading; and was accordingly read the third time, and passed.

On motion of Mr. HERMANN, a motion to reconsider the last vote was laid on the table.

KANSAS AND ARKANSAS VALLEY RAILWAY, INDIAN TERRITORY.

Mr. DINSMORE. Mr. Speaker, I ask unanimous consent for the present consideration of the 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, A. D. 1891.

The bill was read, as follows:

Be it enacted, etc., That the provisions of 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, be, and the same are hereby, extended for a period of three years from February 24, 1894, so that said Kansas and Arkansas Valley Railway shall have until February 24, 1897, to build the first 100 miles of its said additional lines of railway in said Territory.

The SPEAKER. Is there objection to the request for the present consideration of this bill?

There was no objection.

The bill was ordered to a third reading; and was accordingly read the third time, and passed.

On motion of Mr. DINSMORE, a motion to reconsider the last vote was laid on the table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. PLATT, one of its clerks, announced that the Senate had passed without amendment the bill (H. R. 6211) for the relief of Wesley Montgomery.

CAPT. E. M. IVES.

Mr. LACEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 2133) to correct the military record of Capt. E. M. Ives.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to amend the record of Capt. Ed. M. Ives, late of Company A, Forty-second United States Colored Infantry, so as to state that his resignation was accepted January 1, 1865.

The SPEAKER. Is there objection to the request for the present consideration of this bill?

Mr. JONES. I should like to have the report read.

The SPEAKER. Without objection the report will be read.

The report (by Mr. HULL) was read, as follows:

The Committee on Military Affairs, to whom was referred the bill (H. R. 2133) to correct the military record of Capt. E. M. Ives, make the following report:

Edmund M. Ives was enrolled as a lieutenant on April 20, 1861, in Company E, Eighth Indiana Volunteers, and afterwards as a private in Company H, Eighty-fourth Indiana Infantry. August 7, 1862, Mr. Ives was appointed captain in Company A, Forty-second United States Infantry, and was mustered in as such to date March 30, 1864.

In September, 1864, Capt. Ives and Lieut. Col. Putnam got into some controversy, and, as shown by the records, Lieut. Col. Putnam recommended the dismissal of Capt. Ives for the good of the service. Capt. Ives tendered his resignation, and on the recommendation of Lieut. Col. Putnam that same should be "accepted for the good of the service." Capt. Ives was dismissed instead of his resignation being accepted.

The record of the War Department discloses that Lieut. Col. Putnam first recommended Capt. Ives's dismissal for the good of the service, and Capt. Ives, while said charge was pending, tendered his resignation. Upon tendering the resignation it was referred to Lieut. Col. Putnam, who indorsed it, saying, among other things—

"I have no reason to wish Capt. Ives dismissed in disgrace, nor do I conceive the interests of the service demand it.

"His resignation is desirable, and I recommend its acceptance, believing it to be for the interests of the service."

The recommendation was sent back to Lieut. Col. Putnam by the Secretary of War for "more definite reasons as to the cause which disqualifies Capt. Ives from retaining his position."

These papers were not returned to Capt. Ives, nor did he have any opportunity to know that additional charges or complaints were made against him. He rested under the assurance that his resignation had been forwarded with the approval of his commanding officer.

Lieut. Col. Putnam returned the papers through the appropriate channel to the Secretary of War, with the additional charges that Capt. Ives "was an inebriate and so filthy in his person as to be a disgrace to the regiment."

The papers were sent back without Capt. Ives's knowledge and without reference to him for explanation, so as to give him an opportunity to withdraw his resignation, and while relying upon the favorable action upon his resignation he was dishonorably dismissed from the service. The record indicates considerable feeling on the part of the commanding officer of the regiment against Capt. Ives, and whether Capt. Ives or Lieut. Col. Putnam were in the wrong there is nothing in the record to show. Lieut. Col. Putnam being the ranking officer his statements were accepted as a verity.

The War Department is not subject to criticism, because it appeared from the records that Lieut. Col. Putnam had made charges of unfitness and misconduct against Capt Ives and that Capt. Ives resigned in the face of the charges. This fact appearing without dispute or explanation, it was natural that the resignation should be looked upon as a plea of guilty and that the War Department should seek information from the officer making the charges. But Lieut. Col. Putnam supplemented the case with two additional charges, which the record shows were made without the knowledge of Capt. Ives.

The fact that his resignation was treated as an admission of guilt, and upon that resignation a dismissal entered based upon charges made in part after the tender of resignation, and without notice to him, this being true, it is evident that great injustice might very readily have been done to Capt. Ives under the circumstances. Charges were made against him, he resigned pending these charges, and his resignation was approved by his commanding officer, who made the charges.

The papers went back to the commanding officer who, without Capt. Ives's knowledge, added other charges, and thereupon Capt. Ives was dismissed from the service upon the accumulated charges against him. On the face of it Capt. Ives should have had an opportunity to meet all these charges and to withdraw his resignation and stand a trial upon the charges. So, even upon the face of the record, it is evident that great injustice may have been unintentionally done by the War Department by assuming that all these proceedings were with Capt. Ives's knowledge, and it was evidently assumed that Capt. Ives was shunning an investigation by resigning.

Capt. Ives never had an opportunity to meet the additional charges, as appears from the record. It is not at all likely that he would thus submit, and we are therefore the more ready to accept evidence from Capt. Ives and from other sources in view of the fact that he does not appear to have had any opportunity to meet the charges at the time.

The evidence against Capt. Ives is only that of Lieut. Col. Putnam, who made them.

Capt. Ives's version of the matter is set out in his sworn statements in substance as follows:

That Lieut. Col. Putnam was an enemy of Capt. Ives.

That Lieut. Col. Putnam made charges against him, which charges were in substance communicated to Capt. Ives. Lieut. Col. Putnam did not inform Capt. Ives that the charges had been forwarded, but concealed that fact.

He told Capt. Ives that if he would resign he would suppress the charges.

He assured Capt. Ives that if he would resign he would suppress the charges. He also agreed to procure a leave of absence for Capt. Ives and suppress all the charges. Capt. Ives, to avoid a contest with his commanding officer, accepted these terms and tendered his resignation and was granted a leave of absence and went home.

Mr. Ives denies the truth of all the charges against him. He served about four years and was wounded near Franklin, Tenn.

Capt. Ives's dismissal was the result of malicious charges by Lieut. Col. Putnam.

The record shows that Lieut. Col. Putnam had much personal feeling in the matter, and based his charges on the alleged fact that Capt. Ives had treated him in a disrespectful manner. Capt. Ives swears that the reference of the charges to him for answer by the department of the Cumberland never reached him, and it is probable that at the time that the charges were communicated to him by Lieut. Col. Putnam the papers were thus referred back by the department commander.

The fact that Capt. Ives made no indorsement on the papers corroborates his claim that the charges were not shown to him and that Lieut. Col. Putnum agreed to drop them.

But the matter does not rest upon the statements of Lieut. Col. Putnam on the one hand and Capt. Ives upon the other. He furnishes the evidence of Capt. A. Gibson. Capt. Gibson testifies to the honorable conduct of Capt. Ives, and that after Capt. Ives went home on leave of absence the additional charges were made against him and sent to the War Department without communicating to Mr. Ives, who had no knowledge of these charges. When Capt. Ives was dismissed he asked for a court of inquiry or court martial to investigate the matter, and it was denied him. Lieut. Gibson denounces the dismissal as being grossly unjust.

Isaiah W. Kemp, a comrade in Eighth Indiana and Eighty-fourth Indiana, testifies as to the high character and soldierly qualities of Capt. Ives.

George W. Carter, major of the Eighty-fourth Indiana, formerly captain Company H, Eighth Indiana, swears that Mr. Ives was in his company and was a good, obedient, and brave soldier, and very efficient in all respects and recommended him for promotion.

Capt. Ives's character and integrity are highly commended by Maj. Carter. Capt. John H. Sherratt, of the Forty-second United States Colored Infantry, also states that the charges were unfounded and vouches for the good character and soldierly conduct of Capt. Ives.

Capt. Sherratt says it is not true that Capt. Ives was dissipated; that he was thoroughly honest, a good soldier, a painstaking and conscientious officer. Capt. Ives did nothing to merit dismissal. He did the Government much good service and his dismissal was a great wrong.

Capt. Ives got into conflict with his lieutenant-colonel by signing a protest against the promotion of an officer to the rank of major. The charges against Capt. Ives grew out of bad blood between the lieutenant-colonel and himself. Capt. Sherratt says "that the temperaments of the two men were so different that they could not do justice to each other."

Marion Van Horn, second lieutenant in Forty-second United States Colored Infantry, swears that great injustice was done Capt. Ives, and denies the truth of the charges. He testifies to Lieut. Col. Putnam's predjudice against Capt. Ives. He denies all the charges against Capt. Ives, and says he was an honorable and upright man, and a good soldier in all respects.

Lieut. Gibson explains the charge of misappropriation of rations by stating that all the officers were appointed from the ranks and were without money, and that they temporarily fed from the common rations of their companies till they could draw pay; that Capt. Ives was temperate and cleanly.

In view of the fact that Capt. Ives was dismissed in his absence, when away on leave, at a time when he understood that all charges against him were withdrawn, in view of his four years of honorable service and wounds received at the hands of the enemy, this disgrace cast upon him on an *ex parte* charge, made just at the war's close, ought not to be permitted to stand, and we recommend the passage of the bill.

The SPEAKER. Is their objection to the request of the gentleman from Iowa [Mr. LACEY] for the present consideration of this bill?

Mr. KILGORE. I could not hear the reading of the report back here on account of the great confusion in the Hall. I should like to have an explanation of the bill before unanimous consent is given.

Mr. LACEY. I can make a very brief explanation.

The SPEAKER. Without objection, the gentleman will be permitted to make an explaination.

Mr. LACEY. This report upon its face shows a careful examination by the Military Committee, and is a full and complete statement of facts.

Mr. KILGORE. What is the purpose of the bill?

Mr. LACEY. The purpose of the bill is simply this: Capt. Ives got into a controversy with his lieutenant-colonel because he and some other officers protested against the promotion of another captain to the rank of major in the regiment. The lieutenant-colonel preferred charges against the captain, without informing him, however, that he had done so, but saying that he intended to do so. Capt. Ives did not desire to have any controversy with the lieutenant-colonel, but said he would resign rather than to continue to serve with him when the relations were strained between them. He tendered his resignation.

The lieutenant-colonel obtained for him a leave of absence. He went home awaiting action upon his resignation, and in the mean time the War Department asked the lieutenant-colonel why he had recommended the dishonorable dismissal of Capt. Ives. Then, without communicating with Capt. Ives any further, the lieutenant-colonel made additional charges against him,

and upon those additional charges he was dismissed. His attention was not called to the matter until after he was at home. He applied then for a board of inquiry, which was refused.

A number of the officers of the regiment say that Capt. Ives was a good soldier. He was wounded in the battle of Franklin. He served four years in the Army, and this dismissal was just at the close of his service, and made upon the recommendation of a single officer with whom he was at enmity, and against the judgment of his other brother officers.

Mr. WEVER. Was he dismissed after trial?

Mr. LACEY. He was dismissed without trial at all.

Mr. WEVER. That is important.

Mr. LACEY. And in face of the full investigation and report made by the Committee on Military Affairs it seems to me that the time of the House ought not to be further occupied upon the case; and as we have already considered the report, I think the bill ought not to be objected to.

Mr. KILGORE. I understand that he made a very good record up to that time?

Mr. LACEY. Yes, sir.

Mr. KILGORE. Did he get out of the Army because he would rather not incur any further danger?

Mr. LACEY. He enlisted April 20, 1861. That was as early as he could get in.

Mr. KILGORE. Yes.

Mr. LACEY. And he went out in September, 1864.

Mr. KILGORE. Was there any charge of cowardice against him?

Mr. LACEY. No, sir.

Mr. KILGORE. What was the charge?

Mr. LACEY. That he was dirty in his person. [Laughter.] That was the supplemental charge made after Capt. Ives had gone home.

Mr. KILGORE. Would not use water to wash?

Mr. LACEY. That was the charge; and I know it to be wholly unfounded. I know he has used an abundance of water since. He is a cleanly, honorable, and reputable citizen.

Mr. KILGORE. I do not think not using water should be cause for dismissal.

Mr. LACEY. I know that he has been a worthy gentleman for twenty-five years since he was discharged, and the very character of the charge shows the malice of the man who made it.

Mr. KILGORE. There was no charge of desertion, was there?

Mr. LACEY. No, sir.

Mr. KILGORE. And this bill carries no emoluments, pay or allowance?

Mr. LACEY. No; it simply takes off the record a disgraceful charge made against him, and made against him after he had been assured that his honorable discharge would be recommended.

The SPEAKER. Is there objection to the consideration of this bill?

Mr. CONN. I object.

Mr. BRETZ. I demand the regular order.

The SPEAKER. The regular order is demanded.

GEN. N. J. T. DANA.

The SPEAKER. The Chair will lay before the House a resolution relating to a Senate bill which has been lost, and requesting that the Senate furnish a duplicate copy.

The Clerk read as follows:

Resolved, That the Senate be requested to furnish the House with a duplicate copy of the bill (S. 104) for the relief of Gen. N. J. T. Dana, the original having been mislaid.

The resolution was agreed to.

ORDER OF BUSINESS.

The SPEAKER. The Clerk will call the committees for reports.

CHANGING RULES OF EVIDENCE AS TO SIGNATURES.

Mr. WOLVERTON, from the Committee on the Judiciary, reported a bill (H. R. 7258) to authorize the comparison of handwriting by courts and juries in cases where the genuineness of signatures or writing is in dispute; which was referred to the House Calendar, and, with accompanying report, ordered to be printed.

REFUND OF DIRECT TAX TO WEST VIRGINIA.

Mr. TERRY, from the Committee on the Judiciary, reported favorably the joint resolution (H. Res. 119) to direct the Secretary of the Treasury to pay to the governor of the State of West Virginia the sum appropriated by the act of Congress entitled "An act to credit and pay to the several States and Territories and the District of Columbia all moneys collected under the direct tax levied by the act of Congress approved August 5, 1861;" 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.

NATIONAL CEMETERY, DOVER, TENN.

Mr. BLACK of Illinois, from the Committee on Military Affairs, reported back favorably the bill (S. 527) to construct a road to the national cemetery at Dover, Tenn.; 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.

RELIEF OF SETTLERS UNDER TIMBER AND STONE ACTS.

Mr. HALL of Minnesota, from the Committee on the Public Lands, reported the bill (H. R. 7259) for the relief of certain settlers who have entered lands under the timber and stone acts, etc., as a substitute for H. R. 4726; 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.

House bill 4726 was ordered to lie on the table.

PUBLIC BUILDING AT LAREDO, TEX.

Mr. ABBOTT, from the Committee on Public Buildings and Grounds, reported back favorably the bill (H. R. 6715) for the erection of a public building at Laredo, Tex.; which was referred to the Committee of the Whole House on the state of the Union, and, with accompanying report, ordered to be printed.

OLD CUSTOM-HOUSE BUILDING AT ERIE, PA.

Mr. McKAIG, from the Committee on Public Buildings and Grounds, reported back favorably the bill (S. 1757) to provide for the sale of the old custom-house building in the city of Erie, Pa.; 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.

PUBLIC BUILDING AT TAMPA, FLA.

Mr. McKAIG also, from the Committee on Public Buildings and Grounds, reported back favorably the bill (H. R. 5944) for the erection of a public building at Tampa, Fla.; 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.

STEAMER GOLDSWORTHY.

Mr. BERRY, from the Committee on Merchant Marine and Fisheries, reported back favorably the bill (S. 1426) to provide a register for the steamer Goldsworthy; which was referred to the House Calendar, and ordered to be printed.

The SPEAKER. This completes the call of committees for reports.

MESSAGE FROM THE PRESIDENT.

A message in writing from the President was communicated to the House by Mr. PRUDEN, one of his secretaries, who also informed the House that the President had approved and signed bills and joint resolutions of the following titles:

On May 25, 1894:

An act (H. R. 6975) for the relief of the heirs and creditors of Elizabeth Townsend.

On May 28, 1894:

An act (H. R. 6770) authorizing the Secretary to exchange, in behalf of the United States, deeds of land with the Pemaquid Land Company of Maine, in settlement of a disputed boundary of the Pemaquid Point (Maine) light station;

An act (H. R. 6977) to amend an act approved August 19, 1890, entitled "An act to adopt regulations for preventing collisions at sea;"

An act (H. R. 5771) authorizing the Texarkana and Shreveport Railroad Company to bridge Sulphur River, in the State of Arkansas;

An act (H. R. 6610) to authorize the construction of a bridge across the Missouri River at some point within 1 mile below and 1 mile above the present limits of the city of Jefferson, Mo.;

An act (H. R. 6838) to construe the act of Congress passed January 6, 1893, to incorporate the Protestant Episcopal Cathedral Foundation of the District of Columbia;

Joint resolution (H. Res. 178) to pay the officers and employés of the Senate and House of Representatives their respective salaries for the month of May, 1894, on the 29th day of said month; and

On May 29, 1894:

An act (H. R. 7072) to amend section 3816 of the Revised Statutes relating to advances made to the Public Printer.

ENROLLED BILLS SIGNED.

Mr. PEARSON, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled the bill (S. 123) defining and permanently fixing the northern boundary line of the Warm Spring Indian Reservation, in the State of Oregon; when the Speaker signed the same.

TEN PER CENT TAX ON STATE-BANK NOTES.

Mr. SPRINGER. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the purpose of considering the bill in relation to the tax on State-bank notes.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read as follows:

A bill (H. R. 3825) 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.

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 read.

The title was again reported.

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee [Mr. COX] be permitted to address the committee without limit.

There was no objection, and it was so ordered.

Mr. COX. Mr. Chairman, in the discussion of the question presented, I must confess that I am somewhat embarrassed from the fact that a leading Democrat, who has been rewarded time and time again for his fealty and for his devotion to Democratic principles, has found it necessary, under his convictions, to come to the conclusion that it was proper for him to antagonize a plain, straight-forward plank in the Democratic platform. While he may owe his allegiance to the Democratic party (and it is not a matter of criticism for me), it did seem to me that, as the party had frequently rewarded him, when it announced its principles and declared its doctrines in convention assembled, that he could with perfect modesty have acquiesced in its decisions without becoming a strong opponent to one of its doctrines.

Permit me to say further, just in this connection, that I have been accustomed to give great credence and authority to the opinion of the gentleman from Illinois [Mr. SPRINGER] and have considered him rather an apostle of the Democratic faith, but when I found him consulting with the opposition to the doctrines of Democracy, I must confess, to say the least of it, I was somewhat astonished. Let me say to my Republican friends that whenever there is an issue presented between us I never have any complaint to make about their standing by their convictions, but I must say that when one of my old leaders, who has published a book and taught the Democracy what a tax was, and that is for revenue only, announces on this floor that the power of taxation is limited alone by the discretion of Congress, I consign him to their care and bid them do the best they can with him.

Before I proceed further, I desire to call the attention of the committee to another point made by the gentleman from Illinois [Mr. SPRINGER]. The proposed bill, known in this discussion as the Brawley bill, is a proposition to release all parties who issued any character of circulation in the late panic, as you call it, from the tax of 10 per cent. That is the proposition. The amendment offered to that bill lies in this fact—that so far as State banks and State banking associations are concerned (and mark that) the tax of 10 per cent shall be repealed.

Now, the gentleman from Illinois in his argument made the point that the Attorney-General of the United States had decided that the clearing-house certificates issued in our late trouble were not subject to the tax. Now, if that be the law, the bill is totally unnecessary. But let me say here, before I go to the line of my argument, the Attorney-General of the United States has made no such decision. What has he decided? I have his opinion before me. He decided, upon a paper sent from Albany in Georgia, upon that paper the tax of 10 per cent did not attach. I hope you gentlemen will get it clearly in your minds, for it is important.

Let me repeat that, so that our proposition may be distinct and clear. The Attorney-General upon a paper submitted to him, and that is the only way, allow me to say, a lawyer can decide a question, decided upon that paper that the 10 per cent tax, under the law as it exists, did not attach. Now, you will pardon me for one moment while I show you exactly what that paper is upon which the Attorney-General gave his opinion; and I do this, gentlemen of the committee, in order that we may have it distinctly before our minds when we come to the regular argument upon the points involved.

This paper reads this way:

ALBANY CLEARING-HOUSE CERTIFICATE. TEN DOLLARS. ALBANY, GA.

ALBANY, GA., *August 29, 1893.*

This certifies that the First National Bank of Albany, Ga., has deposited with the undersigned officers of the Albanyclearing house certificates 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 the option of said bank; but no certificate is to be issued bearing a later date than January 1, 1894. This certificate will be received on deposit by any bank or bankers belonging to the Clearing House Association of Albany, Ga., at par.

Now, gentlemen, I have read you the paper. This paper is signed by no one. This is the paper that was submitted to the Attorney-General for his construction of the law as to whether or not the 10 per cent tax attached to the paper. Now, what does the Attorney-General say? This is what he says:

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, or 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 further the question asked by you.

Is there a lawyer in this House or committee who would not have decided upon that paper just as the Attorney-General did? Who ever heard of a promissory note being an obligation upon which judgment could be rendered in a court of law when the paper was not signed by anybody? So the Attorney-General properly says that this paper not being signed by anybody it could not be recovered upon in a court of law without evidence *aliunde* as to the paper.

Mr. RAYNER. Are you not laboring under a very serious misapprehension? That is merely the form on which the Attorney-General gave his opinion.

Mr. COX. If I have got into a misapprehension it is a misapprehension that is shared by the Attorney-General. The very point that he makes upon the paper is that it is not a common law paper upon which an action could be maintained, because it is not signed. Therefore I repeat, if I have fallen into a mistake the Attorney-General fell into the same mistake first.

If I had been acting as Attorney-General and you had submitted to me such a paper with the question whether it was a common law obligation to pay a debt, not being signed by anybody, of course I would have had to decide that you could not recover on the paper in a common law action, and that is what the Attorney-General decided. Now, that is the paper which the honorable gentleman from Illinois referred to and upon which he lays down the proposition that clearing-house certificates issued in New York are not subject to the tax.

I have in my possession certificates from New York of a totally different character, signed, passed, and delivered, but none of them were submitted to the Attorney-General.

Now, Mr. Chairman, and gentleman of the committee, with these introductory remarks, intended to clear the brush out of the way, I desire, in the utmost frankness and candor, to submit my argument on this general question to Republicans and to Democrats. I am sure I can say that so far as our relations on this floor are concerned they are of the kindest nature, and I appreciate them very highly, and in what I have to say I shall set down naught in malice, but neither will I swerve one inch from what I conceive to be the interests of my people.

