

great number of the States of the Union which have revised their statutes, and have had this very same thing to guard against in their revision. We have gone over them sentence by sentence and made them as perfect as we can.

We see no good reason for delay, in order to bring this up at another time in the House, when we have no cause to doubt that it will be perfectly satisfactory to the House. If we had supposed that it was the desire of any gentleman to examine these sections, we would have been glad to have him do so, because we wanted all the assistance we could get. But the whole work is to go before the Senate, and if any gentleman finds anything that requires amendment, it will be perfectly easy for him to make a suggestion, and I am satisfied that the object of every member of the House and every member of the Senate is the same—and that is the object with which we started in the beginning of the session, to endeavor to reduce to this one volume what was the general public statute law of the United States on the first day of this session; and at the same time that nothing herein contained shall affect the right of any man, public or private; but that this shall stand as the law as it then was. And we have put into as clear language as the committee could frame the declaration of that purpose in these sections, having got a good deal of aid from the similar attempts of other legislative bodies.

Mr. LOUGHRIDGE. Have these sections been printed?

Mr. POLAND. They have not.

Mr. LOUGHRIDGE. I would not like to urge anything which the gentlemen who have charge of this work think would delay it materially. Still it is a matter of so great importance that I think there ought to be a vote of the House upon it. And I think these sections ought to be printed before final action by the House, but I do not desire to set up my judgment against that of the gentlemen who have the work in charge.

Mr. SAYLER, of Ohio. The House has been notified that this was the final evening, and that the work was to be completed to-night.

Mr. LOUGHRIDGE. We do not pass an ordinary bill, generally, without having it printed; we print everything, even ordinary pension bills; an amendment to an ordinary bill is printed.

Mr. SAYLER, of Ohio. We have adopted all the amendments to this bill without having them printed, and at sessions where there was no larger attendance than there is now.

The SPEAKER *pro tempore*. The Chair is not at this moment aware of any parliamentary method in which this revision can be brought up in the House. The House has, by unanimous consent, directed this business to be performed at these evening sessions, and the Chair knows of no method by which any portion of this bill, or any single amendment, can be brought before the House at a day session. Of course, any gentleman has a right to insist on a quorum being present before anything is done here, but the Chair does not know of any mode in which this bill can be brought into the House in the day-time, except by a report from the committee *de novo* and a new reading of the bill.

Mr. LOUGHRIDGE. In deference to the views of other gentlemen, I withdraw my objection.

The SPEAKER *pro tempore*. The Chair has given some reflection to the matter, but does not see any other mode. Of course after the passage of the bill any gentleman might move to reconsider; but the motion to reconsider would require, under the order the House has made, to be dealt with at an evening session. The only possible way of getting a vote on the bill in a full House would be for some gentleman to insist on the point that a quorum is not present, and in that case there would have to be a call of the House, and members would have to be brought in here in the evening.

Mr. LOUGHRIDGE. I withdraw my suggestion.

The amendment was agreed to.

Mr. POLAND. I now move the previous question on the bill.

The previous question was seconded and the main question ordered; and under the operation thereof the bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. POLAND moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. RANDALL. I move that the House do now adjourn.

The motion was agreed to; and accordingly (at nine o'clock p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as follows:

By Mr. BELL: The memorial of Catharine Laud, praying for arrears of pension, to the Committee on Invalid Pensions.

By Mr. BIERY: The petition of citizens of Conshohocken, Montgomery County, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase of internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on foreign imports, to the Committee on Ways and Means.

Also, three petitions of citizens of Allentown, Pennsylvania, of similar import, to the same committee.

Also, the petition of 79 workingmen in the foundry and machine departments of the Allentown Rolling-Mills, of similar import, to the same committee.

Also, the petition of citizens of Allentown and Mauch Chunk, of similar import, to the same committee.

By Mr. HALE, of New York: The memorial of James Rogers and 367 others, remonstrating against reduction of duties on steel, to the Committee on Ways and Means.

By Mr. LOWNDES: The petition of George P. Remsburg, of Frederick, Maryland, for relief for loss of his son's arm from firing of provost guard, to the Committee on War Claims.

By Mr. NEAL: The petition of Louisa Thomas, widow of Cyrus Thomas, Company E, One hundred and seventy-sixth Ohio Volunteers, praying for a pension, to the Committee on Invalid Pensions.