Mr. Chairman, in the discussion of the proposed amendment, I think it very proper for a clear understanding of the matter that we refer to the history of State banks and the part they have performed in furnishing a currency with which to transact the business of the country. It is well known that before the adoption of the Constitution there were banks authorized by colonial legislation, and in existence when that instrument became operative.

It is equally well known that ever since the adoption of the Constitution the States have authorized the establishment of banks, and these banks were authorized to issue their notes to be circulated and used as money. So State banks are as old as the Constitution and colonial banks of issue older than the Constitution.

The money of the United States from its origin to 1862, a period of seventy-five years, was coin. The paper currency of the United States for that period was issued alone by banks operating under State laws, and entirely independent of any authority derived from the legislation of the United States. The authority of the States to charter and authorize these institutions was as well recognized as the power in a State to charter a railroad, turnpike, or canal to be constructed within its own limits. It was exercised at almost every meeting of the Legislatures of the States, and these States unrestricted put in practice and operation without a serious dispute as to their authority so to do, currency of their own.

These institutions had grown in numbers and in importance, so that on the 1st day of January, 1861, they numbered as near as we can get the numbers, including branch banks, 1,610, every one of which was acting under State authority.

THEIR CAPITOL STOCK WAS ABOUT $400,000,000.

Their circulation	$175,000,000
The cash, coins held in their vaults	94,500,000
Their discounts	661,000,000
Their deposits	240,000,000

I have not been able to secure reports from Louisiana, but have tried to approximate what was the number in that State.

A very important fact I desire to state here as it will be used hereafter, is in regard to the distribution of the capital in these banks with regard to the population. The fifteen slave States, with a population at that time of about 13,000,000, had about $12 of bank stock per capita. The remaining sixteen States, with a population approaching 20,000,000, had about $15 per capita of this bank stock. It will be remembered that several of the Southern States were comparatively new and undeveloped, consequently less able to establish these institutions; this will account in a great measure for the unequal distribution of the stock, if we look at the matter from a local standpoint. But it can not fail to attract attention how near the distribution was equal in every part of the country—demonstrating also the approximate equal distribution of wealth.

As to the history of the tax imposed on the circulation of these banks, it is also important that we have the facts. It was not contemplated by the originators of the national-bank system to destroy the issue of State banks, and reduce them down to mere banks of deposit and discount. This is shown by the legislation in regard to their notes when a tax was first levied.

The act of February 25, 1863, which authorized national-bank associations is the first act of the United States that levied a tax on currency or money. By this act a tax of 2 per cent was imposed on the circulation given to the national banks, and in a few days thereafter a tax of 1 per cent was imposed on State bank circulation. So the first legislation assessed twice as much tax on national-bank circulation as upon State-bank circulation, clearly demonstrating at that time that it was intended to operate the two systems together, and giving the State banks the advantage so far as burdens were imposed.

By the act of June 3, 1864, the tax on national banks was continued, and the shares of their stockholders made subject to State tax. In the same month and same year the tax on State banks was continued at 1 per cent, but the time of payment was changed, and the State banks required to make monthly reports of the amount of their circulation.

Congress had by an act of July, 1862, prohibited any notes being issued under $1. This brings us up to the law that created the prohibitory tax on issues on State banks, which was passed March 3, 1865, and imposed the tax on all notes issued after July 1, 1866. On the 13th of July, 1866, a more extended law passed, and retained the tax on all State-bank issues issued after August 1, 1866.

This is the law that is sought to be repealed by the proposed amendment. It will be observed that this tax formed no part of the national-bank system. It was an afterthought and an independent proposition, and it became a law by accident.

It was proposed in the House by Mr. Hooper of Massachusetts on the 17th of February, 1865, nearly two years after the national-bank law had been adopted, and in the form Mr. Hooper offered it it was defeated. It was on the same day offered in the form it now substantially has by Mr. WILSON of Iowa. The vote stood 68 yeas to 67 nays. Mr. Brooks of New York voted in the affirmative, so as to move to reconsider. He did move to reconsider, and on that vote there was a tie, and the Speaker cast a vote which decided it. If Mr. Brooks had voted his convictions on the first vote it would have been defeated.

In 1869 the constitutionality of the law imposing this tax was examined by the Supreme Court of the United States, and its constitutionality sustained by a divided court and an able dissenting opinion. This is the history of the law we seek to repeal; and in giving it, necessarily a part of the history of the national system of banking has also been given. The result of this legislation on the paper currency of the country has totally changed the system that existed for seventy-five years in our history. The paper currency now is national and national only, whereas before it was State and only State. It has also added another great and important fact, and that is that the national bank paper currency can be redeemed with another kind of paper currency. One promise to pay money is discharged with another promise to pay money.

The arguments used in favor of the establishment of the national system are embodied substantially in two propositions. One was to encourage the purchase of United States bonds; and the other was that it being national currency, subject to national control, it would unite the interest of the people with the Government and counteract the ideas so prevalent in favor of the powers of the States. It was assumed that the system would furnish all the paper currency that commerce would need and at the same time encourage the purchase of the bonds. It would be idle at this time, in this discussion, to enter into the merits or demerits of the national system only so far as is necessary to reach a proper conclusion respecting the questions under debate.

If I shall be able to show that the necessity exists, that the interest of the people will be advanced, to return to the issue of State bank notes with United States paper currency, then the questions in this proposed legislation is solved. If we have no need for this character of currency, or if because of its uncertain value it would threaten serious disasters to trade and commerce, or even great inconvenience in the business of life, then I would not support the repeal. This is conceding all that can be asked, and concedes the authority of the Government to levy the tax which, in my humble judgment, was never conferred by the States in the adoption of the Constitution.

Is there a necessity for this currency?

If there is no need to return to this system, and that all there is in the demand for this repeal is a groundless clamor, no other matter need be considered further. In the examination therefore of this query, it is of great importance to understand clearly the condition of our present financial system as it is connected with national banks and the General Government. Does the system supply the demands of trade?

The national banking law in its origin, as stated before, intended to encourage the purchase of bonds, and it was not expected then that a man or men would invest money in bonds at a premium of 20 per cent, making each doller in bonds cost him a dollar and twenty cents and receive in return 90 cents to bank upon. There can be and is no practical sense in paying out in money that amount for a smaller amount, when the sum paid out is more valuable for the purposes intended than the sum received.

When the bonds were below par, or at par, there was an inducement, and that was all the original law contemplated. That is all any government desires, that is to hold its obligations at par. No benefit results in dollars to the Government by its securities going to a premium. The Government further contemplated that the national-bank circulation should not only be adequate, but should be the only paper circulation. This is clearly shown in the resumption act, providing for the substitution of bank issue in place of greenbacks, and that would have been the result if the reissuing of the greenbacks had not been provided for by law.

This idea that the banks could and would furnish a sufficiency of paper currency has been found almost a total failure. The reason is plain. There is no money to be made in taking out the circulation. Some of our very largest national banks deposit the requisite amount of bonds, and content themselves with the interest on the bonds, because there is nothing to be made with the circulation. In 1882 the banks had taken out bank notes amounting to $360,982,713. In 1893 they were reduced to about $170,000,000—a contraction of nearly $20,000,000 a year in the paper circulation of the banks as organized under the original act. Notwithstanding the terrific times we are now in, and have been in for more than a year, and notwithstanding the great demand that was and is made, the increase in bank notes amounted to a small and unimportant sum. The hard times has about increased the circulation as much as the contraction has been in each year on an average for ten. If what we have passed through, the great demand for currency, and the great scarcity of currency in vast localities in our country, will not increase the national-bank circulation, then it is hardly to be expected that anything will. No well-informed banking man expects to see it increased.

There is left to the people but one way to increase either their currency or money, and that is with gold. I need not stop here to show how utterly inadequate this resource is. So, on this point the conclusion is clear and settled that the national-banking system is to-day a failure in furnishing the necessary circulation.

CONCENTRATION OF MONEY.

Another potent and powerful argument, as I see it, exists in the well-known fact that the present system has resulted in the concentration of the money and currency of the country in certain localities and left other great sections utterly destitute of money or of currency until the business becomes almost dead, and discontent and uneasiness prevail to an alarming extent. I do not desire to speak on this point with any sectional view whatever. This serious financial trouble has ceased to be sectional. It has assumed and is growing in magnitude until certain honorable and important industries, indeed most important of all, are continually pressed for want of a medium of exchange, resulting in a destruction of all profits that can be claimed to be remunerative.

There is now in New York City more money and currency than was ever known in its history. The reports from the great banks show a splendid condition, if the soundness of the banks alone is considered. The remarkable fact exists that bankers in the great money centers are anxious to loan their money, and at the same time other portions of the country are being pros-

trated for the want of it. No one can call this a wise and satisfactory condition. This great concentration in the great centers not only affects individuals directly, but the immense power reaches the small local banks and substantially converts them into customers of the great central institutions. Think one moment of the immense rediscounts that flow from the small institutions to the centers, begging for currency.

The immense capital invested in real estate is worthless as a security. The owner of land, his capital, is absolutely prohibited by law from using it as he pleases. This enormous investment is eliminated from the class of securities, and the only resource he has is his neighbor to indorse for him, to borrow money that has already been borrowed from the great centers. Suppose to-day a law was passed prohibiting national banks from loaning money on stocks or bonds, and releasing real estate so that it might be used; is there any doubt that real estate would enhance in value and stocks and bonds decline? These favored securities follow the money centers because of their value as securities. The money favors them to the detriment of other character of property. And the agricultural country is barren of currency and the bond and stock cities are gorged. The money refuses to go where the favorite security can not be had, and the result is starvation at one place and an overabundance at another in the medium of exchange.

The results from such conditions are absolutely natural; and you are in a continual war waged by those destitute of money against those who have it. It soon loses out of view the importance of mutual benefits, and will precipitate at last such results that both sides in the contest will be seriously injured.

Other causes than this exist that produce this concentration, but I am trying to deal with the facts, and not the causes that produce it. The other day there was deposited in one bank in the city of New York $17,000,000, as my friend Mr. HENDRIX will testify to, who is the president of the bank. Now, my State is an excellent one; nearly 2,000,000 of people live in it. Its resources in almost everything are wonderful, yet that is more money than her entire capital invested in national banks. A striking contrast of this concentration is given in comparing the States with the great money centers, especially what may be called agricultural States.

The capital of national banks amounts in round numbers to $684,500,000. There is of this sum in the States of Pennsylvania, Massachusetts, New York, and New Jersey, $269,500,000.

Take the thirteen Southern States, the two Virginias, North and South Carolina, Georgia, Alabama, Mississippi, Louisiana, Florida, Tennessee, Kentucky, Arkansas, and Texas, and these States have $71,000,000. But lest it be said they were devastated by the war, let us add to them Ohio, Illinois, Indiana, Missouri, Minnesota, Iowa, Nebraska, and Kansas, and you will have the banking capital—$257,000,000—while the four States of New York, New Jersey, Pennsylvania, and Massachusetts have $269,000,000—$12,000,000 more than the twenty-two States I have named. These four States have something over 10,000,000 of people; the twenty-two States have 38,000,000. This would give a per capita circulation in the four States, tested by the national banks only, of over $26; in the twenty-two States a per capita circulation of a little over $6.

There is in the four States about 20,000 miles of railroad, in the twenty-two States, over 190,000 miles.

Let me revert to the thirteen Southern States again, not in a spirit of sectionalism, but in perfect frankness and candor. True, our great loss was in the war. We suffered almost extinction; but a nobler race of people never lived or a people more devoted to constitutional government. Earnest in their convictions, proud of their ancestors, and brave to desperation, they are neither beggars nor sycophants, but American citizens. You have our municipal bonds, State bonds, and railroad securities. We had no money to rebuild our roads, pay our debts, or build up our country when the war closed. We have labored faithfully, even under the dark cloud when irresponsible rulers threatened our liberties with destruction.

The freights which we pay to our roads go to pay your dividends and interest. Our money goes to you to pay the interest on our public debts. We contribute our portion to pension the soldiers we fought against. Of none of these do we complain, but in the name of justice we protest and appeal to your sense of right to permit us to manage our own affairs and have a currency, a home currency, if you please to so call it, that will move our trade, develop our country, and release us from a moneyed monopoly that eats out our commercial and business life.

The State of Massachusetts has over ninety-seven millions of banking capital; the thirteen Southern States seventy-one, about $48 per capita for Massachusetts; the Southern States about $4. Is there a member from that State who will rise in his place and say Massachusetts has too much? I pause for a reply. If she does not have too much with a circulation of $48 per capita will any member be so blind as to say the Southern States have enough with $4 per capita.

But we need not confine our point to the Southern States, although the city of Boston alone has within twenty millions of as much banking capital as the thirteen Southern States. In any part of the United States, I care not where you go, just as agriculture becomes the great industry money becomes scarce. Take two of the great agricultural States, Illinois and Indiana, they were not devastated by war or ruined by rulers entirely foreign to their interests.

These two States have a population of over 6,000,000. In industry and intelligence they are unsurpassed in the limits of any civilized government. True they have considerable manufactories, but their great and paramount interests is in farming. Taking their money circulation on the basis before used, these 6,000,000 people had forty-nine and one-half million banking capital, while Massachusetts, with her 2,000,000 of population, has ninety-seven and one-quarter million banking capital. Indiana and Illinois, with three times as many people, have a little over half the banking capital! Reduced down to a per capita estimate, Massachusetts has $48 per capita. Illinois and Indiana about $8.

These facts admitted, can there be a good reason why this concentration, this monopoly, should forever feed on the labor and industry of citizens of States that ask only a chance to relieve themselves by industry and honesty?

In large sections of the country there are no bonds or stocks; they can not furnish the required securities, and are cut off from the property which they own, and are driven to such securities as they can furnish, which are personal securities. What bank in New York City or Boston would discount a note from Tennessee based alone on individual security? Not one. The officers of the bank there know nothing of the solvency or insolvency of the parties, and if the local bank is unable to discount the note, although the note is made by its best customer, then it indorses the note, obtains the money from the great centers at the best rate it can, and then charges a compensation often reaching 3 per cent to its customer for its indorsement.

But it goes still further. If the local or small bank desires directly to obtain currency from the money center, much will depend upon the amount it has to its credit in such institutions. So at last the borrower is compelled to pay high, too high for what he gets, and the country bank is benefited hardly enough for the risk assumed. These enormous amounts of rediscounts carry away from the locality where the borrower lives the results of his labor, and in every case renders it more difficult to again borrow.

Our misfortunes in the South have been great, but our prosperity will be yours; our State bonds, our municipal bonds, stocks in the roads that do our work are all held, or nearly so, at these money centers. Interest must be paid on these bonds, dividends on the stocks; it all comes from the labor of our people. Every twenty years, if not less, we have paid the principal in interest, and yet the never sleeping moth continues to feed on us. These sums leave us, your coffers are filled, ours emptied, and our great resources move at a snail's pace in development. We have to get money away from home or do without. In the cotton fields of the South, the corn and wheat fields of the West, this concentration and power of money and need of money forces a mortgage unwritten, but none the less disastrous on the crops before the seed germinate in the ground.

At every country store in the planting sections exist a system of banking of the most ruinous character. It is not banking with notes of issue, but banking of the most damaging character.

The supplies are furnished and a premature mortgage in effect taken on the expected crop. The per cent for supplies is always large enough to pay large interest and cover bad debts. When the crop is made it is delivered to these mortgagees, and they seize it at the lowest price, so if possible to make another profit. In these transactions I have seen supplies draw a rate of interest counted on the rules of interest exceeding 20 per cent.

One more step is developed, and one more means of injury. Your system excluding real estate as a security, you turn it over to a mortgage banking system. Millions are loaned on mortgages at a rate of interest and expense that is absolute ruin. The estimates in the census shows a mortgage debt of about seven billions. The rate of interest on mortgaged debts in the East is 5½ per cent, 8 per cent in the South and West, and 7 per cent in the Middle States. To this must be added at least 3 per cent to pay the agents and expenses. All this the borrower pays. Of these debts about 40 per cent are held by those not residing where the real estate is. Two billion eight hundred millions held by nonresidents, drawing a rate of interest of 7 per cent at least, accumulating in one year the enormous sum of one hun-

dred and ninety-six millions, more than the actual national-bank circulation in the United States. There are one hundred and sixty-seven of these mortgage banking companies, and the profits can be somewhat realized when there is one that commenced in 1885 on a capital of $10,000, and by October, 1891, had earned $79,230.

Mr. Chairman, if these official statements do not fully show the need of another banking system, so as to destroy this concentration of money and furnish something by which business can be done without destruction, it is hard to do so.

It affords the powerful and complete opportunity to combination, and the destruction of anything like stable and reasonable prices for property and labor. It is truly a great idea to have a currency or money that is stable. Sound and stable money may exist and business be languid and prosperity destroyed. It must not only be stable as near as possible, but it must be sufficient in amount. Scarce money may be sound, but scarce money never stimulates business or advances prosperity. Abundance of money may be sound and as stable as scarce money, and an abundance always destroys the opportunity to concentrate. By combinations of money the purchasing power is advanced, and all suffer except the money holder. That is, his gain is the loss of the property holders and the laborers who produce the property.

SCARCITY OF MONEY AND CURRENCY.

If I have been able to establish the fact that the money and currency of the country is, even if sufficient in volume but concentrated in great centers and unable to find profitable investments, then our circulating medium affects the business of the entire country as though it did not exist. What benefit is derived from the one hundred millions in the New York banks over and above their legal reserves if it can not be used? What benefit can the country banks derive from it when their customers can not furnish the required security? What real benefit do they obtain if their home banks can obtain it and loan it to its customers if the rate of interest is so high and the prices of their commodities so low that it is destruction to borrow?

It is useless to answer that they can get the money if they will furnish the security. The very trouble is that the security required they have not, and although the banks desire to loan the money they desire to loan only on such security as our people do not have. If there is a local currency satisfactory to the community in which it circulates, and a local security to obtain it satisfactory to the lender, tell me why this aid to business shall not in justice be granted?

But the volume of the circulating medium is inadequate even if well distributed, and that becomes apparent and plain if we will only stop to think what is going on in the stagnated business of the country and the world.

Promises to pay money in the future forms the basis of business. Now, if each promise to pay upon maturity can not be met then there is but one remedy, that is a new promise to pay or a serious sacrifice. If the pay day is postponed by a new promise this only increases the difficulty and burden of payment. We are then trying the hazardous experiment of transacting business on a multiplicity of promises to pay. The needed supply of the medium of exchange forces this condition, and not only drives business in that channel, but necessarily curtails it. This results in high money and low labor, or the representative of labor, low prices for commodities. That is exactly what we have. Low prices for labor or its productions means high money. High money means retarding industry and developments. Scarce money and large promises of money show the absolute want of money.

All trade is but barter; money is but the medium and convenience of exchange. Reduce the capacity of the medium of barter, you not only restrict the trade but force the trade to resort to some means to carry it on, or it must resort to the exchange of commodity for commodity direct. Before it does this it will increase individual indebtedness, and that is substantially where we are, without the means to pay.

If we can get clearly before us what has been going on for the last few years in regard to these promises to pay money, a good conception can be had of its needs.

The estimated national debts of the world is placed at twenty-seven billions. This is an increase of ten billions in twenty years, an average increase of one-half billion each year. The indebtedness of the United States government is more than two billions. Of this sum eight hundred and thirty-two millions is national.

The increase of private indebtedness is as large in its ratio as national, and when we add all together, we are confronted with a world's indebtedness of three hundred billions. It does seem that statesmanship would if possible provide an abundant stable currency to meet these enormous obligations. But just the reverse has been the legislation. When the colossal debt had reached such magnitude then was the work commenced to destroy the means to discharge it. This decreased values and increased the debt. The commercial world discarded one of its vital forces, that nature had provided, and all became competitors in the rush for gold. The basis upon which this debt was built was narrowed instead of broadened. Business was on its head instead of its feet.

Commerce was without its necessary adjunct, and a crisis is developed. Not a sudden panic that will pass away, but an utterly untenable, unsound, and ruinous system that has brought the world, and sad to say our great country, to the verge of inactivity. We are not in a panic. We are in a condition much worse than a panic. Every dollar of indebtedness in the United States to-day is as much a gold debt as if the promise was expressed in the instrument declaring the debt. What a political crime; the human mind can not comprehend it. In the short time I have been a member of this House I have heard it asserted on this floor that our people who earn their living by their labor were the best paid and most comfortable laborers on the earth. Look at them now. Are they not to be pitied instead of censured.

But you answer me that the proposition is to increase the volume of debt by issuing new promises to pay money. I admit the force of the idea as far as it is true. Before the war we banked on gold and silver, the true and proper basis of all banking. Since the war the only system of legal paper circulation we have had is based on credit. If the credit of the United States was destroyed there would not be a dollar of paper circulation under the present system that would not go down. But the circulation does not increase the liabilities of the United States, or States, or of individuals, except the individuals organized into the corporation for banking. The circulating notes do not encumber any one with interest except the borrower and are a substitute for money. If this has been a success, and I concede its benefits along with its objections, why not have a local substitute for money, based upon the credits as good as the ones used? If the credit of all the States in this Union was destroyed it would be impossible to maintain the credit of the United States. Every good citizen is deeply interested in maintaining the credit of the General Government, but not more so than in maintaining the credit of his State. They are one and the same thing.

There is not a State that has a debt that does not maintain it with absolute fidelity. Why not permit these States that owe debts to draw their obligations within their own borders, and instead of suffering a continual drainage on their currency in paying interest, pay their interest to their own citizens, and develop at the same time a medium of exchange that can and will advance the prosperity of their people.

We have stopped every channel for the increase of our currency except the little gold we may get; we have doubled our indebtedness upon the pretext of having a solid, stable dollar. You see the results. Turn enterprise, pluck, and energy loose and let them select their own tools, and the day for tramps is at an end. Let the States take care of their own people. If this currency shall prove satisfactory, and of this I have not the least doubt, then redeem your Treasury notes and destroy them. Let the Treasury of the United States cease to be the gold purchaser for every foreign order and assume that independent position it is entitled to.

There is a class, however, that have not been hurt, their wealth has increased though locked in iron boxes. Their homes are not desolate, or their business destroyed. They have grown wealthy by doing nothing, and have the benefits of laws that are a curse to their brothers. Gold is king, and labor is prostrated before it. Is it not wise to consider where this gold is, as it is now the only standard money of the United States. Has the standard gold been circulated in the country, or has it been concentrated into centers, and handled only for its own appreciation?

The last report from the Secretary of the Treasury puts gold in the United States at four hundred and eleven millions. Assume this correct. Now the value of silver coin, of paper currency, and any species of property is measured in value by the gold dollar. Every debt now is payable in gold or its equivalent. Is it not important—all important, that this sole standard should actually perform the functions of money?

New York banks in their last report show about one hundred millions held by them above their legal reserves. Of this sum let us assume that fifty millions is gold (it is however much more). No doubt, twenty, yea forty cities in the United States have in the vaults of their banks five millions of gold each, making the aggregate sum of two hundred and forty millions. The Treasurer of the United States becomes a borrower of gold, as soon as it fails to have one hundred millions. Look at the sum left for circulation in the great business of this country.

Now, with your one standard money concentrated as it is, every debt, bond obligation, or transaction where money is promised is a gold transaction. Is one so blind that he can not see the effects on the prices of property, and on every business known to us?

Mr. Chairman, to make plain my proposition, let me state the prices of a few great articles of commerce in this country, and compare them for even the short space of ten months. On July 6, 1893, wheat was worth 71¼ cents; February 21, 1894, 62¼ cents, a decline of nearly 9 cents. Corn on the same day in July was worth 47½ cents; February 21, 1894, 42½ cents, a decline of 5 cents. Pork on the same day in July, 1893, per barrel, $19; on the same day in February, 1894, $13.50, a decline of $5 per barrel. July 5, 1893, in Pittsburg, Grey Forge pig iron, $12 per ton; February 28, 1894, $9.60, a decline of $2.40 per ton. Steel rails in New York on the 5th of July, 1893, $29 per ton; February 28, 1894, $24.80, a decline of $4.20. The depreciation in the price of live stock in the United States from January 1, 1893, to January 1, 1894, was $312,000,000, largely more than our bank circulation.

I need not give more, but state that almost every article of commerce has gone down, until it is impossible to discharge the debts based upon values existing ten years ago. The depreciation of property values in the United States in two years is more in dollars than the cost of the civil war. The distress is acknowledged, and a worse state of things can hardly be imagined. But we are told that these declines and this distress are because a tariff law is to be passed, and that business is from that cause prostrated. If this is the true cause, tell me why prices have fallen all over Europe. Does the proposed tariff legislation destroy prices in London? Substantially the same decline is found everywhere. If our prices alone declined, and reached a certain point below other nations, then our exports would increase and turn the balance of trade in our favor. But the real, startling fact, is we are starving with magnificent crops, and begging where there is an abundance. This decline in values is but an advance in money—gold money. But there remains one great burden that does not decline, it holds its place, that is the burden of government. It requires now almost twice the property to pay taxes it did ten years ago.

Protection for thirty years has certainly shown its best features. With colossal fortunes built up under pretext of benefiting labor, after thirty years of class legislation we see money doubled in its purchasing power, utter paralysis in business, and from under the very roof of this great friend of labor workingmen are tramping in organized bands toward the seat of government, and for the first time in our history are driven from the steps of the Capitol, they demanding of Congress utter impossibilities. Your protection is a twin brother to the financial system that has destroyed prosperity and left the country utterly prostrate. You gentlemen on the Republican side may induce the people to return you to power, and you are sanguine that they will do it, but before you hold the reins two years under this financial system your political creed will totter, and the people will hurl you from your places, and continue the struggle until these fetters are broken.

High protection and a gold standard would wither a paradise. Was it the proposed tariff legislation of the United States that caused the great assembly of great men in London a few days since? Did tariff laws of our country, wicked as they are, form the subject of their deliberations? No. The downfall of prices, the idle men and women of the world, the eternal frenzy for gold, told them that prosperity was passing away from the civilized world, and that the crime that by law priced their property and labor in gold had rendered nations unable to meet their obligations, great corporations were bent to the earth with their burdens, and mankind had been by law made distrustful of his fellow-man, and business, labor, industry, and energy were shorn of their strength.

Let me submit here an abstract from the leading paper of this city, the Post, calmly spoken, and full of truth:

BIMETALLISM IN ENGLAND.

That the double standard is making great strides in British favor and opinion no careful observer of current events need doubt. Nothing could be more unmistakable than that the financiers of the world are both astonished and alarmed at the failure of monometallism to secure commercial rehabilitation and general prosperity. The demonetization of silver in India has paralyzed British trade with that vast market. The dethronement of the white metal in the United States has finally inaugurated the régime of the single standard, and now throughout the mercantile and monetary world the harvest of stagnation and disaster is complete. All the propositions of the theorist, with one more or less important exception, have been realized. The currency is perfectly stable and sound, its value is established, its purchasing power enhanced. But somehow mankind is not prospering, industry does not expand and thrive, commerce languishes, and even the owners of the gold perceive that it is not as useful to them as it was before.

Within the past few weeks London has been astonished by a succession of meetings and conferences with reference to silver, and especially so in view of the fact that these functions were not conducted by so-called "silver cranks," but by the most conservative thinkers, politicians, publicists, and financiers of Europe. One in particular, held during the early part of the present month at the Mansion House, was attended by such gentlemen as the Duke of Fife, the Duke of Norfolk, Lord Addington, Lord George Hamilton, M. P., Lord Claude Hamilton, M. P., Mr. Lidderdale, Mr. Henry Chaplin, M. P., Mr. H. R. Grenfell, Prof. H. S. Foxwell, Prof. William Smart, Mr. S. Smith, M. P., Mr. Samuel Montagu, M. P., Sir Henry Meysey-Thompson, M. P., Mr. Stephen Williamson, M. P., Mr. R. Lacey Everett, M. P., Mr. E. F. Vesey Knox, M. P., Mr. Thomas Salt, Mr. James Mawdsley, (secretary of the United Textile Factory Workers), Mr. William Keswick, Mr. Thomas Hanbury, Mr. Robert Barclay, Mr. John A. Beith, Mr. H. Schmidt, Mr. J. P. Heseltine, Mr. William Taylor, Gen. Sir George Chesney, M. P., Sir Alfred Hickman, M. P., Mr. Henry McNiel, Sir W. Houldsworth, M. P., Mr. Leonard Courtney, M. P., Prof. J. Sheild Nicholson, Mr. Ben Tillet, Prof. Milewski, professor of political economy, University of Cracow; Mr. David Murray, Adelaide, S. A., late president of the Adelaide Chamber of Commerce; Mons. Alphonse Allard, honorary director of the mint, Brussels; Mons. Georges de Laveleye, Mons. Henri Cernushi, Paris; Mons. Edmond Thery, Paris; Prof. R. G. Levy, Ecole Libre des Sciences Politiques, Paris; Count von Mirbach, member of the German Diet, and of the Prussian House of Lords; Dr. Otto Arendt, member of the Prussian Diet; Mr. N. P. Van den Berg, president of the Bank of the Netherlands, Amsterdam, and Mr. G. M. Boissevain, Amsterdam. It was to this distinguished assemblage that the Sherman telegram, advocating the restoration of silver by international agreement, was read, and it was by such men that the proposition was applauded to the echo. Not only that, but Hon. A. J Balfour, chief secretary of Ireland under the Salisbury Government, and afterward Conservative leader of the House of Commons, delivered an address boldly and equivocally championing the double standard and declaring that monometallism had been tested and found wanting.

Now, let me read the criticism of the greatest financial journal in England.

[Editorial in Financial News of London, April 30.]

There have not been wanting of late indications of growing irritation with England for its dog-in-the-manger silver policy. Gold monometallism is convulsing two continents and gravely compromising the future of the poorer states in Europe. This feeling has been voiced in America by Senator LODGE, whose proposal virtually to shut out British goods from the United States until we should assent to a bimetallic convention, though extreme and absurd, indicates the trend of sentiment on the other side of the Atlantic.

Senator LODGE is not a silver man in the usual sense, being opposed out and out to free coinage in the United States under existing conditions, and therefore his views, though tinged with strong feeling, may attract more attention here than those of the pronounced silverites. Mr. LODGE is very bitter about the failure of the Brussels conference of last year, where the attitude of the British official delegates was "scarcely less than discourteous" to the United States, and he believes that nine-tenths of the American people regard it in that light.

A feeling of this kind is not to be lightly ignored. We have frequent diplomatic differences with the United States, but as a rule there is seldom associated with these any sense of animus between the people of the two countries.

But now we are encouraging the growth of a feeling that on a question which affects the prosperity of millions of individual Americans England is inclined to entertain views unfriendly to the United States. We know, of course, that the unfriendliness is accidental, and that our monetary policy is controlled by purely selfish considerations—so purely selfish that we do not mind seeing India suffering from our action much more than America does. The Americans are sufficiently old-fashioned to believe that it is the part of a friend to show himself friendly, and when this country turns a deaf ear to the plaint of half the world, including all the New World, they not unnaturally take it unkindly.

It is not for us to say whether the feeling of irritation is wholly justified or not; it exists, and that is the main point. Moreover, it is taking a shape that may entail very awkward consequences on us. The recent proposal to coin Mexican dollars in San Francisco was a bid toward giving us an object lesson by ousting us from our commanding position in eastern trade.

There is a plain moral in the remark that if the United States would venture to cut herself adrift from Europe and take outright to silver she would have all America and Asia at her back, and would command the markets of both continents. "The barrier of gold would be more fatal than any barrier of a custom-house. The bond of silver would be stronger than any bond of free trade."

There can be no doubt about it that if the United States were to adopt a silver basis to-morrow British trade would be ruined before the year was out. Every American industry would be protected not only at home, but at every other market. Of course, the States would suffer to a certain extent through having to pay her obligations abroad in gold; but the loss on exchange under this head would be a mere drop in the bucket compared with the profits to be reaped from the markets of South America and Asia, to say nothing of Europe.

The marvel is that the United States has not long ago seized the opportunity, and but for the belief that the way of England is necessarily the way to commercial success and prosperity, undoubtedly it would have been done long ago. Now, Americans are awakening to the fact that "so long as they narrow their ambition to becoming a larger England" they can not beat us. It has been a piece of luck that it has never occurred to the Americans to scoop us out of the world's markets by going on a silver basis, and it might serve us right if, irritated by the contemptuous apathy of our Government to the gravity of the silver problem, the Americans retaliate by freezing out gold. It could easily be done.

I do not use these articles for the purpose of vindicating the theory of bimetallism at this time, but for the purpose of showing the financial condition. They are powerful used in either respect. I do not claim full, complete, and adequate relief if this measure is adopted, but it will destroy a most unhealthy and ruinous monopoly in money, and aid in reaching that result where banking shall be disconnected from Government, and silver and gold, the national money of this country, be restored.

In the South we appeal for a chance of success permanent and enduring. We have done much, we will do more if we can be unfettered. Our success will be your improvement, why not untie our hands? Do you enjoy an inflation of money in your section, and a destructive contraction in ours? Do you really think you are prosperous while you are making your countrymen poor? Is your patriotism so narrow that it is confined within the limits of your own domiciles?

We will have a circulating medium in some shape to transact business—full, stable, and abundant to send exchanges of commodities rapidly and successfully to the doors of consumption.

We have built our great lines of transportation with but one sole object to commerce—that was to make prices higher at the the gates of production and cheaper at the gates of consumption; and notwithstanding transportation has been in a few years reduced one-half, yet at the doors of production commodities rot, unable to bear transportation, and at the doors of consumption our people tramp and beg for a living.

We have seen our present financial system prostrated at the command of one man and a widespread panic spreading over the entire country. When Mr. Smith, through the Tenth Nation Bank at New York, in 1872, in one day contracted the circulating medium four millions to lower the price of stocks every artery of trade felt the contraction and an immense commercial ruin followed as a result of the avarice and greed of one man. Should we not destroy the chance for a hundred Smiths or a thousand Smiths to bring about such a result?

As a further proof of the necessity of this circulation, permit me to call attention to certain facts in the knowledge of all. When the financial blunders began to be felt by the banks they were totally unable to expand their circulation or give flexibility to the currency. There was no legitimate way to meet it. Currency could not be obtained. The banks felt the pressure and realized a complete failure of the system. They were driven by the fervor of self-protection to resort to an unauthorized taxable circulation. In New York at one time over 48,000,000 clearing-house certificates were used to supply the want for currency—certified checks, certificates, promises, and other devices illegally resorted to.

Incurring this penalty of 10 per cent and in the aggregate not less than one hundred and fifty millions of this taxable circulation issued in the teeth of law, incurring a tax of from ten to fifteen millions of dollars due to the United States. But you propose by this bill to release that, on no pretext whatever, but because of the sad emergencies of the times. Yet when we appeal to be permitted to issue to our people for their benefit a legal currency, you say no. Excuse us; do not be so liberal to the people. Avarice has no shame. But suppose this enormous sum of unusual circulation was legal, and that no violations of law was incurred, yet the fact still remains that the necessity for increased circulation was so great that these large sums were used and temporarily used to stay for the banks a threatened disaster, if possible more ruinous than the present.

If a clearing-house certificate, a certified check, or any other character of paper can be used usefully, and for the benefit of the banks, based alone on the resources of the banks, why not permit the people, the common people, through their representatives to provide a means to relieve themselves from their distress? The banks saved themselves by their devices, but failed to save the people; they relieved themselves from probable ruin, but left the people where they found them, still struggling against oppression, depression, and probable disaster.

If I have shown the necessity for escaping from this most suicidal financial system, then the remaining question is, Will this proposed legislation bring about the desired relief, either in part or in whole? If the scheme should result in commercial disturbances, or if it will afford a chance to avaricious men to put into circulation worthless and debased paper, so as to defraud and cheat, I would oppose it with what little strength I could command. I would go even a step further and say if I believed it would even bring about inconvenience in trade or travel, I would oppose it.

Now, to answer the objections that forty-four States with different banking laws, different Legislatures, and people of different interests, will all of them construct a banking system so that the issue of the banks of these different States will be stable and good, is the next point of inquiry.

WILL THE STATE BANK PAPER BE GOOD AND SOUND?

Mr. Chairman, in the discussion of this proposition I assume I have to meet the great and paramount objection to this proposed legislation. If it can be established that the circulation will be good and sound, I do not think any objection can be urged without being tinctured seriously with selfish motives. Such objections are not to be seriously considered. If the objections are really based on a motive to preserve the present monopoly in money, such objections should cast a suspicion on the opposition. But it is all important to the public good that such a circulation should be good. The clear proposition offered is to repeal a tax on the circulation of State banks and State bank associations.

The language State banks and State bank associations is language used in the act that imposes the tax. It is evident that this language was meant to include banks of a State used as a fiscal agent in its government, like the old State Bank of Tennessee, and State and bank associations—meaning by this banks chartered so that individuals under a State charter could bank and issue its notes. So the proposed repeal applies only to State banks and State bank associations, leaving the law in full force as to individual banks or to any character of notes, or any other paper promises used in circulation as money by individuals, firms, or corporations.

In examining the question as to the danger of a bad circulation, the Legislatures of the respective States must put it in the power of these banks to perpetrate the fraud before they can ever attempt it. But I contend that if loose legislation made such frauds possible, still the circumstances which now surrounds us renders it impossible to put into circulation worthless paper.

There has never existed in the United States a state of facts and circumstances like the present when State bank paper was in circulation. It is well remembered that before the war there was no paper circulation but State bank paper, and its redemption was based on gold and silver. At present if loose legislation or bad management in the bank was undertaken—and it may be—the notes of such institutions would never pass over its own counters. They must be regarded as good and stable as national-bank notes or Treasury notes. They will have to circulate side by side with them, and the moment they are treated as of less value they can never leave the vaults of the bank, or if by chance they have left the home bank and gone into circulation, and they go below the national currency, immediately they will be returned for redemption.

This plain truth will be known to every business man that attempts to put into circulation State bank notes. He recognizes at the very outset that these notes are worthless to the bank unless good and solvent, and as good as the notes they have to come into competition with. He further knows that unless their character is fully maintained equivalent to the national currency, his bank will have to redeem them in money which is as good. No legislative restrictions could possibly be so effective, and the bank issuing notes must occupy the position of utter indifference as to the use of the State circulation or national circulation, and accept one as readily as the other. So whatever may be the legislation of the States, here is found a law absolutely certain in its results and restraints.

But let me extend this idea farther, and we can see at once the effective and certain check on the circulation of bad paper.

There are in the United States 3,781 national banks, including all the State banking institutions of different characters, of which there are 5,685, a total of 9,466 banks, one bank to every 7,000 inhabitants. I do not suppose there is one of these banks, at least very few, that are not on some line of transportation, either rail or water. I do not suppose that there is a single one that does not have telegraph communications. Compare this for a moment with the conditions that existed in 1840 to 1856, when unsound and worthless banks existed. It was in this period the greatest disaster resulted from bad bank circulation. If any State institution was to become a bank of issue, each one would at this time operate as a check on the other; if ever the circulation of a bank was refused at one of these institutions it would drive that circulation home for redemption.

Nearly four thousand national banks doing business with these institutions, with a circulation beyond dispute, would never permit unsafe currency to float for a day. It is well understood the immensity of business done by checks and drafts. Would any bank, State or national, ever receive a dollar of doubtful currency and give to the owner a credit upon which he could demand legal-tender money?

Would any solvent bank to-day become a debtor by accepting a check of another unless the bank knew the check to be absolutely good? Certainly not. Now, these notes issued are but the checks of the banks on themselves, and we all remember what great relief was obtained in our financial troubles by the use of certified checks, issued by banks drawn on their own institutions.

But I have no reason to assume that any State Legislature will license institutions to cheat and steal. It would be just as reasonable to presume Congress would do such a thing. The welfare of every State is substantially in the hands of its Legislature, and if one Legislature should by careless laws permit bad banking, if such could be done, in issuing bad paper, then that State would be the sufferer, and certainly Congress is not the guardian of State Legislatures. But, Mr. Chairman, this idea of States permitting the issuing of bad currency, is based on the idea of ignorance in the legislators and the people. It assumes that experience in finance, experience in banking, the facilities of communications, and all these combined have learned us nothing. No better system of banking has ever been known than the systems several of the States had.

Indiana, Louisiana, Massachusetts, New York, and others, and every idea of our national banking law is drawn from the wisdom of State legislators. We had reached such perfection in the system that when the war struck these institutions with quite

one hundred million of their notes in circulation, and the storm of destruction was such that no history or age ever recorded or experienced its like, yet every dollar of this was redeemed. True, there were great sacrifices, and reductions, and losses, but the grand and paramount fact exists that none of these issues were lost. But if every dollar of these notes had been lost, it would have been a light loss compared with the cost of national-bank circulation. The people of the United States have paid in interest on bonds held to secure circulation in thirty years over $417,000,000 and paid this to the banks for a circulation that is now reduced below $200,000,000, $13,900,000 annually for a circulating medium. More money paid in one year than was ever lost in State banking.

The resources of all the national banks in the United States amounts to $3,109,563,284. The resources of the other State banking institutions amount to $3,607,746,405. Yet your circulation is reduced to less than two hundred millions. Can a good reason be assigned for this small circulation, when the country is being ruined for the medium of exchange, for the exchange of property? In the assets of the State institutions about $130,000,000 consist in United States bonds; but under this prohibitory tax not a dollar can be put in circulation, although it is the security and only security for our banking paper.

Let it also be understood that there is nothing in this proposed legislation that forces any State to establish or authorize banks. Sixteen States, I think it is, have constitutional prohibition against such banks. It is left to them to alter or change their constitutions if they wish. The States that do not want such banks are left to their own decision. The States that do want them are left to their own wisdom in the passage of laws that will benefit their people. Where is the law that Illinois should ever overrule Tennessee in this recognized constitutional and equal power? Shall Tennessee say to Massachusetts, you shall not charter a railroad in the limits of your boundaries, or shall Massachusetts say to Tennessee, you shall not charter a bank of issue in your limits, for your own convenience? Tennessee has nothing to do in providing local institutions for Massachusetts, and it is an unauthorized infringement of Tennessee powers for that State, or a combination of States, to defeat her will while she is acting in the limits of constitutional power.

Mr. Chairman, if I have been able to establish the necessity of this legislation; that it would greatly relieve our country from its horrible condition; if it would enable industries in the States to resume their proper position; if it stops at once the sad predicament we see labor in; if I have been so fortunate as to demonstrate either or any of these blessings would follow I shall feel I have discharged my duty to my people.

Will my Republican friends permit me to speak to them in the spirit of an American citizen? I know I feel proud of any success of my countrymen. Every home that is built surrounded by the ordinary comforts of life is a monument to good laws and good citizenship, and whether it be a proud ship of the sea or the cottage of labor I appreciate its blessings. In this great land of ours, where yet millions of acres of soil have never been touched; where mountains of iron and coal have never been pierced; where the ax has never touched the forest, shall we not say to our noble States, you are unchained; your prosperity is in your own hands, and the happiness of your people is committed to your care. You may not need this legislation in your States, but do not fetter ours. The great West can not get silver, but turn her loose and the wisdom of her people will work out her success. The South will have her chance, and the enterprise, will, and energy of these people will maintain their great character and banish discontent from their doors.

If you do not want the character of currency do not take it. We will pay our debts in such money as you like, but do not reach your hand across our borders and dictate to us what shall be our policy. We will not distrust you; let us alone. Democratic friends, I never in my life breathed a breath disloyal to my party.

I admire a man with convictions, whether he is with me or against me. Sincerity is born of honesty. May I not in candor appeal to my brethren that differ with me? When you rested your fight on silver you cut us off with one breath in your platform; you promised future help on this line. You have ignored your promises. We can not even coin the silver bullion for which our notes are outstanding.

When we in the South began to make iron and ship it with an expense of $4 per ton and laid it down on your Atlantic seaboard, you cried for free iron and free coal. You wanted free sugar; all these we have surrendered. You have told us a silver dollar is a dishonest dollar; now, when we ask you to place your feet on a plain, unmistakable plank in our creed, you say it will make a "wild-cat" dollar. Do you really think you are serving the Democratic party, or are you following a local interest? Will you yield nothing in our behalf, although plainly announced in our political creed? Did you assist in putting it there to deceive us? Is there no political faith between us?

I ask you in the name of my people to be true to them, and when you do it no force can drive us from you, and the great principles of a great party will triumph and peace and prosperity follow its success. Permit us to draw back home our own securities, let our home citizens own them, let us pay our interest at home, and let these proud States resume their proper place in the Government, controlling their local institutions in their own way, providing for the happiness of their own people; and then, and not until then, will the people cease to expect the support of the Government and rely on their own strong arms and brave hearts for success.

I ask you in the name of my people to stop one moment and consider. We have been loyal to the party ever since the last gun was fired. If you think that we Southern men mean to vote to suit you I tell you our independence will be asserted after awhile, and such affiliations formed that you gentlemen will recognize at last that we have some rights in this great country of ours. I make no threats; I have none to make. But when you drove us from the silver plank of the platform, drove us from the free coinage of silver, from the coinage of the seigniorage, and now when you try to dodge this plank of the platform, I tell you that we of the South will sink or swim on that plank, for we will never dodge it. [Applause.]