By Mr. RANSIER: The petition of John F. Porteous, of Beaufort, South Carolina, praying for relief, to the Committee on War Claims.

By Mr. SCOTFIELD: The memorial of Frank Bell, late first lieutenant and captain of Company I, First Rifles, Pennsylvania Reserves, requesting pay for horse and equipments lost in action while acting as adjutant of the Bucktail Battalion, to the Committee on Military Affairs.

By Mr. SENER: The memorial of Thomas B. Hunton, of Northumberland County, Virginia, praying relief for losses during the rebellion, to the Committee on War Claims.

Also, the petition of John D. Elder, of Fredericksburgh, Virginia, praying relief for losses incurred during the late rebellion, to the same committee.

By Mr. SHELDON: Papers in the matter of John M. Burrows, petitioning for relief, to the Committee on War Claims.

By Mr. SMITH, of Ohio: The petition of citizens of Clinton County, Ohio, on the subject of the liquor traffic, to the Committee on the Judiciary.

By Mr. WILLIAMS, of Indiana: The petition of Alexander Moffitt, praying for relief, to the Committee on War Claims.

By Mr. WILSHIRE: The petition of citizens of Arkansas, praying for the passage of the bill granting lands to the Saint Louis, Springfield and Little Rock Railroad, to the Committee on the Public Lands.

By Mr. WOODFORD: Resolution of the common council of the city of Brooklyn, memorializing Congress against granting lands of the General Government in the Wallabout, at Brooklyn, to any private corporations, &c., to the Committee on Naval Affairs.

IN SENATE.

THURSDAY, April 2, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

The Journal of yesterday's proceedings was read and approved.

HOUSE BILL REFERRED.

The bill (H. R. No. 2782) to extend the time to pre-emptors on the public lands in the State of Minnesota to make final payment was read twice by its title, and referred to the Committee on Public Lands.

DEVELOPMENT OF MINING RESOURCES.

The PRESIDENT *pro tempore* laid before the Senate the amendment of the House of Representatives to the bill (S. No. 16) supplemental to the act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872.

Mr. SARGENT. I move that the bill, with the amendment of the House of Representatives, be referred to the Committee on Mines and Mining.

The motion was agreed to.

LOUISVILLE AND PORTLAND CANAL.

The PRESIDENT *pro tempore* laid before the Senate the amendment of the House of Representatives to the bill (S. No. 350) providing for the payment of the bonds of the Louisville and Portland Canal Company.

Mr. THURMAN. I move that the Senate disagree to the amendment of the House, and ask for a committee of conference.

Mr. HAMLIN. That is a very important question. The bill passed this body without any discussion, and I think it should not now be referred to a committee of conference until the Senate shall have some understanding about it.

Mr. THURMAN. I was going to present two memorials on the subject; and when I shall have done that I will yield to whatever may be the wish of the Senate.

Mr. HAMLIN. I do not mean to express any objection. I simply think that this is a matter that the Senate ought to pass upon before it goes to a committee of conference. The House amendment should either be referred to the committee that originally reported the bill or an opportunity should be had to discuss it in the Senate.

Mr. SARGENT. I think it ought to go upon the Calendar and the Senate should have an opportunity to pass upon the question. I have no objection, however, to referring the amendment of the House to the committee that originally reported the bill, if that be desired.

Mr. HAMLIN. I have no objection to that; but I do not think the amendment should be agreed to or sent to a committee of conference.

without some discussion and a fair understanding of what the amendment is.

Mr. SHERMAN. I have carefully read the substitute of the House of Representatives. There is only one single point in it on which the Senator from New York [Mr. CONKLING] desires to take the vote of the Senate, and that is the amendment offered by his colleague in the House, [Mr. WHEELER.] With that exception the two bills are almost identical.

Mr. SARGENT. That is a very important amendment.

Mr. SHERMAN. I know it is; but it is an amendment that simply delays the taking possession of the Louisville Canal for two years. That is the main trouble.

Mr. SARGENT. That is very true; but without that amendment we do not know what we are taking possession of. It seems to me that the matter had better be considered in the Senate.