Mr. Chairman and gentlemen, I thank you most kindly for the attention which you have given me. I have consumed more time than I intended to consume. If I can feel after this debate is over that my humble efforts have had any result, that I have done my best to serve the people who sent me here, and that you have listened to their requests, I shall feel that I have done honor to myself, honor to my country, and filled the measure of responsibility as best I could. [Prolonged applause.]

Mr. WALKER. Mr. Chairman, in arguing the question before the committee I shall use as a basis the bill which I had the honor to present to the House and which was referred to the Committee on Banking and Currency. I ask now to have read an amendment which I will propose by request to the pending bill in the committee at the proper time.

The CHAIRMAN. The amendment will be read for information as a part of the remarks of the gentleman from Massachusetts.

The Clerk read as follows:

SEC. 26½. That any banking association organized under the laws of any tate is hereby authorized to take and retain and issue and surrender circulating currency notes described in section 4 of this act in the same manner and under the same conditions, obligations, and restrictions as to capital and as to proportion to its capital and to its other currency notes, and as to retaining and surrendering the same as are provided in the case of the taking of such notes by associations organized under this act.—*Provided*, Such banks taking such notes shall make such reports to the Comptroller of the Currency, and submit to such examinations by national-bank examiners as are required by this act in case of banks organized under this act, and any banking association organized under the laws of any State taking and retaining such notes under and in full compliance with the conditions herein described, shall thereafter during such compliance be exempt from the 10 per cent tax imposed upon its circulating currency notes by existing law: *And provided further*, That the decision of the Comptroller of the Currency as to a full compliance with this section, when approved by the Secretary of the Treasury, shall be final. Any person authorized so to do by the governor of a State may copy any report of the condition of any State banking association in that State made to the Comptroller of the Currency by any national-bank examiner.

Mr. WALKER. Mr. Chairman, I offer that now, so that it may be printed in the RECORD, and I will say that on Thursday morning each member of the House will find on his desk a copy of my argument before the Committee on Banking and Currency upon this bill, and on that day, at the earliest moment desirable, I shall speak upon the bill. As I have always done when addressing the House, I invite candid questions on any point I do not make clear. I now reserve my time, and shall resume the floor on Thursday.

Mr. JOHNSON of Indiana. Mr. Chairman, when the motion was put in the Committee on Banking and Currency to report the pending bill to the House with the recommendation that it be passed, I was one of the members of the committee who voted in the negative. I did not then think that it ought to become a law. True, I have not submitted what is commonly called a minority report in the matter, but I nevertheless see no reason now to change the opinion which I entertained with respect to the measure at the time my vote was so given against it in the committee. There is no occasion, Mr. Chairman, for undue haste in suspending the operation of the United States statutes against those who are said to have violated them in this instance. Nothing has occurred to indicate that the Government is about to proceed against the wrongdoers for the recovery of the tax imposed by the statutes. It will be time enough to consider the propriety of legislation of the character suggested when some real necessity for it arises.

This bill, it will be observed, too, sir, is quite broad in its

terms and general in its application. It covers any violation of the statutes, of whatsoever character, which may have been committed within the period designated. If there be some instances in which, from the circumstance of the case, the relief contemplated by the bill ought to be afforded, there may also be other instances in which no such equity for relief exists. Is it not well enough, then, if this kind of legislation must be had, that sound discrimination should be exercised in connection with it?.

Besides, sir, I do not believe in relieving by legislation, from the consequence of their wrongful acts, those who violate law. Such a practice has a strong tendency to invite subsequent violations. It establishes a bad legislative precedent, and too often leads to gross abuses by the lawmaking power. If our laws are inadequate to supply sufficient currency to the people in time of monetary panics and disturbances, let us endeavor to devise, if possible, some financial system which will answer their needs in such emergencies, rather than spend our time in passing measures for the relief of those who have infracted the laws upon our statute books.

But, Mr. Chairman, possibly the pending bill is not after all a matter of very serious importance. Perhaps no great harm can come to the country either by its passage or defeat. It certainly shrinks into insignificance when compared with the amendment which is sought to be attached to it in this committee—an amendment, sir, which aims at nothing less than a radical change in our entire system of banking and currency, by the unconditional repeal of the 10 per cent tax on State bank circulation. Such a proposition as this *is* of vital interest, and is fraught, if enacted into law, with consequences of the most far-reaching character. It is therefore this amendment and not the pending measure which is the real bone of contention here to-day.

Mr. Chairman, I need hardly say to this committee that this amendment is offered here without the sanction of the Committee on Banking and Currency. That committee refuses to act as sponsor for it in any respect whatever. I trust I may not be deemed to violate the secrecy of the committee room when I state that, after a protracted hearing and a full vote, a proposition similar to that contained in it was defeated in that committee so effectually as to preclude the possibility of its ever being there revived. The advocates of the State bank system of paper money have therefore been obliged in their extremity to get their proposed legislation before this body for consideration, not through the customary channels of the House, but by the somewhat unusual method of tacking it on to the pending bill in the shape of an amendment.

This method of procedure is nevertheless sufficient for their purpose, Mr. Chairman, for it brings the whole subject of paper money issue squarely before us for our determination. It obliges us to investigate into the advantages and disadvantages of the system which they propose. This, of course, can only be done intelligently by comparing it with the paper money system already adopted by us as a people, and with other systems of paper issue which have from time to time been advocated upon this floor.

This comparison in turn compels examination into the merits and demerits of the systems with which the comparison is instituted, and thus there is opened up before us a wide field of inquiry, an area of disputation which is almost illimitable. Practically, then, the question before us for consideration falls nothing short of this: What shall be the character of paper money which is to be adopted by the American people?

I do not stop now, Mr. Chairman, to inquire whether there is, strictly and economically speaking, such a thing as paper money, and whether the very term does not involve a contradiction and have a tendency to mislead. It answers my purpose, at least for the present, to employ the words in their popular acceptation, and as signifying such notes as circulate freely from hand to hand and as are accepted in exchange for commodities and in payment of debts. Such paper as this, sir, is not only a convenience, but is also an absolute necessity to modern civilization. It has been employed for years by mankind, all leading nations having made use of it, and our own nation having been familiar with it in various forms, from the time of the birth of the Republic down to the present hour. That it will continue to be used by us in the future is of course beyond all question, and as before observed, the material inquiry now is, What shall be its form and character?

DIRECT ISSUE OF PAPER MONEY BY THE GOVERNMENT.

Mr. Chairman, there are those who contend, with great earnestness, that our paper issue should consist of what is generally known and designated as fiat money. These persons declare that it is not necessary that money should be made of the precious metals, nor that it should possess any intrinsic value whatever, and that paper money does not require redemption in metallic money of intrinsic value in order to make it good; but they insist that it is the stamp of the Government which makes money, and that when paper is issued by the Government as and for money, and is made a full legal tender, and is receivable for all customs, taxes, and public dues, it will float and perform all the money functions. In other words, that such paper actually *is* money. Between this system, Mr. Chairman, and what is commonly known as the system of inconvertible or irredeemable paper money issue by the Government, there is substantially no difference. The arguments advanced in support of the one are largely those employed in the advocacy of the other, and the two systems are, in point of principle, practically one and the same.

If money can thus be created, sir, solely by legislative enactment, the necessity for taxation, or for poverty either, for that matter, is certainly not very apparent, for paper is cheap and printing can be done for a trifle. Indeed, your fiat-money advocate, pure and simple, does not recoil from such conclusions as these, but he has the courage of his convictions, and hesitates not to follow his fundamental propositions to their logical results. He revels in what may be styled the vagaries of finance. He vaults lightly over the objection that one of the great functions of money is to measure value, and that hence all money must possess value in itself, or, if it be paper, must be redeemable in money of intrinsic value, and that his proposed money has no such quality and therefore can not act as a measure. He ignores the bitter and costly experience of mankind in their rash experiments with his kind of paper money, and insists upon an illimitable issue of it. He is full of the wildest and most impracticable schemes for getting it into circulation, and proposes, among other methods, to pay off the national debt with it, regardless of the sacred pledge of the Government that this debt shall be paid in coin or its equivalent.

The direct issue of paper money by the Government, Mr. Chairman, is urged in part upon the ground that the issue through banks is in the nature of a monopoly to them, and that paper money being designed for all the people and a necessity for them all, ought not to be controlled by any particular class; but should be placed in the hands of the Government acting for the benefit of each and every citizen. Direct issues by the Government, sir, have always been strenuously resisted in this country. It was so with respect to the four issues of Treasury notes which occurred in the periods commencing in the years 1812, 1837, 1846, and 1857, although none of these issues was made a legal tender, and it was also so with respect to the greenbacks, upon which the legal-tender quality was largely conferred.

Nevertheless, the opposition among the people to this proposed direct issue would doubtless be greatly relaxed at this time, or at least the opposition would be deprived of the strongest argument against such issue, if it was known to be the design of its advocates that the notes so issued should be convertible, that is, redeemable in coin at the demand of the holder. In favor of such a system as this, the argument of monopoly might, with propriety, be invoked against the system of issuing paper money through private banking corporations. But convertibility, sir, is no part of the plan of the advocates of irredeemable money. Redemption in coin, as I have previously said, is looked upon by them as positively vicious. Their paper *is to be* inconvertible, and is to be supported and maintained solely upon the credit of the Government.

Mr. Chairman, the credit of this Government is good. Upon this proposition men of all parties are agreed. It is good both at home and abroad. Its paper money is at par and its bonds are eagerly sought after in the money markets of the world as safe and profitable subjects for investments. But why is this so? Is it simply because the nation has at its command a wealth that is almost fabulous, and resources that are practically unlimited? Why, sir, of what avail is this to constitute a national credit when, as everyone knows, there *is* no power short of a victorious sword which can compel a sovereignty to observe its obligations if it prefers to ignore them?

No, Mr. Chairman, it is because this Government *has paid*, not because it *has been able to pay*, that its credit is so high. It is because it has turned a deaf ear to the siren voice of repudiation and resisted the overtures of those whose teachings, however honestly imparted, would have served only, if accepted, to debauch its conscience and lure it to dishonor. It has builded up this magnificent credit over the protests of the very element which would now, however unwittingly, employ that credit for its destruction.

Reflect, sir, for one moment upon the financial achievements of this Republic. It emerged from the greatest civil war of modern times, a war which shook a continent with its thunders and which taxed its energies almost beyond conception, to find its paper money at a discount and its bonded debt running into the billions. Under the administration of that great party which guided it to victory and which has ever been jealous of its

financial honor it has made the painful, but inevitable and honorable struggle which is always essential, either in individuals or in nations, to the liquidation of a vast debt. It has brought that discredited paper money to an equality with gold, has well-nigh extinguished its bonded indebtedness with the same metal, and has sent the balance of that indebtedness to a premium wherever upon the globe government securities are bought and sold.

It is probably true, Mr. Chairman, that a limited amount of inconvertible paper issued directly by the Government and made a legal tender can be floated. The Supreme Court of the United States has finally decided that the legal-tender quality can be constitutionally conferred upon such paper in time of peace as well as in time of war, and upon preëxisting as well as upon subsequent issues. The impression among the people that the Government is good, and that at some time or other it will pay the notes, together with the fact that they are a legal tender for debts and can be used in the payment of taxes, will likely suffice to keep a moderate amount of them at par.

To this extent, sir, the credit of the nation of which I have been speaking can be utilized; but great as that credit is, there are some things which even *it* can not accomplish. It can never float this inconvertible paper to such an amount as will suffice for a national currency. The sum necessary for this would require the issue to be greatly in excess of the taxation for which it is made receivable, and prevent that absorption of it into taxes which is such a great aid in keeping it at par. It would impair the confidence of the people in the intention of the Government ever to pay it, and depreciation would be the inevitable result. Chief Justice Story, at section 1361 of the second volume of his admirable Commentaries on the Constitution, voices with great accuracy the experience of mankind in their efforts to maintain paper money solely upon the strength of the public credit when he says:

> But the history of paper money, without any adequate funds pledged to redeem it, and resting merely upon the pledge of the public faith, has been in all ages and in all nations the same. It has constantly become more and more depreciated, and in some instances has ceased, from this cause, to have any circulation whatsoever, whether issued by the irresistible edict of a despot, or by the more alluring order of a republican congress.

The obligations of an individual are valuable, sir; not simply because he has the means with which to pay them, but also because of the belief that he intends to pay them and that he will actually do so. Though he be solvent a dozen times over, yet if his obligations are never to be met, or if it is even uncertain as to when they will be met, his credit is impaired and they depreciate in value. It is precisely so with a nation. It will not suffice to float its paper at par simply—that it is possessed of great wealth and is able to redeem it—but it must also be believed that it intends to redeem. Let the least suspicion arise that redemption is being deferred and may possibly never be made, a suspicion that will inevitably arise with increased paper issue without corresponding provision for final redemption by the Government, and the paper will immediately depreciate, entailing upon the public all the admitted evils and losses which flow from a depreciated currency.

But, Mr. Chairman, the advocates of a currency to consist solely of irredeemable Government paper tell us that our bonds are issued to the extent of millions of dollars and floated at a premium, and therefore that their proposed money can be issued in large amounts and yet be maintained at par. But, sir, these bonds are upon their very face made redeemable by the Government at a fixed day in the best money that the world affords. Redemption is of their very essence, while fiat money knows no payment or redemption whatever at the hands of the nation. These bonds, too, are long-time obligations, the subjects for investments, drawing interest payable at stipulated dates, and are neither intended to be used as money nor expected to be currently redeemed.

With respect to them there is faith that the Government is willing, and will be able, by the use of the taxing power and by accummulation to pay them at maturity, in the meantime promptly paying the interest as it falls due. Let default be made but once in the payment of the interest and instantly the bonds depreciate, although our vast resources are pledged for their payment. But paper intended for use as money is quite a different thing. It is not a matter for investment. It draws no interest from the Government. It is a medium of exchange, a tool of business and of commerce, and must of necessity circulate freely from hand to hand, and both the wisest writers upon economics and the best human experience teach us that, when issued in large quantities, current redemption is absolutely essential to its soundness.

And then, Mr. Chairman, how is this paper money to be gotten out among the people? It is certainly not to be handed over to them without consideration, although there seem to be some who have a vague idea that in some indefinable way they will get a hold of a portion of it for nothing. The disbursements of the Government are now in the neighborhood of $450,000,000 per year, and through this avenue the amount named can be annually put into circulation, but this amount will not suffice for the legitimate wants of our population. True, this amount will be paid out every year for its expenses by the Government, but it comes back annually in the same proportion in payment of taxes, and so the aggregate amount outstanding is not increased from year to year. Is it proposed, sir, to increase the expenditures of the Government in order to avoid this objection, and in this manner get this paper out of the Treasury?

Is not this rather a questionable method, Mr. Chairman, of getting paper into circulation? Where does such a method lead to? Does it not savor somewhat of extravagance? Do we have to become a nation of spendthrifts in order to enjoy the benefits of a paper currency? Again, it has been suggested, I believe, that we get this paper into circulation by paying off the national debt with it; but, as stated before, the honor of the Government is sacredly pledged to pay this debt in coin, and it should also be observed that much of the debt has changed hands since the pledge was made.

But right here, sir, comes along the advocate of the subtreasury scheme, and furnishes a solution of this whole difficulty by proposing that the Government shall go into the direct money-lending business, as well as into the direct money-issuing business, and get this paper into circulation by lending it, at a very low rate of interest, to such of our citizens as are fortunate enough to own real estate, upon first-mortgage securities—class legislation, sir, in its worst possible form, to say nothing of the other serious objections to such a plan. In each of these expedients for forcing this inconvertible paper into circulation, except possibly the first, it will be observed, Mr. Chairman, that there is involved the consequence of such an overissue as must inevitably result in its depreciation.

But what as to the elasticity of such paper as this? Everybody is telling us just now that elasticity is indispensable to a good system of paper money; that is, that it should possess the property of expanding when business is active, and of contracting when business is dull. Elasticity prevents scarcity with its attendant hardships, when money is in great demand, and it prevents redundancy, congestion at the money centers, and temptation to wild speculation when the demand for money is light. Sir, from the very nature of the inconvertible Government money it is utterly lacking in this quality of elasticity. Once out it stays out. It can not be retired when not needed. Its volume can not be regulated to suit the needs of the community, but with the convertible note it is different. It returns to the issuer and is redeemed when no longer required for the purposes of business.

The Government, Mr. Chairman, is not able to note and respond with promptness and accuracy to the financial necessities of the various communities of the country as from time to time they require more or less paper money for their use. It is incapable of intelligent direct action in such instances. These wants must be supplied by the Government acting indirectly, and through the medium of those upon whom it has conferred power, power which is limited by such regulations and conditions as are necessary to be imposed for the security of the people. Our paper money is a subject not so much for political as for business regulation. For this reason it should not be taken into the domain of politics to the extent of establishing a system of inconvertible Government paper under the direct control of Congress, where the legislation is too likely to be influenced by political considerations, where constant agitation is likely to occur to the impairment of stability and confidence in the system, and where the tendency to overissue and consequent disarrangement and depreciation will at all times be difficult to resist.

STATE BANKS OF ISSUE.

Mr. Chairman, the platform of the Democratic party adopted at its national convention at Chicago in 1892, must not be overlooked while we are discussing the subject as to what should be the character of our paper money. That instrument will be found on examination to have considerable relevancy to this topic, for it demands the repeal of the 10 per cent tax on the circulating notes of State banks. This tax, as is well known, was imposed upon such notes by acts of Congress, the first of which was passed in the year 1865, and which acts were declared to be constitutional by the Supreme Court of the United States in the celebrated case of the Veazie bank against Fenno, reported at page 533 of 8 Wallace, United States Supreme Court Reports.

This tax was imposed, Mr. Chairman, not so much for revenue as to do away with the issuing of paper money by the banks of the various States of the Union, under the authority of the State Legislatures, and to encourage the organization of national

banks of issue under the national banking law, which had then been in operation but a short time. The statutes had the desired effect, and with rare exceptions State banks ceased to emit paper money, and this kind of currency disappeared from the country. The pending amendment is simply an effort to crystallize the demand of the platform to which I have referred into law by the repeal of these statutes to the end that the State bank system of paper money may again be adopted by the American people. Although it was contended that State bank notes came within the constitutional interdiction against the States emitting bills of credit, yet the Supreme Court long ago held in the case of Briscoe against the Bank of the Commonwealth of Kentucky, reported at page 257 of 11 Peters, United States Supreme Court Reports, that such notes were constitutional.

Hence, Mr. Chairman, the question as to whether the old system is now to be revived is not one of constitutional power, but rather one of propriety and expediency. Speaking of the Democratic platform, sir, reminds me of the fact that some one gifted with an epigrammatic tongue has paid tribute to the integrity of political management to the extent of remarking that party platforms are not constructed to stand on, but to get in on. Be this as it may, it is sometimes fortunate for the country that such platforms are not always of binding obligation upon the members of the party. Certainly such instruments should never conclude the individual conscience. The Chicago declaration is evidently not to have this effect, for it is apparent that considerable opposition upon the part of Democrats to the repeal of this 10 per cent tax law is manifesting itself both in and out of the Halls of Congress.

Mr. Chairman, would it not be a good idea for those who so strenuously denounce the national-bank system of issuing money, and who are so anxious to supersede it, either in whole or in part, with the revived State bank issue, to proceed with a little caution? Ought they not to be pretty sure, before they demolish existing institutions, that they can give to this country something at least as good in their place? Does it ever occur to these zealous iconoclasts that even if the present system has some defects, we had "rather bear the ills we have than fly to others that we know not of?" Know not of, did I say? Mr. Chairman, let me retract these words, for if there is anything on earth that we do know, it is of that wretched and discredited bank-note system which prevailed in this country before the war, inflicting untold loss and disaster upon our population, and which it is now seriously proposed to resurrect from the grave to which it was consigned over a quarter of a century ago and send out among our people upon a new mission of devastation.

Let us now look into some of the workings and results of this plan at the time it was in operation among us. The statistics of the national banks, from the time of the inception of the national-banking system down to the present hour, are easily accessible and are complete and accurate. The exact losses which have been sustained through these banks can be ascertained at a glance; but not so with the old State banks. If the various States ever preserved reliable information upon these matters, it has never been compiled so as to give the American people the benefit of it. In 1832 the House of Representatives directed the Secretary of the Treasury to secure such statistics, and to report them to the House from year to year. That official endeavored to discharge this duty up to the year 1864, but reports for many years were entirely omitted, and such as were actually made are conceded to be very imperfect and untrustworthy. Nevertheless, enough facts and figures have survived to show that enormous and widespread losses resulted from this system, and there are to-day living witnesses to tell the sad story of its evils and disasters.

It was under this régime, sir, that the wild-cat banks flourished in all their perfection. Dishonest and irresponsible characters prepared skillfully engraved notes, purporting to be issued by banks located at certain places in the notes named, and then put them into circulation for valuable considerations at points remote from the pretended banking places, leaving the unfortunate holder to discover the fraud which had been practiced upon him after the perpetrators had escaped with their ill-gotten property. Each State was perfectly free to pass precisely such banking laws as it saw fit. There was, of course, the greatest variety of enactments. Some States passed good laws, others passed indifferent laws, and still others, and this was unfortunately the largest class, passed laws which were wholly bad.

In some instances, sir, banking and the issue of circulating notes was surrounded with safeguards and restraints well calculated to insure sound banking and safe paper money, while in the majority of instances but little attention was paid to such essential features. It was often the case that the same State had by turns good and bad banking statutes. This wide diversity in legislation necessarily produced, Mr. Chairman, a wide dissimilarity in products. New York and Massachusetts may be cited as among the States whose banking and paper money, through the operation of wise laws, was generally good; Michigan and Illinois, as types of the States which through crude enactments, suffered very largely; whereas Louisiana and Indiana are fair representatives of the States which through alternations in the character of their laws, possessed both good and bad banks and good and bad paper money; the old State Bank of Indiana, incorporated in 1834, under a twenty-years charter, which at its expiration was renewed, having been an excellent institution. It survived the crisis of 1837 and also that of 1857; was a source of profit to the State and to its stockholders, and paid its depositors and the holders of its notes to the last dollar.

When the panic of 1837 came it held Government deposits to the amount of $1,500,000, all of which it paid in the usual course of business, the first installment of $80,000 in gold having been conveyed over the Alleghanies in a stagecoach by the late J. F. D. Lanier, of New York, who was then president of the Madison branch of the bank, and there paid to the Government officials. This, Mr. Chairman, was the only bank in the country then holding Government deposits which offered to pay them in coin. Nearly all other, however, of the numerous banking systems established in the State of Indiana proved disastrous failures.

The result of all this variety in banking laws and banking institutions produce, sir, precisely what might have been expected—a lack of uniformity in the paper money throughout the country. With here and there an exception, the money of one State was of no account in another State, or if it was receivable there at all, it was at more or less of a discount, frequently a very great one, thus entailing much annoyance and loss upon the noteholders. The money broker was a necessity. He was omnipresent, and did a flourishing and profitable business. Commerce halted at State lines to pay the tribute which this vicious system relentlessly exacted from it. Exchange was exceedingly high, especially between the great commercial centers and the remote parts of the country.

Mr. John J. Knox, than whom there was no better authority upon such subjects, in his report as Comptroller of the Currency for the year 1876, declared it to have been annually many times greater than the amount of interest then paid by the national banks on the Government bonds held by them to secure their circulation, and said that the rate of exchange between the Eastern and the Southern and Western States was from six to twelve, and even twenty times the rates which then prevailed under the national banking system. The great variety of bank notes which the system produced afforded, too, enlarged opportunities for counterfeiting, and those who engaged in that form of vice were prompt to take advantage of it. Thompson's Bank Note Reporter and Counterfeit Detector shows that from April to June, in the year of 1859 alone, there appeared in the country 242 counterfeits, each one of which was of a different bill, and Mr. John J. Knox, whom I have just quoted, estimated the average loss to noteholders by counterfeits at 5 per cent.

Perhaps, Mr. Chairman, one of the most noticeable features of this State-bank system was the sudden and enormous expansion and contraction of paper money, which at times occurred under it, and which it will be agreed on all hands could not have been otherwise than highly injurious in its effect. For instance, in this report of his as Comptroller of the Currency for the year 1876, Mr. Knox, in speaking of State banks, and with reference to this particular topic, says:

> The check of the redemption of their notes being removed, an expansion of their issues followed; its amount, which was estimated in 1811 at $28,100,000, being in succeeding years, according to Mr. Crawford, as follows: In 1813, from $62,000,000 to $70,000,000; in 1815, from $99,000,000 to $110,000,000, and in 1819, from $45,000,000 to $53,000,000.

This condition, Mr. Chairman, prevailed immediately after the expiration of the charter of the first United States bank, and a somewhat similar expansion and contraction in paper money also followed the expiration of the charter of the second bank of the United States.

But, sir, the loss which resulted to the people from brokerage, exchange, counterfeiting, and variations in the volume of State bank money was nothing compared with the losses which came from the failures of the banks themselves. Bank Reporters were an absolute necessity. They were issued frequently for the information of the community, and it was dangerous to accept much of the paper in circulation without examining the latest issue of the Reporter, to ascertain as to the solvency of the bank by which that paper was issued. It was a common occurrence for men to retire at night in the belief that they were in good financial circumstances and awaken in the morning to find that through the failure of a bank they were reduced to absolute poverty.

The total amount of the loss which was sustained by the noteholders and depositors from the failure of State banks will probably never be known; but that it was enormous admits of

no possible doubt. The loss for a single year will serve for an example. According to Elliott's Funding System, in the year 1841 the total banking capital of the country was $317,642,692, and the total circulation $121,665,198, and in that year fifty-five banks, with an aggregate capital of $67,036,265, and a total circulation of $23,577,752, failed, in nearly every instance the capital of the bank which failed having been entirely lost. In his report for 1875 Comptroller Knox declares that the losses on circulation alone, under the State bank system, equaled every twenty years the total amount of the circulation.

Mr. Chairman, let us hear what Mr. Hugh McCulloch, the former Secretary of the Treasury, said with respect to the State banking system in an address which he delivered at Philadelphia before the American Banking Association in the year 1876. It will clearly show that I have not exaggerated the evils of the system in the least. His language is as follows:

From the time of the expiration of the charter of the United States Bank up to 1861, the State banks furnished the country with its paper circulation, and to a great extent controlled its business. It is not necessary to dwell upon the defects of the State bank systems, or the character of a considerable part of the notes which the people were compelled to receive and treat as money. There were scarcely two States in the Union whose systems were alike. In some States banks were chartered with proper restrictions upon their discounts and their circulation; in others without any such restrictions. In some there was individual liability, in others no liability whatever, not even in cases of gross mismanagement. In some States the circulation of the banks was secured, partially at least, by mortgages and bonds; in others there was no security except the capital, which was frequently a myth. In some States banking was a monopoly, in others it enjoyed the largest liberty. The consequence was that we had a bank-note circulation frequently worthless, and, when solvent, lacking that uniform value which was needed in business transactions between the citizens of the different States. It is enough to say that the circulation of the State banks was entirely unfitted for a country like ours; that by it the people were subjected to enormous lossess, not only in the way of exchanges, but in the inability of a great many of the banks to redeem their notes.

The embarrassment, Mr. Chairman, to trade and commerce, especially to interstate trade and commerce, which resulted from this system was certainly very great. That commerce was able to endure and even to increase under it was certainly not by aid of the system, but in spite of it; and this fact is a striking illustration of the pluck and energy of the great American people. No wonder, sir, in view of the many evils which this system inflicted, there are to be found this day in the constitutions of many of the States in this Union positive prohibitions against the chartering of State banks of issue. In every such State the slow and tedious process of constitutional amendment must be resorted to before such banks can be established, even if the 10 per cent tax on State bank circulation is repealed by act of Congress.

The spectacle, sir, of an American citizen standing with a counterfeit detector in one hand and a bank-note reporter in the other, turning alternately to each to ascertain the genuineness of his bill and the solvency of the bank which issued it, and stopping occasionally to exchange his authorities for new editions only twenty-four hours later than the old ones, in order to avoid serious danger of misinformation, or to bargain with a broker at exorbitant rates for money which would be current in the neighboring State, is certainly an exhibition seldom witnessed in this country outside of that paper money régime to which the gentlemen who advocate the State bank system are now so earnestly importuning us to return.

But we are told by these gentlemen that it is ridiculous to judge of the plan which they advocate by the experience of thirty-five or forty years ago; that great changes and improvements have occurred both in the character of the people and of the country since then; that the people have attained to greater intelligence, and through their experience in business and finance have become adepts on the subject of banking and currency; that population has grown to be dense, improved methods have supplanted the antiquated ones, and that telegraphs, telephones, and railroad lines, and other means of rapid communication, now exist in all parts of the land. These changes, it is asserted, make the evils of the old régimé impossible, in the event the State bank system is again introduced.

Without stopping, Mr. Chairman, to inquire how much of the popular growth toward sound banking and a safe and uniform currency has been inspired by the national banking law, which gentlemen so strongly antagonize, I freely admit that the State bank system, if attempted at the present time, would be exempt from many of the crudities and imperfections which made it so dangerous and disastrous in the past; but that it would also now be a safe or satisfactory plan of issuing paper money I utterly deny. The difference, sir, would be simply a difference in degree, and the approach to a good system by no means near enough to justify the experiment of its revival. The plan would still be radically wrong in principle, and hence necessarily evil in its effects. It would not only be inferior to what the national banking system would be if that system was somewhat amended and improved, but would even fall far short of that system as it now exists.

Bear in mind, Mr. Chairman, that this amendment provides for an absolute and unconditional repeal of this 10 per cent tax on State bank circulation. There are those who propose a kind of a mongrel authority for the issue of paper money, in which the States shall charter banks of issue, subject, however, to certain national oversight and control. Such a plan, Mr. Chairman, is of itself a confession of mistrust of the State bank system, and is objectionable among other reasons because it continually invites conflicting claims of jurisdiction in its administration upon the part of the General Government and the States. Often, too, it will be found on examination that the Federal supervision provided for in such a plan is of very little consequence, and is only incorporated in it with a view of securing its adoption, and thereby creating State banks of issue which for all practical purposes will be entirely free from national control. But if the pending amendment becomes a law, all restraint upon the States is removed, and each one of the forty-four States which compose this Union will be at perfect liberty to enact just such paper money legislation as it sees fit.

Mr. Chairman, it can not, in the very nature of things, be expected that each one of these States will have good banking laws. Some will inevitably be crude and imperfect. It was so under the system which prevailed before the war. It will be so now. Why, there are at the present time subjects of legislation which are common to all the States, upon which many of them have laws which are conceded to be quite defective. Have we any reason to believe that there will be any exception in banking legislation, and that on this particular subject the laws of every State will be good? It is to be noted, too, that both under the old State bank system and in the existing matters of legislation concerning which some States have bad laws, the imperfect enactments have been made and continued right in the face of the more perfect ones in the other States; from which fact it follows, as an irresistible conclusion, that the States which might have safe banking and currency laws if the State bank system of issue was to be revived in the country would be utterly powerless by force of their example to bring the less fortunate States up to their own high standard of legislation on this subject.

However earnestly each of the States of the Union may desire to enact a good law authorizing banks of issue, sir, the greatest variety both as to systems and provisions will inevitably prevail. Some States will require the paper circulation to be secured by the deposit of bonds. Others will have a safety fund. Some will require the bonds to be of a certain prescribed character. Others will permit bonds of a different character to be used. This State will provide for the double liability of stockholders for the security of notes. That one will give the billholder a first lien upon all the assets of the bank, while still another will provide for neither or both of these securities.

Here we will have a rigid system of inspection. There there will be either no inspection at all, or else a very lax one. But why go on, sir, to enumerate, or to demonstrate either, for that matter? Every sensible man upon this floor knows that uniformity of value throughout the country, one of the most vital qualities in a sound paper money, is necessarily imperiled the very momoment you renounce the single and central authority which has secured it, and trust for its continuance to the independent and unconcerted action of forty-four different States.

The money of that State, Mr. Chairman, which is known to have the wisest and best administered banking laws will be everywhere preferred to the money of those States whose banking laws are less highly esteemed, or are thought to be imperfect. Preference will beget inequality of values, and instantly uniformity in the paper money of the country will be destroyed. With a currency which is lacking in uniformity, with the money of a State at par at home, and below par in the adjoining commonwealth, come again brokerage, discount, and higher rates of exchange, with all the vexations and losses which they entail upon the people, and commerce between the States will also be again more or less vexed and interfered with.

Mr. Chairman, we have heard a great deal about the necessity for simplicity in our paper-money issues. It has been said, and I think justly said, that we have too many kinds of paper money, depending for support upon too great a variety of systems; but here is a plan proposed which aims not at *simplicity*, but at *multiplicity*, and which is to add forty-four new kinds of bills to our paper currency. Here, too, is a plan which, by thus augmenting the number and variety of bills for imitation, bills with which, from their very number and variety, there can be no widespread and general familiarity by the people, enlarges the arena for successful counterfeiting, to the damage of the helpless citizens.

But another consideration, sir, the provisions of the national banking law, and the decisions of the courts that have been made under them, are now well known to the banking, commercial and business interests of this country, and changes in the

law, and new decisions by the courts, when made, are easily ascertained. The entire people to have unbounded faith in the national banking currency. No one ever gives a single thought as to the soundness of the bills, but they are received and paid out everywhere without a moment's hesitation or danger.

But if this proposed system is established, the banking, commercial, and business classes must first familiarize themselves with the laws of forty-four States, and then sedulously keep watch of each State Legislature and of the decisions of each State court in order to know the worth of the paper money which is issued. Aye, more than this, matters of fact as well as matters of law must be known, and these interests must constantly inquire into the manner in which these manifold laws are being administered and obeyed in the various States which compose the Federal Union. Think for one moment of the vexation and embarrassment which this would occasion, of the labor which it would impose, and of the popular doubt and mistrust which it would bring to much of the paper money because of the extreme difficulty of ascertaining the facts bearing upon its value. How much faith, sir, will our people have either in a system or a currency like this? And what, pray, is any banking or currency system worth from which the confidence of the people is withheld?

The difference, Mr. Chairman, between these two methods to which I have been referring is as plain as day. The one is strong, central control, insuring ease, confidence, and safety; while the other is weak, and diffused management producing trouble, mistrust, and loss. Again, sir, who can doubt for one moment that bank failures will be frequent under the system contemplated by those who advocate this amendment, and that in this manner the unfortunate bill holders will sustain tremendous losses? No one, sir, save the man who is both foolish enough to throw away the experience of the past and illogical enough to contend that forty-four opportunities for failure and misfortune are not so likely to produce evil as one opportunity.

Mr. Chairman, it is not necessary to go back to antebellum days in order to demonstrate the inferiority of State banks. It can be shown by the statistics that in recent years they are below the national banks in point of soundness. No comparison covering the immediate past can, of course, be instituted between State banks of issue and national banks of issue, for the plain reason that the former have been out of existence for over a quarter of a century; but we *can* make comparison between banks as now organized under State laws, and national banks, up to a very late date. If existing State, savings, and private banks, and loan and trust companies, without the right of issue, operating by virtue of State laws, are thereby proven to be less safe than national banks, they will certainly be less safe if the power of emitting paper money is conferred upon them.

And now, sir, for the figures: Hon. A. B. Hepburn, Comptroller of the Currency, in his report for 1892, quoting from the report of a previous Comptroller, Mr. Knox, shows that the losses sustained by the failure of State banks, savings banks, and private bankers, for the three years ending January 1, 1879, was $32,616,661, and that sustained by the failure of national banks was, during this period, only $1,170,036. In this report Comptroller Hepburn also gives, from Bradstreet's, sixty-nine failures of State banks, savings, and private banks, and one loan and trust company for the year ending June 30, 1892, with aggregate liabilities of $11,024,628; the estimated value of assets, $6,125,189; percentage of assets to liabilities, 55.56. He also states that during the last reported year the national-bank failures were seventeen, with liabilities amounting to $12,538,448, and estimated assets worth $10,750,347; percentage of assets to liabilities, 85.74.

The present Comptroller of the Currency, in his report made December 4, 1893, states that his information as to the failures of banks organized under State authority is not sufficiently recent and complete to cover the late panic, and therefore he is unable to give comparisons between those banking institutions and the national banks; but I have no doubt, sir, that when this record comes to be made up it will also be to the advantage of the national banking system. While these figures which I have given, Mr. Chairman, do not cover a long period of time, yet they are doubtless a fair index of the comparative soundness of the two systems, and their signification can not be mistaken.

But the advocates of the State bank of issue tell us they favor it because they need plenty of money. Mr. Chairman, no excessive issue of paper, giving rise to wild schemes of speculation and attended with widespread depreciation and financial ruin, ever cursed mankind that it did not start under this delusive plea. Need of money was the cry which preceded the rapid inflation, through the medium of State banks, following soon upon the expiration of the charter of the first United States bank, and which resulted in prostration and distress throughout the entire country. Need of money was the cry again heard when history repeated itself after the second United States bank had failed of a recharter, and the panic of 1837 was precipitated upon the land. This demand for plenty of money, in connection with the proposed State banks of issue, is the most significant and portentous feature of the whole agitation. The 10 per cent tax once repealed, greed for more money will be the animating spirit which will take possession of State Legislatures, and under its baneful influence legislative safeguards and restraints will either be forgotten or rejected.

Plenty of money, sir, is not more desirable than sound money. An inadequate currency is certainly an evil, but a redundant currency is also not without its faults. We have to-day more money per capita than any leading nation except one. I do not say that we may not require more money, but, in my humble opinion, what we need most is confidence and a greater equality of money distribution: but it is well enough to bear in mind that money, however plentiful, will never go where there is neither credit, commodities, nor services to give for it, nor banks be established where there is no business; and no banking system which we can possibly devise will ever have the effect to alter this inflexible law.

This plea, Mr. Chairman, that State banks of issue will give plenty of money is sometimes put forth indirectly in the shape of a declaration that under such a system money will stay at home. If this is the case, it will be because the money is not current elsewhere at par. But, sir, we are not only a homogeneous people, we are also a producing and commercial people; we trade with one another constantly, regardless of State lines; and with this kind of money a citizen of one State who takes his money into another State must there employ it, if in fact he can employ it at all, only at a discount, and exchange will also inevitably be high.

Mr. Chairman, we do not want such a money as this. We have outgrown it. Its abandonment was essential to our progress. To return to it now would be both shameful and disastrous retrogression. We want money which circulates at par everywhere throughout the entire country. We believe that that money which will settle balances at the point of settlement for an area of country is better money everywhere within that area than the money which will settle balances in a part of that area only. The German people, sir, were quick to apprehend the advantages of a national currency, for when the various independent Germanic states were consolidated into one mighty empire, the paper money of each state was taken up and a national paper money issued in its stead.

But we are assured, sir, there is no danger that bad paper will get out under the operations of the State bank system of issue if it is adopted, and that even if it does get out it can not possibly circulate. "Why, do you suppose for one moment that the people, now well educated to the use of sound paper money, would accept paper which is not as good as the very best," we are innocently asked by the advocates of this system. Mr. Chairman, if the history of the world shows anything it shows conclusively that bad paper will get out; that when once out it will often circulate, and that, too, even if it is not endowed by law with the quality of legal tender. It was so under the working of the antebellum plan of issue, now sought to be revived. Not only will bad paper circulate, but more, it will often circulate in the same neighborhood with good money.

This fact also is amply proven by the experience of the old régime. The exigencies of business, the anxiety to make sales, or to collect debts, the inability or unwillingness of purchasers or debtors to pay in any other kind of paper than that which is depreciated, often causes it to be paid out and received. There are circumstances of virtual duress which frequently compel its acceptance. Of course, sir, paper which is under the ban of public suspicion, but nevertheless floats, does not float at par, but most invariably at a discount.

Gentlemen forget, too, that paper money passes not so much because it is good, as because it is thought to be so, and that sometimes people are deceived into accepting as sound, circulating notes which really are not sound, and which subsequently depreciate, and sometimes even become entirely worthless in their hands. Let me also remind gentlemen in this connection that against paper money which is unsound the wealthy and intelligent may sometimes protect themselves; but the poor and ignorant are seldom able to do so. The first class can decline to accept such paper; but the man who has nothing but his labor to sell and whose necessities are pressing, may have a preference, but he has no option. He can not even hesitate, he must take whatever kind of money is offered to him or starve; and thus it happens, Mr. Chairman, that the weakest and neediest are invariably the surest victims of a depreciated paper currency.

THE NATIONAL-BANK SYSTEM.

And now let me conclude my remarks with an examination of the national-banking system. This system was established by acts of Congress passed February 25, 1863, and June 3, 1864. I find from the answer of the Comptroller of the Currency to a

communication recently addressed to him on the subject, by myself, that on the 6th day of last March the total number of national banks in existence was 3,780. The constitutionality of the system is beyond question. It was devised for the purpose of supplying a market for United States bonds, giving currency to the greenbacks and creating a permanent national paper currency. That it has answered the first two purposes reasonably well will probably not be denied; but that it has fallen short in itself of supplying a volume of circulating notes adequate to the needs of the people is unquestionably true.

Efficient services have been rendered to the Government by the national banks, free of charge, as its depositaries and its financial agents throughout the country, and they have also paid the United States in taxes, up to December 31, 1893, as shown by the communication of the Comptroller to which I have just referred, the immense sum of $142,909,856. I shall not undertake, sir, to go into an examination of the provisions of the national banking law. It would require too much time to do so, and I fear I am already taxing the patience of the committee too sorely. I think I can safely say, however, that as a system for banks of discount and deposit, and for securing a safe and uniform paper money, it is the wisest system the country has ever known, and that with such modifications and amendments as it will safely admit of, it will, as a complete system of paper emission, be superior to anything that can possibly be devised.

The statistics given by the Comptroller of the Currency in his last annual report amply attest the soundness of the national banks as banks of discount and deposit. It is there shown that out of the 4,930 national banks organized since the national banking law was enacted, to wit, February, 1863, only 246, or about 5 per cent, had been placed in the hands of receivers up to October 31, 1893. This period, it will be observed, sir, includes the recent monetary panic. Of these 246 banks, 39 have paid their creditors in full, 7 have paid all the principal and part of the interest, and 16 have paid the principal only. The affairs of 115 of the 246 banks have been closed, leaving 131 of them still in process of settlement, but of the latter number 16 are virtually closed, which leaves practically 115 receiverships in active operation. The amount thus far paid to the creditors of these banks upon approved claims aggregating $81,963,207 is $50,943,147, with still more, of course, to be paid in the future.

The strength and solvency of national banks of this country have recently been subjected, Mr. Chairman, to a very severe test. The panic of 1893 was in some respects almost unprecedented in the history of the nation. Bank after bank suspended and institution after institution went down before its terrific force, and we stand to-day amid the widespread ruin and devastation which it inflicted. No banking system that the nation ever saw could have passed through such a crisis unscathed. The national banks, I submit, stood the test well. Unfortunately some of them were obliged to close their doors; but considering the character of the strain imposed upon them, it is a wonder that the number of these was not much larger than it actually was.

This closing occurred, sir, in a decided majority of instances, not from lack of assets to ultimately discharge indebtedness in full, but from want of ready money with which to meet the extraordinary demands made for immediate payment. Over half of the banks resumed within a very short time after their suspension, and the ultimate loss to creditors of those whose affairs are being administered by receivers, will not, comparatively speaking, be very great. The Comptroller of the Currency in his last report gives the record for the entire fiscal year ending 1893, as follows: One hundred and fifty-eight national banks, with a capital stock of $30,350,000, suspended, being 4.09 per cent of the total number of national banks in existence and 4.03 per cent of the aggregate paid up capital stock of all national banks. Of the suspended banks, 86, or 54.43 per cent, with a total capital stock of $18,205,000, resumed; 7, or 4.43 per cent, with a total capital stock of $1,210,000, are about ready to resume; and 65, or 41.14 per cent, with a total capital stock of $10,935,000, are insolvent and in the hands of receivers.

Mr. Chairman, the ravages of the panic of 1893 were bad enough upon the country, but they would have been infinitely worse but for the timely and successful efforts of the banks in the leading cities of the Union to mitigate its force through coöperative action by the issuing of clearing-house association certificates. In this arrangement, which was not, however, a new one in the banking history of the country, the national banks bore a conspicuous part. Instead of requiring the banks which belonged to the association to pay the daily balances due by them to the other banks in the association in cash, and thus locking up that much money which was required to meet the importunate demands of depositors, and exposing the weaker banks to danger, any bank therein was permitted to deposit approved securities with the association, and receive 75 per cent of their value in clearing-house certificates, which drew interest and which were received by the other banks in the settlement of such daily balances.

These certificates did their work well, and have long ago been paid off and retired. This system, sir, was not provided for in the national banking act, but was purely a voluntary arrangement entered into by the banks; but the certificates issued were not in violation of law, for the reason that they were neither designed nor used as money. The system ought by all means, sir, to be authorized in express language by the national banking law.