Mr. THURMAN. I wish to present to the Senate some resolutions adopted by the Chamber of Commerce of the city of Cincinnati on this subject, and then I have an observation to make. The resolutions are short, and I can read them probably in as short time as I can state them:

CINCINNATI CHAMBER OF COMMERCE,
Merchants' Exchange, March 28, 1874.

At a regular session of the Cincinnati Chamber of Commerce, held this day, the following preamble and resolutions were unanimously adopted:

"Whereas we learn from the dispatches from Washington that members of the Committee on Commerce are not favorable to the Government taking possession of the Louisville and Portland Canal until further legislation on the part of the State of Kentucky; and whereas the action of the Kentucky Legislature heretofore was intended to and does cede the property to the United States upon the sole condition that the debts be provided for; and whereas we have good reason to believe that objection to immediate action on the part of Congress is inspired directly or indirectly by parties at Louisville who gain advantages by retaining control of the canal; and whereas the Kentucky Legislature will not meet again for two years, and the commerce of the Ohio River having already been too long oppressed by the heavy tolls collected on a canal owned virtually by the Government of the United States: Therefore,

"Resolved by the Cincinnati Chamber of Commerce, That simple justice to the commerce of the Ohio Valley requires that the Government should take immediate possession of the canal and reduce the tolls.

"Resolved, That copies of these proceedings be transmitted to our Representatives from this county, and also to Senators SHERMAN and THURMAN."

S. F. COVINGTON,
President.

I also present the following resolution, adopted by the same chamber of commerce yesterday:

Senator SHERMAN or THURMAN:

At the regular meeting of the Cincinnati Chamber of Commerce, held this day, the following preamble and resolution were unanimously adopted, and I was instructed to telegraph the same to the Senators from Ohio:

"Whereas the effect of the Wheeler amendment, embodied in the House bill, providing for the control of the Louisville and Portland Canal by the Government of the United States, insures the continuance of the existing oppressive toll for two years at least; and whereas the charge of fifty cents per ton for passing through the canal is especially oppressive, in view of the fact that freights are carried by water from the city to New Orleans at two to four dollars per ton: Therefore,

"Resolved by the Cincinnati Chamber of Commerce, That the United States Senate be, and it is hereby, respectfully requested, in behalf of the commerce of the Ohio and Mississippi Rivers and tributaries, and in advancement of the cause of cheap transportation, to reject the amendment ingrafted upon the bill on motion of Mr. WHEELER, and cause the same to be passed in such a shape as to insure the immediate control of the canal by the Government and a reduction of the tolls, so as to place this improvement on an equal footing with other canals controlled by the United States."

Very respectfully,

S. F. COVINGTON,
President.

Mr. President, I am totally at a loss to understand the opposition to this bill. I do not know any subject that has been more thoroughly discussed in the Senate except some subject of great public character and importance; and this may be said to be a subject of that kind, because it affects the commerce of the entire Ohio Valley, and to a large extent that of the Mississippi Valley. Why there should be any opposition, the Government owning all the stock of this company but \$500—I believe that is true—

Mr. SHERMAN. Yes, sir.

Mr. THURMAN. And the objection being of the merest technical character in the world, such as in a suit between individuals no court of equity would regard for one moment; why the commerce of that valley should continue to be burdened with a tax of fifty cents a ton, when it is admitted on all hands that ten cents a ton would be amply sufficient to keep the canal in perfect repair, is past my comprehension; and why this objection should come as it does from quarters in nowise interested in this subject, I really do not understand.

Mr. MORRILL, of Vermont. May I ask the Senator from Ohio if ten cents a ton will keep the canal in repair, and pay the interest on a million and a quarter of dollars that the Government will be required to pay in order to obtain possession of the bonds—the indebtedness of the canal company?

Mr. THURMAN. I cannot answer that question, for I am not as well advised about it as my colleague is who has looked more into the figures; but certainly it requires nothing like fifty cents, nor the half of fifty cents, a ton to pay the interest as well as to keep that canal in repair. But it is Government property, and what the Government ought to do, irrespective of what it owes, is to reduce the tolls on that canal to the very lowest sum which will keep it in repair, and then it will have done less for the commerce of the Ohio River than it has done for the commerce of almost any other great water-channel in the United States.