Certainly, Mr. Chairman, in view of all these facts to which I have called attention, the national banks fully deserve the high opinion of their merits, and of their record in the late panic, which is expressed by Comptroller Eckels in his recent report.

But the most important feature of the national banking system, a feature of which I can not speak in terms of too strong commendation, is the absolute soundness and uniformity of the paper money which it has emitted. National banks have failed, for what banking law can be made so perfect that failure will not sometimes occur under it? Depositors and other creditors have suffered loss, but the holders of the circulating notes have always been secure. Not a single holder ever lost a dollar through them from the time the national banking system was inaugurated up to this very hour. The national-bank bill, too, has always been of equal value throughout the entire country. It has been worth as much in the South as in the North, in the West as in the East; nor has it ever either refused to cross the lines of a State or depreciated the very moment it got beyond those lines. The American people, too, have had unbounded confidence in these notes, and have everywhere accepted them without doubt or hesitation; and the bank reporters, counterfeit detectors, and the vast number of money-brokers which used to be scattered over the land have long ago disappeared, because there was no longer any necessity for their existence.

Notwithstanding all this, sir, it must be admitted that there is considerable opposition to the national banking system among certain classes and in certain sections of the country. Some of this opposition, as is well known, is the result of blind and unthinking prejudice, and vents itself in wild invectives and loud and incoherent declamation; but it is folly to deny that there are also intelligent and reflecting persons who array themselves against the system, and whose criticism, couched in language of a temperate character, is well worthy of our serious consideration. The objections that are urged to the system are manifold, some of them being manifestly unreasonable, but others of them appearing to be just and tenable. We are told, for instance, that the national banking system is wrong in principle, because it savors of paternalism, and that the Federal Government ought not to undertake to regulate the banking business of the people, or to control their issue of paper money; but that these matters should all be relegated to the Legislatures of the various States for action.

Mr. Chairman, right in this proposition is the truest explanation that can be found of the persistent effort which is now being made to revive the old system of State banks of issue. The objection stated has its origin in an unpatriotic mistrust and jealousy of the Federal Government. It is simply a particular phase of the old dogma of State's rights. It proceeds upon the theory that self-government by the people can only be had through the medium of a State General Assembly, and that all representative government dies the very moment it enters the domain of national legislation. It is born with the erroneous idea that the Federal Constitution was devised for the sole purpose of putting national legislators in chains, and it takes pride in its congenital deformity. I fear, Mr. Chairman, that there are those so wedded to this idea that they would infinitely prefer an inferior system of paper money at the hands of the State than a perfect system at the hands of the National Government.

To my mind, sir, the view of the subject to which I have alluded is not only fallacious, but is positively dangerous. For one, sir, I do not believe that the Federal Government is a conspiracy against the liberties of the people. It is rather a beneficent instrument for their salvation. I insist that Senators and Congressmen are the representatives of the people, and that the laws passed by Congress are therefore laws of the people's own creation. I believe that the highest function of the National Government is the protection of its citizens, and that good banking institutions and sound paper money, being a matter not purely of local but also of general concern, in which not simply the people of the States but also the people of the United States are profoundly interested, it is not only the right, but also the absolute duty of Congress to legislate concerning them.

Any other view than this will, I earnestly submit, work irreparable injury to the people by driving them from that legislative arena in which our past experience clearly shows they are

most likely to secure for their use the best system of banks and paper currency. The paper money of this Republic, sir, should be as national as its flag and as sound as its Constitution, that every citizen, as it passes through his hands, may feel impressed with the wisdom and beneficence of the power which devised it, and thus be strengthened in his patriotic allegiance.

[Here the hammer fell.]

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana be permitted to finish his remarks.

There being no objection, Mr. JOHNSON continued as follows:

Then we are told, sir, that national banks are monopolies. In contradistinction to the plan of issuing irredeemable paper money directly by the Government, it is barely possible that they may fall within such a characterization. But if so, better a thousand times such a monopoly as *this* than the evils that attend on *that*. But if, by the use of the term monopoly it is intended to charge that national banking is a privilege conferred by law upon certain citizens which is not equally accessible upon the same terms and conditions to all other citizens, then the charge is false. Any person who desires to do so, and who will comply with the statutes relating thereto, may go into the national banking business. The law not only points out how individuals may enter the business, but it also makes ample provision whereby State and private banks may incorporate under it.

To be sure, Mr. Chairman, those who have not the means can not embark in such banks; but no sensible man will claim this makes it a monopoly by law. True, certain powers are conferred upon those persons who, in the exercise of the opportunity which is open to all, organize and carry on national banks, which are denied to other persons who do not embrace such opportunities; but this is nothing more than is observable with respect to the numerous corporations which are created by the laws of the various States for divers business purposes. Such legislation as this is absolutely essential to healthy progress and business prosperity. Indeed, sir, it often happens that such enactments redound to the interest of the public as well as to the interests of the incorporators. Those who complain, sir, that national banks are monopolies, should remember the practice of granting special charters to some classes and withholding similar charters to other classes equally meritorious which prevailed in some States under the State bank system, the granting of charters from considerations wholly political, and the real banking monopolies and abuses which were thus created.

Closely associated with this cry of monopoly is the statement that the national banks have made large profits. Mr. Chairman, I expect it is true that these institutions have made money. There was a time in our history when Government bonds were low and drew good rates of interest. These banks availed themselves of the opportunity to purchase thus presented, and I suppose they subsequently realized handsomely on such investments. They did in this matter, sir, precisely what was done by other kinds of banks and by corporations and individuals. They have doubtless made money, too, as banks of discount and deposit, and perhaps something, though nothing like so much as is claimed, by issuing their circulating notes.

But it will be found, sir, that State banks have had the same opportunities to make money, except in circulating notes, which they do not issue, as the national banks have enjoyed, and that they have improved it to their profit. But this era of great money-making by national banks, Mr. Chairman, has long since passed away. Government bonds are now scarce and above par and draw low rates of interest. That there is no longer any margin of profit in the issue of circulating notes is apparent from the fact that while the number of national banks has steadily increased, national banks have been gradually reducing their circulation.

This circumstance, sir, effectually disposes of the double profit accusation so often brought against these banks. There was undoubtedly something in that charge in the past, but there is evidently very little in it now. The profits, sir, which the national banks make to-day are made as banks of discount and deposit, the same sources from which the profits of State banks are derived; and in this connection it is well enough for us to remember that the rate of interest which national banks are allowed to charge is, by the express provisions of the national banking act, such only as is the legal rate by the law of the State in which they are located. That national banking now yields a good pecuniary return is probably true; but that it is enormously profitable, profitable out of reasonable proportion to other vocations, is not true and can not be established.

But, Mr. Chairman, we have no objections to banks making money. We even desire it, for we know that they are absolutely necessary to all the people of this country, and that they would cease to exist, and therefore cease to minister to the public needs the very moment they became unprofitable to those who control them. All that we expect of a bank is that it will give to us a fair consideration for that which it receives from us.

And now, Mr. Chairman, I come to consider another objection which is frequently urged to the national banking system, and which it seems to me, is well taken. It is claimed that it has failed to accomplish one of the main purposes of its creation; that it has been unable to supply a paper currency sufficient in volume to meet the necessities of the people. It is pointed out that the greatest circulation ever attained by the national banks was on the 30th day of September, 1882, when it reached $362,889,134, and that since that date it has gradually declined until, according to the last report of the Comptroller of the Currency, it was on the 3d day of October last only $182,959,725. This report also shows that on the 31st day of that month the circulation rose to $209,311,993; but this increase was evidently caused by the late panic, and will probably only be temporary in its character.

Mr. Chairman, there are various causes for this failure of the national banks to secure large circulation of their notes. It must be remembered, in the first place, that they have been obliged to compete with the various other forms of paper money which we have created. No effort has ever been made that I now remember to retire these other kinds of currency in their favor and give them a clear field. Again, sir, the high price of Government bonds required to be deposited by national banks to secure their circulation, the low rates of interest which such bonds bear, the tax on circulation, the restrictions of circulation to 90 per cent of the par value of the bonds deposited, and various minor expenses incident to issuing circulating notes have made such issue a matter of such insignificant profit to the banks that they are almost entirely without incentive to embark in bank-note circulation at all.

All these facts in relation to this subject are fully set forth in the report by the Comptroller of the Currency for the year 1892, and the demonstration there made is conclusive upon this matter. The present Comptroller of the Currency, in his recent report, also declares that there is scarcely any profit to national banks on their circulating notes. Indeed, sir, this thing is everywhere admitted. The very fact that while the number of national banks is constantly increasing, national-bank circulation is gradually growing less, a circumstance, perhaps, already alluded to by me in another connection, is pregnant evidence upon this point. If the circulation was remunerative it would certainly be continued and even increased.

THE NATIONAL-BANK SYSTEM SHOULD BE AMENDED AND CONTINUED.

There are other objections urged to the national banking system, Mr. Chairman, but I shall not attempt to discuss them now. My position is this: We must provide some kind of a paper money system for the future and, whatever its faults, the national banking system has too many excellencies to justify us in discarding it. It should be the nucleus and framework of our future legislation. Its infirmities should be cured and its defects should be supplied. But, however as to this, one thing is certain, the domain for our future legislation must be national; for the people of this Union, sir, can devise no system of banking and currency through the medium of their State Legislatures which they can not create more perfectly through the agency of their Senators and Representatives in Congress.

But, you ask, how is this national-bank system to be perfected? what is the character of the amendments which should be made to it? Mr. Chairman, I confess that it is easier to propound these questions than it is to furnish satisfactory answers to them. Bearing in mind, however, that the subject in view is to establish a permanent national system of paper money, one which shall ultimately be made to supersede all other issues and which will be commensurate with the wants of our entire people, I answer that the first thing to do is to give the subject careful inquiry and painstaking and deliberate consideration. The present Comptroller of the Currency, whose recent report commends itself for the sound and conservative tone in which it is written, recommends that Congress, either through its appropriate committees or through a monetary commission, to be created by it for that purpose, inquire into the working of the various systems of banks of issue now in operation, and also obtain information from skilled students of finance and practical business men, with a view of formulating from the knowledge thau acquired a comprehensive and harmonious system for issuing paper money.

This suggestion, sir, is certainly a good one. The Comptroller advises that, in the meantime, the national banks be authorized to issue circulating notes equal to the par value of the bonds deposited by them, instead of simply to 90 per cent thereof, as now; and that the semiannual tax on their circulation be so reduced as to equal one-fourth of 1 per cent per annum, instead of leaving it at 1 per cent as now provided by law. He argues that this legislation, by making it profitable to the banks to take out ad-

ditional circulation, will induce them to do so; and that even if they only do this to the extent of the par value of the bonds already deposited by them, it will increase the amount of their outstanding notes $20,941,635. That there is no danger in permitting this issue of notes to the par value of the bonds, is apparent to every one. To reduce the tax on circulation will, of course, deprive the Government of revenue to the exact extent of the reduction; but this it can afford to lose, sir, if corresponding benefits accrue to the people in the shape of an increase, when needed, of sound paper money. That there would be an increase of circulating notes under the legislation suggested, I do not doubt.

But, Mr. Chairman, this proposed legislation falls far short of solving the question as to how the national banking system can be amended, so as to provide a permanent and exclusive national paper money adequate to the needs of the country. The supply of Government bonds is not large enough to admit of such an expansion of national-bank currency as this would require. Besides, sir, these bonds will all mature and be redeemed in the course of a few years to coem. One would imagine from the way some people talk that the Government bonds had been issued for the sole purpose of establishing the national banking system thereon; whereas, the truth is that they were issued solely to raise money for the needs of the Government, many of them having been issued before the national banking system was inaugurated, and, once in existence, have simply been utilized as a basis for a safe and uniform system of paper money.

Whenever it becomes necessary, Mr. Chairman, for the Government to again issue bonds to raise money to meet its expenses and obligations, there being no safer and more practicable method of raising the required revenues, I shall not hesitate to vote for such a measure; but I am opposed, sir, to issuing Government securities simply in order to predicate a paper currency upon them. Such a currency would be too expensive to the people, because of the interest charges which it would entail upon them; nor will I vote for such a proposition unless, after careful investigation, I am thoroughly convinced that in no other way can a good issue of paper money be obtained.

Besides, sir, while the national banks have given us a sound and uniform currency, they have signally failed to give us also an elastic currency. Indeed, the best authorities on the subject teach that from the very nature of things elasticity never can be obtained under any system of bond security whatever. If this be true, sir, the plan of securing the circulating notes of the national banks by the deposit of approved State, municipal, and other kinds of bonds, which has been frequently suggested, will probably not work with entire satisfaction, although it might be in some respects an improvement, and although it is unquestionably far more to be preferred than any system of State bank issue which can be devised. Can we not, however, devise some other method of securing the notes of our national banks than by the deposit of bonds, which shall not only make the notes sound and uniform, but which will also give us what the national system does not—a currency which is ample in volume and elastic in character? With this object in view, it might not be a bad idea to ingraft upon the national banking law the feature of the Scotch system, which makes the stockholders of the bank liable for their circulating notes to an unlimited extent, and which it is universally admitted has given to Scotland a paper currency which is admirable in every respect. I offer this, sir, simply as a suggestion, and with full knowledge that there are objections which are strenuously urged to it. I have not the time to discuss it now.

But to my mind, Mr. Chairman, the amendment of our national banking law by substituting for the bond security what is generally known and designated as the safety-fund security would probably solve the whole question and give us a paper money possessing all the qualities desired. The plan is at least worthy careful thought and consideration. This system, as applied to national banks, simply provides that the proceeds of the tax on circulation now imposed by law shall be retained in the Treasury as a fund out of which to pay the notes of any national bank which may fail, the tax to be exacted only to the extent, however, which may be necessary to accomplish this purpose; but any surplus that may accumulate to inure to the United States. The Government is to redeem all notes of insolvent banks from such security fund, if it be sufficient; if not, out of any money in the Treasury, the safety fund or the Treasury fund, as the case may be, when so depleted, to be reimbursed out of the assets of the failed banks before they are applied to the payment of any other liabilities.

This explanation, Mr. Chairman, will perhaps be sufficiently clear to enable the committee to understand the general nature of the proposed plan; but for greater information as to its details I shall take the liberty to publish with my remarks a bill drawn by Mr. Horace White, of New York, and introduced into the House at the second session of the Fifty-second Congress (by request) by my very able and distinguished colleague upon the Committee on Banking and Currency, Mr. WALKER of Massachusetts, in which the entire scheme is fully developed.

This plan, Mr. Chairman, is not at all a novel one, and is, I doubt not, quite familiar to many gentlemen upon this floor. It has been advocated with great earnestness by leading financiers who have carefully investigated its merits, Mr. John J. Knox, who first opposed it, having finally become a believer in its practicability. It was employed in the State of Ohio in the year 1845, under the old State bank system very extensively and proved there an unqualified success. The State of New York first adopted it as early as 1829; but by inadvertence the safety fund was made to cover the deposits as well as the circulating notes of the banks, and for this reason it did not at first prove a complete success. Thereafter the law was so amended as to confine the funds to the circulating notes of the bank, and ever afterwards the plan worked very satisfactorily. The system has prevailed, sir, for sometime in Canada, and under its operation that country has possessed a paper currency which is highly commended by financiers and which thoroughly answers the needs of the Canadian people.

But will this method be a safe one for us to adopt, you ask. Mr. Chairman, the statistics that are at hand seem to me to indicate that it will. On the 24th of February, 1893, the then Comptroller of the Currency, Hon. A. B. Hepburn, addressed a communication to my colleague, the gentleman from Ohio [Mr. HARTER], in response to a letter of inquiry from that gentleman (which communication I shall take the liberty to publish in full with my remarks), in which communication that official stated that the amount which the United States had received by the tax on national-bank circulation, from the inauguration of the national banking system up to June 30, 1892, was $72,-635,000, whereas the total expenses of the Government during that period, growing out of the national banking system, amounted to only $14,585,000, thus showing a net profit to the United States of $58,050,000.

It was further stated by Comptroller Hepburn that the Government had also received during that time from other forms of taxes upon the banks the sum of $72,143,000, making a total net profit to the United States from the national-bank system up to June 30, 1892, of $130,193,000. The Comptroller also stated, sir, in this communication, that the United States would have lost but $953,667 up to June 30, 1892, had the national banks not been required to deposit bonds to secure their circulation, thus leaving to the Government a clear profit of $57,096,333 arising from the taxation from national-bank notes alone.

From this communication it therefore appears, Mr. Chairman, that if the national banks had never deposited bonds to secure their circulation, and the tax on circulation had been used as a safety fund by the Government, the notes of every bank that failed since the national banking act went into operation would, on the 30th of June, 1892, have been paid in full, and the Government then would have been $57,096,333 ahead. I have no more recent figures than these at hand, sir, but believe I can safely assert that if these statistics could be carried down to the present hour they would still show an enormous balance in favor of the United States. Even if there should be an immense increase of liability upon the part of the Government on national-bank notes by a larger per cent of bank failures in the future, still there would seem to be no danger whatever of loss, as the amount which the figures show could practicably be brought into the safety fund would more than suffice to reimburse the expenditures.

Mr. Chairman, the national banking law, taken as a whole, is the product of intelligent and painstaking investigation; it is the culmination of long experience, it is unequaled in the wisdom of its enactments. The provisions for the payment in full of the capital stock, and its replacement when impaired, the double liability of stockholders, the prior lien of note holders on assets, the keeping of reserves, the making of full, accurate, and frequent reports, the investigations by skilled Government experts, and many other features of the national banking laws, are of themselves well calculated to secure, not simply the depositors, but also the bill holders. They have secured sound banks to a remarkable degree in the past, and with the aid of the proposed safety fund, and possibly some additional legislation, will, in my humble opinion, be amply sufficient to hereafter save the Government from all loss upon circulating notes, even though the bond-security feature is omitted. So far, sir, as the people are concerned, they will still have the Government to look to for the redemption of the bills. Conscious of this fact, and realizing that the ample provisions of the national banking law, as strengthened by the safety-fund amendment, will form a complete, safe, and reliable system, they will have faith in the currency, and accept it as heretofore without hesitation or question.

And why, Mr. Chairman, should they not? Here is a system which will not only give them a currency which is sound and uniform, but which will also supply them with a currency which is inexpensive, since it will require no annual payment of bond interest to support it. It will take no money away from the communities which are remote from the great financial centers to purchase bonds upon which to organize and carry on their banks of issue as is the case under our present system, for these bonds must now be found and purchased principally in the great cities like New York and Philadelphia.

It will make the issue of circulating notes by the banks profitable to them, instead of unprofitable, as now; enlarge the area for expansion of the currency, in case of need, beyond the limit of Government bonds, now constantly decreasing in number, to the proportion between circulating notes and paid-up capital stock as now provided, or as may hereafter be provided by law, and yet restrain undue inflation of the currency, by requiring the banks to currently redeem their notes in coin.

It will furnish an elastic currency, by putting it within the power and making it to the interest of the banks, which are constantly in touch with the business interests of the country and are therefore familiar with its varying needs for money, to respond with alacrity to the alternating demands for expansion and contraction of the currency, instead of leaving us to depend for accommodation in such emergencies upon the clumsy, inflexible, and dilatory methods which now prevail. It will supply the agricultural portions of the country, at reasonable rates of interest, sufficient paper with which to move the crops, because under its operation money will be less expensive to the banks which supply it than it is now. It will give the people, for their use, as much money as is consistent with safety, and more than this no sensible people can desire.

Mr. Chairman, I believe that the adoption of such a system as this will largely dissipate the prejudice existing among certain classes against national banks, stop the cry that they are monopolies and that those who operate them are bloated bondholders, and establish towards these banks a feeling of cordial good-will upon the part of the people; that it will do away with the unreasonable and dangerous demand for the issue of irredeemable paper money directly by the Government; that it will make the revival of the State bank system of issue an utter impossibility.

The system, sir, has a conspicuous place in at least two comprehensive banking and currency measures now pending in the Committee of Banking and Currency. It may yet come before the House through this channel for its action; if not at this session, possibly at the next. Certainly the plan is worthy of careful and deliberate consideration, and if I have, by directing the attention of even a single member on this floor to the subject, awakened in his breast a spirit of interest and inquiry with respect to it, I am amply repaid for the time and labor which I have bestowed in the preparation of these remarks. [Loud and continued applause.]

Mr. JOHNSON of Indiana. Mr. Chairman, I ask leave to publish in my remarks the two documents to which I referred.

The CHAIRMAN. If there be no objection, that leave will be given.

There was no objection.

APPENDIX.

SAFETY FUND BILL DRAWN BY MR. HORACE WHITE AND INTRODUCED (BY REQUEST) BY MR. WALKER OF MASSACHUSETTS.

A bill to create a safety fund for the redemption of the notes of insolvent national banks.

SECTION 1. *Be it enacted, etc.*, That the proceeds of the duty of one-half of one per cent each half year required to be paid to the Treasurer of the United States by national banking associations on the average of their notes in circulation, shall be retained as a separate fund in the Treasury, to be denominated the National Bank Safety Fund, until said fund shall not be less than — per cent of the whole amount of national-bank notes outstanding, and thenceforth the collection of said duty shall be suspended, except as hereinafter provided.

SEC. 2. The money in said safety fund shall be appropriated and applied in the manner hereinafter provided, to the payment and redemption of the circulating notes of any of said national banking associations which shall fail to redeem their notes on demand.

SEC. 3 Whenever the insolvency of any national banking association shall be ascertained, in the manner provided by law, its outstanding circulating notes shall be redeemed by the Treasurer of the United States out of said safety fund if the same shall be sufficient, and if not sufficient, then out of any money in the Treasury. As the proceeds of its assets, including the personal liability of shareholders, if necessary, are paid into the Treasury by the receiver, in the manner now directed by law, before any dividend shall be paid to depositors, or any other creditors of the bank, the safety fund shall receive a sum equal to the outstanding circulation of such insolvent national bank, as far as the proceeds of such assets permit. If such proceeds are in excess of the amount required to redeem the circulation, such excess shall be divided among the depositors and other creditors in the manner now provided by law.

SEC. 4. Whenever the percentage of money in the safety fund shall be reduced, or shall become liable to reduction through bank failures, the Comptroller of the Currency shall notify the Treasurer of the United States of the amount which he deems necessary to make good such deficiency, and the Treasurer shall thereupon resume the collection of the duty of one-half of 1 per cent each half year on circulating notes until such deficiency or estimated deficiency is supplied. And the United States shall be paid out of said safety fund when replenished for all advances made in pursuance of the preceding section, together with interest at the rate of 4 per cent per annum.