Mr. SHERMAN. I say again that the only difference between the amendment of the House of Representatives and the bill of the Senate is, that upon the motion of a member of the House an amendment was stuck on here requiring the assent of the Legislature of Kentucky to what Kentucky has already assented to; that is, the cession of jurisdiction over this canal. There would be no objection to the adoption of the amendment if the Legislature of Kentucky were in session. If the House had passed this bill when it was sent there from the Senate, the Legislature of Kentucky was then in session and could have promptly given the requisite assent; but the Legislature—

Mr. DAVIS. If the Senator will allow me—

Mr. SHERMAN. Let me finish my sentence. The Legislature of Kentucky has adjourned and will not convene again for two years under their constitution; and in the mean time the commerce of the Ohio River, which, as shown by recent statistics, is more than double the whole commerce of the United States with foreign countries, will be clamped with a tax of fifty cents a ton on every boat-load of coal, salt, and all the interior productions of the country. While I do not object to any reasonable delay that Senators may desire, yet the interests of my constituents are so affected, and the interests of all the States in that region of the country, including Kentucky, (because they are as deeply interested as we are in this matter,) that I hope the Senate will give us a vote upon it. My impression is that by a committee of conference this very objectionable amendment might be retained, but in such a way as not to prevent the taking possession of the canal by the United States. I am inclined to think that a committee of conference would report an amendment which would cover the point of controversy and would receive the unanimous vote of both Houses.

Mr. MORRILL, of Vermont. I suggest to the Senator from Ohio that the Senator from New York, [Mr. CONKLING,] who takes an interest in this matter, is absent, and it had better go over or be placed on the Calendar until that Senator shall be present.

Mr. SHERMAN. I suppose we cannot object to that.

The PRESIDENT *pro tempore*. The matter may be laid aside informally.

Mr. SHERMAN. Let it lie on the table for the present.

The PRESIDENT *pro tempore*. The bill and amendment will lie on the table. Petitions and memorials are now in order.

PETITIONS AND MEMORIALS.

Mr. MORRILL, of Vermont. I present a petition signed by W. S. Johnson, M. D., and three others of the town of Milton, and of two others of the town of Chelsea, Vermont, who ask to have the stamp or proprietary act so altered or regulated as to exempt all physicians in possession of a medical diploma, or being lawfully licensed, from using stamps on any medicine that they may manufacture, vend, or dispose of, and that all pretenders who manufacture and vend a substance called medicine shall use stamps as heretofore and also pay a manufacturing license of ten to fifty dollars and a trading license of twenty or one hundred dollars. I move the reference of this petition to the Committee on Finance.

The motion was agreed to.

Mr. CRAGIN. I present the petition of the survivors of the *Polaris*; and as it is the practice sometimes to read petitions, I ask consent to briefly refer to this one. The petitioners say:

We parted from the ship in or about latitude 73° 28' north on the night of the 15th day of October, 1873, and were on the ice for one hundred and ninety-six days, exposed to all the rigors of an arctic winter, without adequate food, clothing, or shelter, constantly in imminent danger and peril of our lives, expecting never to reach our homes or see our friends; our sufferings, both physical and mental, were terrible, and so great that no language we can use will describe our agony during a long and desolate arctic night, (the sun not appearing for ninety consecutive days.) Once by a heavy swell dashing against the ice during the night of April 19, 1873, we were washed into the sea, and our escape from immediate death was miraculous, and at this time our supply of provisions got so low that we were obliged to be put on an allowance of one-quarter of a pound of bread and two ounces of meat per diem for several months, and at times we suffered greatly from hunger. We were rescued from our perilous position by the Newfoundland steamer *Tigress* on the 30th day of April, 1873.

We are still suffering in body, our health ruined, our means exhausted, and nothing left to support and sustain us, unless your honorable body grants us relief; and as we were employed by the Government for a voyage full of peril and danger, with a small recompense, to wit, twenty-five dollars per month, (when the pay at that time in the merchant service was forty dollars per month,) and with the assurance of Captain Hall and others interested in getting up the expedition that we should be liberally dealt with by the Government upon our return, if ever, we pray your honorable body to grant us and those other survivors of our expedition such relief and aid as shall be just and proper in the premises. And in this connection we would not forget "Esquimaux Joe" and "Hannah" his wife, who are now invalided, probably permanently, on account of the hardships and exposures of the expedition, and in particular we pray your honorable body that they should be liberally dealt with, as through God we believe we are indebted to them for the preservation of our lives.

In connection with this petition I also present a preamble and resolution adopted by the American Geographical Society, asking that the survivors of the *Polaris* be paid an extra sum, and also a letter of the Secretary of the Navy on the same subject. I move the reference of all these papers to the Committee on Naval Affairs.

The motion was agreed to.

Mr. SCHURZ presented the petition of Horatio S. Chalmers and others, heirs of John Chalmers, sr., praying indemnification for spoilsations committed by the French prior to the year 1801; which was ordered to lie on the table.

Mr. SHERMAN. I present the petition of Mercy Ann Hall, the

widow of Charles F. Hall who died while in the service of the United States in command of the Polaris expedition. The petitioner sets out the services of her husband; that before he died he succeeded in carrying the flag farther north than man had ever before penetrated; that his life has been laid down for the common weal just as if he had fallen in battle; that his death left her destitute with two children, aged respectively seventeen and thirteen years, to support; that he died while in the service of the United States in command of the Polaris expedition. In presenting this petition, I desire simply to say that, in my judgment, a stronger appeal could not be made to the mercy and charity of the Government of the United States. This gentleman died while in the service of the Government upon a most dangerous voyage, leaving a widow and children without means of support. Their case is one that will appeal to the private feelings of any one who knows the circumstances. This petition is not only signed by the lady herself, but by Joseph Henry, Professor Baird, and a number of other gentlemen connected with scientific pursuits, W. T. Sherman, General of the Army, W. W. Corcoran, General Meigs, and a great many other citizens of this city. I move its reference to the Committee on Naval Affairs.

The motion was agreed to.

Mr. GORDON presented a petition of James S. Herron and others, praying that a pension be granted to Fannie M. Herron; which was referred to the Committee on Pensions.

Mr. BOGY presented a resolution of the Legislature of Missouri, in favor of the establishment of a daily mail each way between Cairo, Illinois, and Poplar Bluff, Missouri, over the Cairo, Arkansas and Texas Railroad; which was referred to the Committee on Post-Offices and Post-Roads.

Mr. HAGER presented a resolution of the Legislature of California, in favor of the appointment of a commission to ascertain the amount of property destroyed by Captain Jack's band of Modocs; which was referred to the Committee on Indian Affairs.

REPORTS OF COMMITTEES.

Mr. CHANDLER, from the Committee on Commerce, to whom was referred the bill (S. No. 586) to create a port of delivery at Helena, in the State of Arkansas, reported adversely thereon; and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the bill (H. R. No. 2692) to change the name of the schooner-yacht Quarantine to Welcome, reported it without amendment.

Mr. RAMSEY. Yesterday the Senate referred to the Committee on Post-Offices and Post-Roads a resolution of the Legislature of Missouri in favor of establishing a daily mail on one of the railroads of that State. The matter belongs entirely to the jurisdiction of the Postmaster-General. I therefore ask that the committee be discharged from the further consideration of the resolution and that it be referred to the Post-Office Department.

The PRESIDENT *pro tempore*. That order will be made.

Mr. RAMSEY. There was also referred to the same committee a memorial of the Legislature of Wisconsin for an increase of mail service. That belongs to the jurisdiction of the Post-Office Department, and I ask that the committee be discharged from its further consideration and that it be referred to the Post-Office Department.

The PRESIDENT *pro tempore*. That order will be made.

Mr. RAMSEY. The Committee on Post-Offices and Post-Roads, to whom was referred the bill (S. No. 123) to provide for the transmission of correspondence by telegraph, have directed me to report it back and to ask to be discharged from the further consideration of the subject.

The PRESIDENT *pro tempore*. The bill will be indefinitely postponed.

Mr. RAMSEY. In lieu of it the committee direct me to report a bill to provide for the transmission of correspondence by telegraph, accompanied with a report, which I ask to have printed.

The bill (S. No. 651) to provide for the transmission of correspondence by telegraph was read and passed to a second reading, and the report was ordered to be printed.

Mr. SAULSBURY. In connection with that report I desire to say, as one member of the Committee on Post-Offices and Post-Roads, that I do not concur in it and shall oppose the bill whenever it comes up.

Mr. BUCKINGHAM, from the Committee on Indian Affairs, to whom was referred the bill (S. No. 425) for the restoration to market of certain lands in the Territory of Utah, reported it without amendment.