SEC. 5. Whenever the amount of money in the safety fund shall be equal to one-fourth of the maximum sum prescribed in the first section, each of the associations issuing circulating notes shall have the right to withdraw a portion of its bonds held by the Treasurer of the United States to secure its circulation, as nearly equal to one-fourth of its whole deposit as may be, in multiples of $1,000; and with each successive increment of one-fourth of said maximum sum in the safety fund, said associations shall have the right to withdraw a like amount of such bonds in the manner and proportions aforesaid. When the safety fund contains the maximum sum prescribed in the first section, the said associations may withdraw the residue of such bonds: *Provided, however*, That each association, whether issuing circulating notes or not, shall kee p on deposit with the Treasurer bonds of the United States to the amount of not less than $5,000, at the par value thereof: *Provided also*, That any association not issuing circultaing notes and having more than the minimum of $5,000 in bonds on deposit may withdraw the excess over $5,000 at any time after the passage of this act. It shall be the duty of the Treasurer of the United States to transfer and assign to such associations their bonds from time to time as they may be entitled to receive same in pursuance of this act.

SEC. 6. National banking associations organized after the passage of this act may receive circulating notes from the Comptroller upon paying into the safety fund the percentage fixed in the first section hereof, and existing associations desiring to take out additional circulation may do so on the same conditions, but nothing in this act shall change the proportions between circulation and paid-up capital as now established by law. For all sums paid into the safety fund in pursuance of this section, allowance shall be made in subsequent collections of the duty on circulating notes for said safety fund, until the payments shall have been equalized as nearly as may be among the associations required to contribute thereto on the basis of their circulation, which equalization shall be determined by the Comptroller.

SEC. 7. No association or individual shall have any claim upon any part of the money in said safety fund, except for the redemption of the circulating notes of insolvent national banking associations as herein provided. Any overplus or residue of said sfaety fund which may be hereafter ascertained and determined by law shall inure to the benefit of the United States.

COMMUNICATION OF A. B. HEPBURN, COMPTROLLER OF THE CURRENCY, TO MR. HARTER.

"TREASURY DEPARTMENT,
"OFFICE OF THE COMPTROLLER OF THE CURRENCY,
"*Washington, February 24, 1893.*

"SIR: I have the honor to acknowledge the receipt of your letter of the 23d instant. In answer you are respectfully informed:

"1. That you are correct in understanding from my letter of the 21st instant that the taxes upon circulation paid by the national banks to the Government since the organization of the system in 1863 to the end of the last fiscal year have aggregated $72,635,000 in amount; that the entire expenses of the United States growing out of the national banking system during the same period have amounted to $14,585,000, showing a net profit to the United States up to June 30, 1892, of $58,050,000, and that the Government during the same period has, by other forms of taxation, received from the banks $72,143,000, giving the United States a total net profit from the national banking system to June 30, 1892, of $130,193,000.

"You are also correct in the understanding that if the banks had never given to the United States bonds as collateral security for their notes, but instead a first lien upon the assets, the United States would, up to June 30, 1892, have lost but $953,667, still leaving to the United States a clear net profit arising from the taxation of national-bank notes alone of $57,096,333.

"2. In ascertaining the loss which the Government would have sustained up to June 30, 1892, growing out of the liability to pay the holders of national-bank notes in full in the event that the Government had at no time required the national banks to deposit bonds to secure circulation, and had in lieu thereof received a first lien on all the assets of such banks, I have included the sums received by assessment of the stockholders of failed banks and the proceeds of the bonds deposited with the United States to secure circulation to the extent of the excess of such bonds over the circulation secured by them. Under these circumstances the loss which would have resulted to the Government from the insufficiency of the assets of insolvent national banks to pay the outstanding circulation would have amounted to $953,677 on June 30, 1892, as stated in my letter of the 21st instant.

"Yours, respectfully,

"A. B. HEPBURN, *Comptroller.*

"Hon. MICHAEL D. HARTER,
"*House of Representatives, Washington, D. C.*"

Mr. BLACK of Georgia. Mr. Chairman——

The CHAIRMAN. The gentleman from Georgia [Mr. BLACK] is recognized.

Mr. TURNER. Mr. Chairman, I ask that my colleague, who is a member of the Committee on Banking and Currency, may speak without limit.

There was no objection.

Mr. BLACK of Georgia. Mr. Chairman, in what I have to say on the amendment offered by the gentleman from Tennessee [Mr. COX], to repeal the tax on State banks, I shall try to maintain two propositions; one, that the law which the amendment proposes to repeal is unconstitutional, and the other, that it is undemocratic.

I wish first of all to notice the position announced by the chairman of the Committee on Banking and Currency [Mr. SPRINGER], and in order that I may not do him any injustice I quote from the RECORD. After referring to the well-known case of the Veazie Bank, reported in 8 Wallace, he says:

This decision has been quoted many times. It is the law of the land as much as if its text were in the Constitution itself. However much you or I as individuals may think that the court erred when it made that decision, we have no right to think so as legislators, because the Constitution provides that the Supreme Court shall be the final arbiter as to what the meaning of the Constitution is.

I must confess, Mr. Chairman, that this was not the least of the strange doctrines announced by the chairman of the committee. I hardly think it is necessary to remind this side of the House that on at least one occasion in this Congress that doc-

trine was utterly repudiated. I do not know that the gentleman himself participated in the discussion of the repeal of the Federal election laws; but I do know with what earnestness and ability the other side of this House insisted upon the doctrine that the gentleman [Mr. SPRINGER] has here announced, that some of these laws at any rate had been held by the Supreme Court of the United States to be constitutional, and that holding was binding upon us as legislators.

I should have assumed, before the gentleman made his address on the pending amendment, that he shared the opinion entertained and contended for on this side of the House, that when we come to deal with these questions we are a coördinate department of the Government, and that the Supreme Court, august as it is, respectable as it is, commanding as it does our confidence and our reverence, has no more right to bind this House of Representatives than the House of Representatives has the right to bind it.

In this connection I wish to refer to a contribution made to the discussion on the repeal of the Federal election law, where this very question was dealt with.

My friend from Virginia [Mr. TUCKER] quoted Judge Miller to sustain the doctrine I have already announced, and the gentleman from Ohio [Mr. GROSVENOR] made us a very valuable contribution which I now beg leave to reproduce. I suggest to the chairman of the committee [Mr. SPRINGER] the authority of Thomas Jefferson on that subject. Referring to Mr. GROSVENOR'S remarks, I find in a letter to John Adams, dated September 11, 1804, Mr. Jefferson said:

You seemed to think that it devolved on the judges to decide on the validity of the sedition law. But nothing in the Constitution has given them a right to decide for the Executive, more than the Executive to decide for them. Both magistrates are equally independent in the sphere of action assigned to them. The judges, believing the law constitutional, had a right to pass a sentence of fine and imprisonment, because the power was placed in their hands by the Constitution. But the Executive, believing the law to be unconstitutional, were bound to remit the execution of it, because that power had been confided to them by the Constitution.

Mr. Jefferson goes to the extent of holding there the doctrine that even where the judges had passed upon a case and pronounced sentence, if the Executive believed the law that authorized the sentence was unconstitutional, it was not only his right, but his official duty to set aside the sentence.

Again, in a letter to Judge Roane, dated Poplar Forest, September 6, 1819, Mr. Jefferson remarked:

In denying the right they usurp in exclusively explaining the Constitution, I go further than you do, if I understand rightly your quotation from the Federalist, of an opinion that "the judiciary is the last resort in relation to the other departments of the Government, but under which the judiciary is derived." If this opinion be sound, then indeed is our Constitution a complete *felo de se*. For intending to establish three departments, coördinate and independent, that they might check and balance one another, it has given, according to this opinion, to one of them alone the right to prescribe rules for the government of the others, and to that one, too, which is unelected by and independent of the nation. * * * The Constitution, on this hypothesis, is a mere thing of wax in the hands of the judiciary, which they may twist and shape into any form they please. It should be remembered, as an eternal truth in politics, that whatever power in any government is independent, is absolute also; in theory only at first, while the spirit of the people is up, but in practice as fast as that relaxes. Independence can be trusted nowhere but with the people in mass. They are inherently independent of all but moral law. My construction of the Constitution is very different from that you quote. It is that each department is truly independent of the others, and has an equal right to decide for itself what is the meaning of the Constitution in the cases submitted to its action, and especially where it is to act ultimately and without appeal.

I commend to the careful consideration of the gentleman another very high Democratic authority cited in that discussion. The following is an extract from Gen. Jackson's message vetoing the bill rechartering the Bank of the United States. It may be found on page 438 of the Senate Journal for the first session of the Twenty-second Congress, and is in these words:

If the opinion of the Supreme Court covered the whole ground of this act, it ought not to control the coördinate authorities of this Government. That Congress, the Executive, and the court must each for itself be guided by its own opinion of the Constitution. Each public officer who takes an oath to support the Constitution swears that he will support it as he understands it, and not as it is understood by others. It is as much the duty of the House of Representatives, of the Senate, and of the President to decide upon the constitutionality of any bill or resolution which may be presented to them for passage or approval as it is of the supreme judges, when it may be brought before them for judicial decision. The opinion of the judges has no more authority over Congress than the opinion of Congress over the judges; and, on that point, the President is independent of both. The authority of the Supreme Court must not, therefore, be permitted to control the Congress or the Executive when acting in their legislative capacities, but to have only such influence as the force of their reasoning may deserve.

I respectfully submit that these authorities dispose of the proposition of the gentleman that, because the Supreme Court of the United States has decided in the Veazie bank case that this law was constitutional, therefore in our capacity as legislators we were bound by it, and "as much bound by it," as the gentleman said, as if it was written in the very body of the Constitution itself.

Mr. Chairman, I propose to cite some other Democratic authority on the question of the constitutionality of the law which it is proposed by this amendment to repeal. My friend from Tennessee [Mr. COX], in his very able argument, gave us the history of this legislation at the time it was enacted in the House.

I propose, at some length, if I may have the indulgence of the committee, to trace the history of this law in the Senate; and in this connection I beg to call the attention of some of our Western friends on this side of the House to what was thought of this law at the time it was passed by such leaders as Hendricks, Reverdy Johnson, and other distinguished and able men who participated in that debate. It is a fact, and worthy of note, that the provision which proposed this tax upon State banks was referred to the Finance Committee as a part of an internal revenue bill, and that the majority of that committee were in favor of striking it out. When it came up for consideration in the Senate it occupied their time for several days at intervals.

At this point, Mr. Chairman, I ask leave—and unless objection is now made I will assume that consent is given—that I may print in my remarks more extensive extracts than I shall take time to read to the committee.

There was no objection.

I ask the careful attention of this committee to some utterances made upon the constitutionality of this law at the time. I know very well, Mr. Chairman, that it is not an uncommon thing in this House and in other places in the country to look, I may say, with disfavor upon the suggestion that a law is unconstitutional. I know very well, for I have heard and been stung by the taunt from the other side of this House, when some measures are opposed as unconstitutional, the suggestion is made that the Democratic part is not a party of progress. But I repeat the suggestion I made in the opening of my remarks, that if any member of this House of Representatives believes this law is unconstitutional he is bound by the highest obligation that can rest upon a Representative in the American Congress to so declare by voting for its repeal.

What safety is there for us unless we adhere to this instrument, which is the fundamental law of our Government as well as of our individual action? Whenever we cut loose from our constitutional moorings we are turned adrift, we are at the mercy of every wind and wave; our only hope and safety is to plant ourselves upon that instrument, made by the wisdom and patriotism of our fathers; and whenever we find a law that is unconstitutional, we should put upon it the seal of our condemnation without regard to financial systems or subordinate questions.

Now, sir, I shall read from the Congressional Globe the proceedings of the second session of the Thirty-eighth Congress, commencing on page 1194, and from that on, I believe, to page 1244. There were adjournments and interferences by other business, so that the discussion of this amendment was not a continuous one. I read from Mr. Hendricks, of Indiana. I would like our Indiana brethren to hear what Mr. Hendricks said upon the constitutionality of this law:

Mr. HENDRICKS. I do not consent to that. If the Committee on Finance abandon revenue and commence a banking system, I hope we shall discuss it thoroughly. I shall never consent to it as long as I can resist it in any proper way. I do not consider this section as belonging to revenue at all. I consider the whole proposition an outrage upon the States, and I feel it to be my duty to resist it as long as I am able to do so. If it were a revenue question, I would go to any extent, compromise anything; but it has nothing to do with revenue. It is to carry out a peculiar policy that I do not believe the country wants.

You State rights Democrats, you who stood here with us shoulder to shoulder, heart to heart, to wipe out that other iniquity that had been put upon the statute books as the offspring of war, of hate, and of oppression, the Federal election laws, what will you do with this measure?

Mr. WALKER. Will it disturb the gentleman for me to put in a point right here?

Mr. BLACK of Georgia. I wish to be perfectly courteous, more than courteous, liberal. I will hear the gentleman.

Mr. WALKER. Mr. Chairman, the point of the alleged unconstitutionality of this law is its prohibiting the States from acting on this question purely as an issuing of money, a revenue question. Now, I desire to call the attention of the gentleman to this point—and I hope he will notice it—that the issuing of this money is a part of commerce, a part of trade, a part of the regulating of interstate trade; a point which is not taken into account in any of these discussions to which the gentleman refers.

Mr. BLACK of Georgia. I suggest, Mr. Chairman, it is rather a remarkable thing that it never occurred to these great men who were expounding the Constitution to take the view that this was a part of commerce. It is no part of commerce. The issuing of money is not commerce in the sense of the Constitution, and the power to control it can not be derived from the provision of the Constitution which relates to commerce. Besides, that provision of the Constitution which relates to com-

merce relates to commerce with foreign nations and among the several States and with the Indian tribes. You propose to step over State lines and to come within the boundaries of the sovereign—yes, sir, I am not ashamed to say the sovereign State of Georgia, or any other sovereign State in the Union, and say to the people of that State, under the pretext of regulating interstate commerce, that they shall not have a right to carry on their own domestic and internal affairs.

Mr. WALKER. Will you give me another half minute?

Mr. BLACK of Georgia. No, sir; not now. I prefer not to yield, because you will have your own time later. Commerce, Mr. Chairman, has nothing to do with this matter, and even if it were without dispute a question of commerce, what right has this Congress to lay its hands on commerce inside of a State?

Mr. WALKER. Is this money to be confined inside of the State?

Mr. COX. Unless somebody wants to take it outside.

Mr. BLACK of Georgia. I quote now further from this discussion the remarks of Mr. McDougall, of California, who said:

The policy of this amendment was indicated in the speech of the chairman of the Committee on Finance upon the introduction of this bill. It may be an opinion of this Government—so far as it is a government considering it as a Senate, House of Representatives, and Executive—that it is wise policy to wipe out of existence all the authorities and powers of the States.

Oh, Mr. Chairman, I know that the idea that Mr. McDougall was advocating is not a very popular one to suggest in some quarters. I know when we do suggest it we are met with the charge that we are going back thirty or forty years to the period that antedated the war and to the theories of our Government entertained at that time; but let me tell you, sir, that the truest friends of this Union, purchased by the blood and the sacrifices of our fathers, are the men who are most zealous to maintain the rights of the States that constitute the Union, the Union—yes, an indivisible Union, but an indivisible Union of indestructible States.

Here—

Says Mr. Dougall—

is an edict of this Government to wipe out of existence all State power to organize institutions to deal in money in their several jurisdictions.

Mr. President, monetary, administrative, judicial, and military powers must have their several relations. The fathers who laid down the foundations of this Republic were men who had studied the lessons of antiquity. They had learned from Grecian and Roman states many lessons; but there was a little work, not voluminous, which was the favorite of Franklin, and Madison, and Jefferson, and of the men who laid the foundations of our Republic, the author of which was called Montesquieu. He affirmed as an absolute truth, as the result of great study (and he was called then the best philosopher on the science of government), that no republican institutions could be maintained over a vast extent of territory only by association. It is a truth in political science, that in the maintaining of institutions we have to make them more or less immediately. How we will make them depends, of course, upon the particular condition of society and their affinities. It would not be hard to aggregate New England. No government could be maintained as a republican system of government over vast territories unless they are subdivided into separate portions, where their special administration is exercised in small districts, and where their general power is aggregated in the whole, as it was in Greece, as it was in the Achæan League, as it was in the states of the Middle Ages, and in the free cities of Europe.

This is a truth which history has established, which Montesquieu has recorded, and which the fathers of the Republic introduced into our Constitution as a principle. We have a country extending from the Atlantic to the Pacific, from the Gulf of Mexico to the Northern Lakes, and then again up far away to British Columbia. Does any reasonable person suppose that any one system of banking, for instance, could obtain throughout all that region; that Oregon could accept a system inaugurated by the politicians or the managers in the city of Washington or in the city of New York; or that California could do it, or that Dakota could do it; or Idaho, or Arizona? No, sir. Their interests are adverse, and they have their various modes of transacting business, and for the purpose of transacting their business they require their own mode of doing it.

Mr. McDougall says further:

What does it mean? I know well what it means. It was devised in the evil spirit of ambition by one gentleman who sought by the centralization of power and force here in the Federal Government to make himself strong enough to wield this as an empire. That was his centralized idea which he designed approximating step by step, and that is a part of the philosophy of our whole policy of finance.

Again he says;

I hold, Mr. President, that the provisions of this section are not only unjust in themselves but against fundamental law, and tend to disorganization. We are undertaking here by this legislation to deny to the States the right to control their own financial affairs in their own way.

I would like for some gentleman upon this side of the House who opposes this amendment to repeal the tax on State banks to point out the consistency of that Democrat who insists with reference to everything else that the States shall have a right to control their own internal affairs, but makes an exception when he comes to this matter of issuing currency. A State judiciary, a State legislature, a State executive, a State control of elections, but no State currency. This House by an emphatic voice has declared—and the other branch of the legislative department of the Government has concurred in the declaration—that as to the matter of election, a matter that deals with the ballot, a matter that deals with the very life of the Republic, the States shall have the right undisturbed and undisputed by Federal power to govern their own internal affairs; yet when you come to this mere matter of currency, this mere matter of issuing that which is only a representative of value intended to facilitate the transactions of exchange between the people of a State, the chairman of the Committee on Banking and Currency says stay your hand, for you are laying it upon something that belongs exclusively and sacredly to the Federal Government.

Mr. Chairman, I deny it. This legislation is not only unconstitutional, but it is undemocratic.

Mr. McDougal says further:

It is not many years since a majority of the people of the Republic entertained, or at least indorsed, the opinion that the United States Bank was unconstitutional, that we had not a right to establish an institution that should raise itself in the various States as a great money power and be a corporate body under the influence of this Government. Now, a further proposition is made—it goes much further—that no State may organize a banking institution; for although in form of words this is not said, it is substantially expressed by this Machiavellian style of language, not saying the thing but providing for the thing being done. In the State in which I live we have a gold and silver currency, and we have banks, and so we have on all the coast of the Pacific.

And yet under our financial system and under a financial system which is sought to be perpetuated by the enforcement of this law taxing State banks out of existence, the States could not organize a bank to redeem their currency in gold and silver—the money of the Constitution, the only money of the Constitution, the only money in its true sense that was known to this Government for a long period of its existence.

I am not discussing just now the question whether the States ought to do this or not. I am not addressing myself to that question. I simply say the proposition that Congress can prohibit a State from establishing a banking institution to redeem its currency in gold and silver is a proposition utterly indefensible from any constitutional or democratic standpoint.

He further says:

Now it is proposed to say that they can not do business without paying a tax of 10 per cent, which of itself would be a large profit, per annum—yes, more than could be distributed ordinarily to the stockholders by a bank doing an honest business and conducting its affairs with prudence. I should like to ask some person conversant with law, by what right does the Federal Congress say that State institutions may not exist under the laws of the States, issuing a currency without being subject to a taxation of 10 per cent per annum. I should like to hear some person conversant with law answer me the question I now put. Perhaps there may be learned men who affirm this doctrine that can instruct me; and I am always willing to be instructed.

Mr. COX. Whose language are you reading?

Mr. BLACK of Georgia. I have just read the language of Senator McDougall. I now quote again from Mr. Hendricks:

I will say to those two Senators that if they bring in a revenue bill—strictly a revenue bill—they will probably not meet with much discussion. But if they seek on a revenue bill to carry propositions of a general sort, affecting the policy of the Government and affecting the rights of the States, not really germane to the bill, they must expect them to be discussed.

Mr. President, what is this proposition? That every national banking association, State bank or State banking association, shall pay a tax of 10 per cent, etc. Is that for revenue? I suppose the chairman will scarcely claim that it is for revenue. I suppose in the other House it was not claimed as a revenue measure, but as a penalty to prevent the circulation of State bank paper. I submit whether we have a right to legislate for such a purpose as that. I submit to the Senate that the Congress of the United States has no power to legislate State institutions out of existence.

Mr. COX. That is sound doctrine.

Mr. BLACK of Georgia (continuing to read):

The Committee on Finance of this body have not recommended the adoption of this section.

I have already remarked upon the fact that the majority of the Finance Committee of the Senate reported in favor of striking out the provision which imposed this tax.

Again Mr. Hendricks said:

It is certain that the committee, as the representative of the body for the examination of this measure, said to the Senate that the section ought to be stricken out. I think so too. I suppose no Senator questions the right and the power of a State to establish banking institutions.

I commend that language to the chairman of the Committee on Banking and Currency, who did question the right of the State to charter banking institutions—who did say that the States have no more right to issue currency than to coin money. It never occurred to any Senator, even on that side of the question, in the discussion of this original proposition before the Senate, to deny the authority of the States in this respect, because they knew, I presume, what the gentleman must have known, though he evidently forgot it at the time, that the question had been adjudicated by the Supreme Court of the United States and it had been fortified by a contemporaneous exposition of the Constitution through seventy-five years of the history of the Government.

I suppose no Senator questions the right and power of a State to establish banking institutions. That is too well established to admit of discussion any longer. It is one of the rights, one of the prerogatives of the States to establish banking institutions and to authorize them to issue paper money. The States have exercised this power.

Now he proceeds to speak of the State of Indiana, to which the

chairman of the Committee on Banking and Currency referred in his speech the other day:

In the State of Indiana it has been exercised very beneficially to the trade and prosperity of the people. If a State has the power to establish banking institutions, has Congress the power to forbid it? If not the power to forbid it directly, has Congress the power to defeat the purpose of the State in the exercise of one of its powers by indirect legislation?

Let me say to the Democrats on this side of the House who seem to dissent from our position on this question, if you are going to prohibit State banks from the exercise of this power, then for the sake of consistency, for the sake of decency, pass an out-and-out statute, penal on its face, and do not seek to cover up your action under the pretended exercise of the taxing power of the Government. It is not a tax; it never was intended for revenue; it has never produced revenue. It is a falsehood to call it a tax, or to treat it as a tax.