Mr. PATTERSON, from the Committee on Pensions, to whom was referred the bill (H. R. No. 1223) granting a pension to Mary Storrs, reported it without amendment.

He also, from the same committee to whom was referred the bill (H. R. No. 280) granting a pension to Ann Crane, reported it without amendment.

Mr. FLANAGAN, from the Committee on Post-Offices and Post-Roads, to whom was referred the bill (S. No. 434) referring to the Court of Claims for adjudication and determination the claim of the parties therein named, for the past and future use of Norton's post-marking and post-canceling hand-stamp, and of Robertson's improved hand-stamp, reported it without amendment; and submitted a report thereon, which was ordered to be printed.

Mr. SCOTT, from the Committee on Claims, to whom was referred the petition of Jane M. Rudolph, widow of Captain Thomas C. Ru-

dolph, formerly of the United States revenue marine, praying for a pension, asked to be discharged from its further consideration, and that it be referred to the Committee on Pensions; which was agreed to.

Mr. DAVIS, from the Committee on Claims, to whom was referred the petition of E. M. Dennison, of the District of Columbia, praying for extra compensation as crier of court, from April, 1863, to December, 1865, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. FERRY, of Michigan, from the Committee on Post-Offices and Post-Roads, to whom was referred the bill (H. R. No. 753) for the relief of Peter S. Patton, reported it with an amendment; and submitted a report thereon, which was ordered to be printed.

Mr. INGALLS, from the Committee on Pensions, to whom was referred the bill (H. R. No. 1949) granting a pension to Ann M. Brackett, reported it without amendment.

Mr. OGLESBY, from the Committee on Pensions, to whom was referred the bill (H. R. No. 2095) granting a pension to Mrs. Nancy Parkhurst, reported adversely thereon; and the bill was postponed indefinitely.

Mr. PRATT, from the Committee on Pensions, to whom was referred the petition of George W. Trueheart, late private Company F, Sixty-seventh Regiment New York Volunteers, praying an increase of pension, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of Elizabeth Davis, a citizen of Maine, praying that she may be restored to a pension on account of the services of her son, William L. Davis, late Company E, Twentieth Regiment Maine Volunteers, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of Ira W. Douthart, late of Company D, Thirteenth Regiment Iowa Volunteers, praying to be allowed a pension, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. O. E. BABCOCK, his Secretary, announced that the President had, on the 26th ultimo, approved and signed the act (S. No. 583) making an appropriation to defray the expenses of the Joint Select Committee to Inquire into the Affairs of the District of Columbia.

COMMENCEMENT OF INCREASED PENSIONS.

Mr. PRATT. The Committee on Pensions, to whom was referred the bill (H. R. No. 2456) to amend an act entitled "An act to revise, consolidate, and amend the laws relating to pensions," approved March 3, 1873, have had the same under consideration, and have directed me to report the same back with an amendment, striking out all after the enacting clause and inserting a substitute. I ask for the present consideration of this bill.

By unanimous consent, the bill was considered as in Committee of the Whole. The amendment of the Committee on Pensions was to strike out all after the enacting clause, and in lieu thereof to insert the following:

That where an increase of pension is provided for in the last clause of section 4 of the act entitled "An act to revise, consolidate, and amend the laws relating to pensions," approved March 3, 1873, the increase therein contemplated, as often as it shall occur, shall commence from the date of the examining surgeon's certificate that first showed increased disability; but all such surgeons' certificates under which an increase of pension is claimed, shall be subject to revision by the Commissioner of Pensions as contemplated in the act of which this is an amendment.

Mr. CONKLING. I wish the Senator to explain to us the effect of this proposition.

Mr. PRATT. I will. The last proviso of section 4 of the general pension law reads as follows:

Provided further, That, except in case of permanent specific disabilities, no increase of pension shall be allowed to commence prior to the date of the examining surgeon's certificate.

Now, as the Senator from New York very well knows, a man is placed on the pension-roll for disability incurred in the service; he is then rated at one-half disability, say four dollars a month; afterward his disability is increased, and this is established by the report to the Pension Office of the examining surgeon in his neighborhood. Sometimes that report is not acted upon for months, and, under the law as it stands, his increase of pension commences only from the time of the final decision of the Pension Office. The effect of this amendment is to make the increase of pension relate back to the date of the examining surgeon's certificate establishing the increased disability.