Now, if you say that Congress has the right to do this, then swallow your words on the subject of tariff taxation, or prohibit by a penal statute the exercise of this power on the part of the States, and say that any State corporation that issues banking currency shall be guilty of a misdemeanor. But do not perpetuate upon the statute books of the country this barefaced, shameless lie, that you are levying a tax, when you know you are not levying a tax, and when you know that, except perhaps for a short period and an insignificant sum, not a dollar nor a cent of revenue ever was derived from it or ever will be.

Mr. PATTERSON. Will the gentleman allow a suggestion in this connection? Suppose that the proposition designed in fact to tax the State banks out of existence, had recited on its face that such was its purpose, and that it was not for the purpose of revenue, what then would have been the decision of the Supreme Court?

Mr. RAYNER. That question was decided. Chief Justice Chase said that such an act would have been perfectly good.

Mr. BLACK of Georgia. Mr. Chairman, I do not care to have a side discussion of this kind interjected into what I am undertaking to say.

Mr. OATES (to Mr. RAYNER). It was an absurdity when he said it.

Mr. RAYNER. He said it all the same.

Mr. COX. It is an absurdity all along the line.

Mr. BLACK of Georgia. But whatever is done in this discussion, or whatever the result of the action of the House may be—and I will not assume to advise, much less would I assume to dictate to my associates on this side of the House, whose sincerity and ability I concede—I want to say to them, if they expect to hold to the old and sound Democratic doctrine of a tariff for revenue, this statute must go, whatever else you may enact in its place.

Mr. QUIGG. I hope the gentleman will give his party the same advice when it comes to the question of antioptions.

Mr. COX. Oh! I hope the gentleman will not switch off in that way.

Mr. QUIGG. I am not switching off.

Mr. BLACK of Georgia. Will you take the same view yourself, and vote against this as you will vote against the antioption bill? [Applause on the Democratic side.]

Mr. QUIGG. Why, if you make it safe and satisfactory to me, I will with pleasure.

Mr. BLACK of Georgia. You propose to strike down the antioption bill because you say the people have a right to control their own traffic in wheat and corn and cotton and other agricultural products; and yet when we ask you to strike down this vicious principle which prohibits them from exercising their constitutional right to have their own currency, you say, "No, we will not do it!"

Mr. QUIGG. You do not know how sympathetic I am. I am very sympathetic.

Mr. BLACK of Georgia. Now, please excuse me further. I am very glad to have the gentleman's sympathy, but would be much more glad to have his vote. I do not know, indeed, that we lack for sympathy on this side of the House, because I never yet heard a Democrat who undertook to sustain the constitutionality of this act until the chairman of the Committee on Banking and Currency took the floor. [Laughter and applause.]

Mr. Hendricks further says:

If not to forbid it directly, has Congress the power to defeat the purpose of the State in the exercise of one of its powers by indirect legislation? I claim, Mr. President, that to some extent this question was considered by the Supreme Court in a case very familiar to all Senators, that of McCulloch *vs.* The State of Maryland.

He goes on and examines that decision and proceeds:

It is conceded that the States have the right and the power to establish State banks. The Supreme Court, in the decision of this case, do not base their decision upon any peculiar power possessed by the General Government, but they hold the broad doctrine, the doctrine necessary to be held in maintaining the proper relations among the States themselves, and between the States and the Federal Government, that one government can not pull down that which another government has a right to establish. Does the Senator from Ohio claim that a State has not the right to establish a State bank? That is conceded, so well is it established by the judicial decisions of the country. Then if the State of Indiana, as an illustration, has the power to establish a State bank, I ask Senators if Congress has the power to forbid it? If Congress has not the power to forbid it directly, has Congress the power to defeat the State, by indirect legislation, in an effort to exercise the power it is conceded she possesses?

I quote now from Senator Powell, of Kentucky.

The result of this course of legislation is utterly to destroy all the rights of the State. It is asserting a power which, if carried out to its logical result, would enable the National Congress to destroy every institution of the States, and cause the power to be consolidated and concentrated here. Instead of doing this, in my judgment, if you were to act like wise and sensible men you would pass a law repealing your national banking system entirely, for it has so far proved an utter failure, and the longer it exists the more manifest its rottenness will be.

He favored the repeal of the national banking system, although it was then in its infancy and had not had a fair opportunity to develop whatever merits may have been in it. Further on he says:

Sir, I have a fear of the concentrated power that is claimed by some gentlemen to exist here. So shape your legislation under the asserted power of taxation (not to raise revenue but to destroy existing institutions) that no State in the Union can have a bank of issue, and then you have a grand consolidated system of centralization, so far as your finances are concerned, with a controlling power in this Capitol.

Words of prophecy were never truer. You have it right here now. The picture is before you; there it stands in the broad, bright light that no sophistry can conceal, and there it must remain as long as this system is maintained, a system of consolidating and centralizing power here at the Federal capital. Is that Democratic? Is that according to the true theory of our Government? When we deny it, when we denounce it in everything else here, why stop short of the one vital thing that lies so near the interests of the people?

Further he says:

Every man knows the power of money. It is dangerous to the liberties of the people, and I fear will ultimately be used as a lever by which to overthrow and destroy those liberties. For one I look on this system of consolidation with the greatest fear and apprehension.

And if some power could call him back to-day from his grave, looking at our existing financial system, he would feel more deeply the apprehension and fear he then expressed.

Here is what Mr. Henderson, a Senator from Missouri, said:

Now, Mr. President, I say in the first place that this thing is unconstitutional. In the second place it does not aid the Government.

Then he goes on and discusses it at length. And there is also in this debate the opinion of Mr. Reverdy Johnson, which I would like respectfully to commend to the gentleman from Maryland [Mr. RAYNER], whom I do not see in his seat; but who, I understand, has been burning for the last six hours to enter this arena and try to sustain this unconstitutional, undemocratic, oppressive, centralizing tax. Mr. Johnson says:

I think it involves a constitutional question, free in my judgment of all real difficulties. From the beginning of the Government to the present time the authority of the States to establish banks and to clothe these banks with the authority to issue notes, has never been seriously questioned.

Will any man deny that statement of an historical fact? Will any man on this floor deny that at the time of the adoption of the Constitution State banks were in existence and exercising this power? Will any man so display his ignorance as to say that for seventy-five years after the adoption of the Constitution and the establishment of the Government this power was not continued?

Mr. HENDERSON of Illinois. Mr. Chairman, will the gentleman allow me to make a single suggestion?

Mr. BLACK of Georgia. Yes, sir.

Mr. HENDERSON of Illinois. I think Mr. Calhoun, of South Carolina, stated in a speech made in 1816 that there was but one bank in existence at the time, and that with a capital of only $400,000.

Mr. COX. If he made that statement it was a mistake as to the facts of history.

Mr. BLACK of Georgia. I do not think the gentleman would insist that that denies the proposition that at the time the Government was founded and the Constitution was adopted the States had this right, and that they exercised the right uninterruptedly for seventy-five years in the history of the country.

Mr. OATES. If Mr. Calhoun did make the statement attributed to him by the gentleman from Illinois [Mr. HENDERSON] it was not accurate in point of history. There were four State banks in existance at the time of the adoption of the Constitution.

Mr. BLACK of Georgia. I understood the gentleman from Illinois [Mr. HENDERSON] as questioning the fact that there had been State banks in existence since this Government was founded.

Mr. HENDERSON of Illinois. Before.

Mr. BLACK of Georgia. I misunderstood the gentleman from Illinois [Mr. HENDERSON]. I understood him to refer to the condition of things since the Government was founded.

Mr. HENDERSON of Illinois. I said I thought Mr. Calhoun, in a speech made in 1816, had stated that there was but one bank issuing money.

Mr. BLACK of Georgia. Do you mean, then, in 1816?

Mr. HENDERSON of Illinois. At the time of the adoption of the Federal Constitution.

Mr. BLACK of Georgia. I did not understand the gentleman. I will show the gentleman in the course of my remarks that there were four banks.

Mr. HENDERSON of Illinois. There were not any large number, then?

Mr. BLACK of Georgia. It does not make any difference. It establishes the fact that the power was in the States. If the power was in the States at the time the Government was formed and the Constitution adopted, show us where that power was ever surrendered by the States to the General Government. I suppose if they had only four banks it was because they only wanted four, and we do not propose now to say that they shall have any. No State is bound to have any. No State is bound to adopt a State banking system if it does not harmonize with its views of finance; but we do propose to say—I propose to say as long as I have a place on this floor and hold my allegiance to the Democratic party—that the General Government shall never say that the State shall not do that.

Here is what Mr. Reverdy Johnson said:

From the beginning of the Government to the present time the authority of the States to establish banks and to clothe these banks with the authority to issue notes has never been seriously questioned. When the charter of the original Bank of the United States was before Congress, and when the subsequent charter of the bank of 1816 was before Congress, and when its constitutionality was before the Supreme Court of the United States, in the case of McCulloch *vs.* the State of Maryland, the only question about which there existed any difference of opinion was whether Congress had a right to establish a bank.

Now, you say that Congress not only has the right to establish it, but that no State has such a right.

He proceeds:

The discussion in both branches and the argument in the Supreme Court conceded that the authority existed in the States. But when the Supreme Court affirmed the authority of Congress to establish a bank, and Maryland imposed (what she had not the authority to do) a tax upon the exercise of that franchise within her limits, the Supreme Court by a unanimous opinion (and they reaffirmed it in a subsequent case from Ohio) declared that the State had no authority to impose that tax, not because the particular tax in that instance would have been any serious impediment to the business of the bank, or its office of discount and deposit in Maryland, but because it involved a principle which, if carried out, would be fatal to the right of Congress to establish a bank at all.

I have said that neither in Congress nor in the court has the authority of the States to establish banks been questioned. This section on its face assumes the right of the States to establish banks. It is not a provision declaring that it shall not be in the power of the States to establish banks and to give them the authority to issue notes, but it professes to tax the notes, so far as the particular section is concerned in this bill, for the purpose of raising revenue. The bill itself upon its face is a supplement to the original act, which was an act to raise revenue exclusively. But I understand the honorable member, with the frankness which characterizes him, to say that the purpose of the friends of this section is to drive out of existence State bank notes; in other words, to deny to the State banks the authority to issue notes by imposing upon them a tax which will render that authority absolutely futile. That is precisely the question upon which the Supreme Court of the United States unanimously declared that the tax proposed by Maryland upon the bank of the United States could not be maintained. I shall be compelled, therefore, upon constitutional grounds—to say nothing of the question of policy—to deny my assent to this section upon the ground of an absolute want of power.

That is the voice of the men who discussed this question in the Senate of the United States at the time when this provision of the law taxing State banks was inserted as a part of our internal-revenue system; and I repeat again that no man can take refuge behind any real or supposed power of the General Government in support of that measure to levy a tax. This is not a tax. It has no element of a tax. It is a misnomer to call it a tax. It is an utter falsehood to call it a tax. It is undertaking, under pretended power of taxation, to prevent the States from doing what you would have no right to prevent them from doing by direct litigation. At least be honest and brave if you will strike this blow.

Mr. BURROWS. I desire to inquire whether the gentleman would like to proceed now or to hold the floor and conclude his remarks on Thursday?

Mr. BLACK of Georgia. I am obliged to the gentleman for the suggestion. It would be very agreeable to me and I hope to the committee, if I am not trespassing on other gentlemen, to be allowed to conclude on Thursday.

Mr. SPRINGER. I yield to the gentleman from Nebraska, who desires to make a request for unanimous consent.

Mr. MEIKLEJOHN. Mr. Chairman, I desire at this time to ask unanimous consent of the committee to print in the RECORD a compilation showing the number of banks, the amount of circulation, specie, and capital from the year 1852 to the year 1863 in the various States, including a brief synopsis of the banking laws. The figures are those compiled by the Secretary of the Treasury, Mr. Foster, save and except for such years as he has not provided any statistics. The statistics which I have compiled for those years are taken from Homan's Merchant and Banker's Register. I believe, Mr. Chairman, a careful investigation of this compilation will convince any one that the resurrection and rehabilitation of State banks would be a calamity to the financial system of the whole country.

Mr. SAYERS. Before that request is put by the Chair I would like to know how large a space it would occupy in the RECORD.

Mr. MEIKLEJOHN. I can not state exactly.

Mr. SAYERS. You can approximate it, can you not?

Mr. MEIKLEJOHN. It would occupy about six columns.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to have printed in the RECORD certain statistics which he has indicated. Is there objection?

Mr. COX. I object.

Mr. SPRINGER. I ask that all gentlemen may be permitted to print remarks on this subject.

Mr. COX. Mr. Chairman, I object to that.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that all gentlemen may be permitted to print remarks on this subject.

Mr. COX. I object.

Mr. SPRINGER. I move that the committee rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the Chair, Mr. RICHARDSON of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 3825, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. LOUD, indefinitely, on account of death in his family.

To Mr. WHITING, for ten days, on account of sickness.

To Mr. GORMAN, for four days from Thursday next, on account of important business.

Mr. SPRINGER. I move that the House do now adjourn.

The motion was agreed to.

And accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until 12 o'clock m. Thursday, May 31.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 6803) for the relief of Fayette Hungerford, and the same was referred to the Committee on War Claims.

REPORTS OF COMMITTEES ON PRIVATE BILLS.

Under clause 2 of Rule XIII, Mr. STALLINGS, from the Committee on Pensions, reported the bill (H. R. 5994) granting a pension to Rosanna Cobb, widow of Edmond Cobb, deceased, late of Black Hawk war; which, with the accompanying report (No. 984), was ordered to be printed and referred to the Committee of the Whole House.

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. CUMMINGS: A bill (H. R. 7260) to provide for the organization of a naval reserve battalion in the District of Columbia—to the Committee on the District of Columbia.

By Mr. BRODERICK: A bill (H. R. 7261) to amend section 40 of the Revised Statutes—to the Committee on the Judiciary.

By Mr. RAYNER: A joint resolution (H. Res. 184) relating to Russian treaty—to the Committee on Foreign Affairs.

By Mr. BRODERICK: A resolution relating to removal from post-offices of the first and second class—to the Committee on the Post-Offices and Post-Roads.

PRIVATE BILLS, ETC.

Under clause 1 of Rule XXII, private bills of the following titles were presented and referred as follows:

By Mr. BLACK of Illinois: A bill (H. R. 7262) for the relief of John A. Hill—to the Committee on Military Affairs.

By Mr. CURTIS of Kansas: A bill (H. R. 7263) granting a pension to George M. Homning, of Topeka, Kans.—to the Committee on Invalid Pensions.

By Mr. HAMMOND: A bill (H. R. 7264) granting a pension to Michael Costello—to the Committee on Invalid Pensions.

By Mr. HOUK: A bill (H. R. 7265) for the relief of George J. Kinzel, of Knoxville, Tenn.—to the Committee on War Claims.

Also, a bill (H. R. 7266) for the relief of John M. Goss, of Knoxville, Tenn.—to the Committee on War Claims.

By Mr. KIEFER: A bill (H. R. 7267) granting a pension to Jerusha H. Brown—to the Committee on Pensions.

By Mr. MARVIN of New York: A bill (H. R. 7268) to reimburse D. D. Brennan for expenses incurred in travel from Yokohama, Japan, to Haverstraw, N. Y., after his summary discharge as paymaster's clerk in the United States Navy—to the Committee on Claims.

By Mr. MORGAN: A bill (H. R. 7269) to pension John Orahood, late of Company H, One hundred and fifty-fourth Indiana Infantry—to the Committee on Invalid Pensions.

By Mr. TATE: A bill (H. R. 7270) granting a pension to Samuel Howard—to the Committee on Invalid Pensions.

By Mr. COOPER of Indiana: A bill (H. R. 7271) for the relief of Mary L. Adams—to the Committee on Invalid Pensions.

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. BELL of Colorado: Petition of citizens of Georgetown, Clear Creek County, Colo., favoring free coinage of silver at a ratio of 16 to 1—to the Committee on Coinage, Weights, and Measures.

By Mr. BINGHAM: Resolutions of the Philadelphia Board of Trade, asking that there be no cessation in the gathering of full and correct information as to the crops of the country under the supervision of the Secretary of Agriculture—to the Committee on Agriculture.

By Mr. DOOLITTLE: Petition of Tacoma Trades' Council, of Tacoma, Wash., praying for certain modifications in House bills Nos. 111, 2800, 3138, and 4603—to the Committee on the Post-Office and Post-Roads.

Also, petition of citizens of Everett, Wash., praying for extension of time governing assessment work in mining claims—to the Committee on Mines and Mining.

By Mr. DOLLIVER: Petition of Ames, Iowa, praying for the passage of an act to fix the pay, allowances, pensions, retirement, and rank of the veterinarians of the United States Army—to the Committee on Military Affairs.

By Mr. EVERETT: Petition of Edward D. Manning and others, Methodist clergymen of Massachusetts, in favor of further legislation in restraint of foreign lotteries—to the Committee on the Post-Office and Post-Roads.

By Mr. HENDERSON of Iowa: Petition of V. J. Williams, Dubuque, Iowa, in respect to second-class postage—to the Committee on the Post-Office and Post-Roads.

By Mr. HOPKINS of Pennsylvania: Petition of citizens of Williamsport, Renovo, Kane, Keating, and vicinity, for the passage of an act recognizing the services of military telegraph operators—to the Committee on Military Affairs.

By Mr. MORSE: Petition of Dr. Frank A. Hubbard and 13 other members of the Ossipee Club, Taunton, Mass., asking Congress to pass more stringent antilottery laws—to the Committee on the Judiciary.

By Mr. RITCHIE: Memorial of Central Labor Union of Toledo, Ohio, favoring weekly half holidays to the machinists in the Navy Department—to the Committee on Naval Affairs.

By Mr. SIPE: Petition of citizens of Fayette County, Pa., and members of Council No. 724, Junior Order of United American Mechanics, praying for the passage of House bill 5246, known as the immigration bill—to the Committee on Immigration and Naturalization.

By Mr. STORER: Petition of citizens of the Second Ohio Congressional district, praying for the passage of House bill No. 5246, restricting immigration—to the Committee on Immigration and Naturalization.

Also, petition of citizens of the Second Congressional district, praying for the passage of a bill to punish train robbing—to the Committee on Interstate and Foreign Commerce.

By Mr. UPDEGRAFF: Petition of Woodbridge & Bartsch, Blinn & Eastman, H. G. Ray, and Woodbridge Medical Company, of Nashua, Iowa, in favor of an additional tax on beer and against any increase of the tax on alcohol—to the Committee on Ways and Means.

Also, petition of Bert Howdeshell and Johnson M. Keller, of Nashua, Iowa, for Government ownership of telegraph lines—to the Committee on the Post-Office and Post-Roads.

By Mr. WARNER: Petition of Charles Johnson, John O'Hara, Denis F. Sullivan, O. E. Clark, and other citizens of New York City, for the establishment of a governmental telegraph and telephone service—to the Committee on the Post-Office and Post-Roads.

By Mr. WISE: Resolutions of the Chamber of Commerce of Richmond, Va., in favor of national exhibition at Atlanta (Ga.) Exposition—to the Committee on Appropriations.

SENATE.

THURSDAY, *May 31, 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 the proceedings of Tuesday last, when, on motion of Mr. COCKRELL, and by unanimous consent, the further reading was dispensed with.

EXECUTIVE COMMUNICATIONS.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, in response to a joint resolution of Congress, approved May 4, 1894, a letter of the Chief of Engineers, dated May 29, 1894, together with a copy of a report of Lieut. Col. Charles R. Suter, Corps of Engineers, on "An examination at Walnut Bend, Arkansas, to determine the probability of the Mississippi River cutting through the St. Francis River at that point;" which, with the accompanying papers, was referred to the Committee on Commerce, and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of the Senate of the 2d instant, a number of statements prepared by the Bureau of Statistics, Treasury Department, and designed to show, as far as figures can show, the commercial relations between the United States and the Dominion of Canada since the year 1821; which, with the accompanying papers, was ordered to lie on the table, and be printed.

He also laid before the Senate a communication from the Secretary of the Interior, transmitting, in response to a resolution of the Senate of April 19, 1894, lists of appointments, promotions, reductions, dismissals, and resignations by request occurring in that Department between March 4, 1893, and April 19, 1894; which, with the accompanying papers, was ordered to lie on the table, and be printed.

COLUMBIA RIVER SALMON FISHERIES.

The VICE-PRESIDENT laid before the Senate a communication from the Commissioner of Fish and Fisheries, transmitting, in compliance with instructions conveyed in the provisions of the sundry civil appropriation bill, which became a law August 5, 1892, a report of investigations in the Columbia River Basin in regard to the salmon fisheries; which, with the accompanying papers, was ordered to lie on the table, and be printed.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a memorial of the Council of Labor of Los Angeles, Cal., remonstrating against the ratification of the proposed Chinese treaty; which was ordered to lie on the table.

He also presented a memorial of the New York Academy of Medicine of New York City, N. Y., remonstrating against a reduction of the Medical Corps of the Army; which was referred to the Committee on Appropriations.

Mr. PERKINS presented a petition of the Humboldt Chamber of Commerce, of Eureka, Cal., praying for the early completion of the Nicaragua Canal; which was ordered to lie on the table.

Mr. SHERMAN. I present a joint resolution adopted by the General Assembly of Ohio, in favor of the passage of a law granting a service pension of $8 a month. As it is a memorial of a State Legislature, I ask that it be read.

The joint resolution was read, and referred to the Committee on Pensions, as follows:

JOINT RESOLUTION RELATIVE TO PENSION OF SOLDIERS OF THE UNION ARMY.

Be it resolved by the General Assembly of the State of Ohio, That soldiers of the Union Army during the recent rebellion who received an honorable discharge are, in the interest of justice, patriotism, and humanity, entitled to a service pension of $8 per month during their natural lives.

Provided, That when persons are receiving a pension for injuries or other disabilities received in the Army service which is more than $8 per month, they shall not receive a service pension in addition to the pension for injury or other disabilities, and that persons receiving a pension for injuries or other disabilities incurred in the Army service of a less sum than $8 per month may relinquish the same and receive a service pension of $8 per month during their natural lives.

Resolved, That a copy of the foregoing resolution be certified by the secretary of state under the seal of the State of Ohio and sent to the Senators and Representatives in Congress from Ohio, and that they be requested to procure, if possible, the passage of a bill to carry out the provisions of the foregoing resolutions.

ALEX. BOXWELL,
Speaker of the House of Representatives.
ANDREW L. HARRIS,
President of the Senate.

Adopted May 21, 1894.

Mr. SHERMAN presented a petition of 24 holders of life insurance policies, of Washington County, Ohio, 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. PLATT presented petitions of James Bishop, Charles