Mr. CONKLING. Will the Senator be kind enough to read the proviso again?

Mr. PRATT. The proviso in the existing law, as it occurs in the fourth section of the act of 1873, is:

Provided further, That, except in cases of permanent specific disabilities, no increase of pension shall be allowed to commence prior to the date of the examining surgeon's certificate.

It cannot under the existing law, nor can it by this amendment

commence prior to the certificate of the examining surgeon; but under the present ruling of the Pension Office it does not commence until the final action of that office upon the surgeon's certificate.

Mr. CONKLING. There is nothing in that proviso to sustain that ruling. That proviso is that in cases of total or specific disability the Pension Office shall not go back to a period anterior to the surgeon's certificate.

Mr. PRATT. Certainly.

Mr. CONKLING. There is nothing there which forbids it going back to that time, or directs the Pension Bureau to fix it at the time when the action at the Pension Bureau shall occur.

Mr. PRATT. The practice in point of fact, however, is to increase the pension from the time that the report of the examining surgeon is finally acted upon at the Pension Office; and it was thought by the committee that it was proper that the pension should relate back to the date of the examining surgeon's certificate establishing the increased disability. That is the whole of it.

Mr. RAMSEY. What is the action of the House?

Mr. PRATT. My substitute makes the matter a little clearer than the House bill. I prepared this substitute under the advice of the Commissioner of Pensions. I will read his letter. It is brief:

DEPARTMENT OF THE INTERIOR, PENSION OFFICE,
Washington, D. C., March 25, 1874.

SIR: In reply to your letter of the 24th instant, requesting my opinion as to the advisability of amending the last proviso to the fourth section of the act of March 8, 1873, to make it read as follows—

Then he quotes the House bill—

I have the honor to state that there does not appear to be any important objection to the subject-matter of this amendment.

It is respectfully suggested, however, that the subject, instead of being retained as a proviso to the fourth section, should constitute a separate section.

It is important that the portion of the proviso that gives the Commissioner of Pensions power to revise the certificates of examining surgeons should be retained.

The experience of the office shows that the ratings of the same disability by different surgeons vary so widely, that uniformity in the ratings for disability can only be attained by subjecting the certificates of examining surgeons to revision in the Pension Office.

The statement of the fact that there are about fifteen hundred examining surgeons connected with this office, and the fact that the question of the rate of disability is one which cannot be subjected to any fixed rules, will show the necessity which exists for such revision.

Uniformity can only be attained by subjecting the certificates to revision by persons in this office who endeavor to keep the same standard of disability constantly in view.

Very respectfully,

J. H. BAKER,
Commissioner.

Hon. D. D. PRATT,
Chairman of the Committee on Pensions, United States Senate.

Mr. MORRILL, of Vermont. I do not rise to object to the provision proposed by the Senator from Indiana, but I desire to ask him whether the proposed change will not subject the office of the Commissioner of Pensions to a revision of all the pensions that have been granted, where they have been granted at a date subsequent to the date of the surgeon's certificate?

Mr. PRATT. No, sir; it does not have that effect. He has now a supervision over the reports of the examining surgeons. Let me read the concluding part of this proviso of the fourth section:

That, except in cases of permanent specific disabilities, no increase of pension shall be allowed to commence prior to the date of the examining surgeon's certificate; and that in this as well as all other cases the certificate of an examining surgeon, or of a board of examining surgeons, shall be subject to the approval of the Commissioner of Pensions.

He has that power now.

Mr. MORRILL, of Vermont. The Senator does not seem to understand what I am driving at. My point is to ascertain whether, in regard to pensions that have been granted after twenty days, fifty days, or one hundred days, subsequent to the date of the surgeon's certificate, the Pension Office will not be called upon again to readjust all those cases?

Mr. PRATT. I am not prepared to say whether that result will follow or not. This measure is one of obvious propriety. An examining surgeon certifies to an increased disability, and that certificate is subsequently reviewed at the Pension Office and is approved. Now, under the existing law, the pensioner gets his pension only from the date of the decision of the office approving the report of the examining surgeon. The increased pension does not relate back to the time when the increased disability is proved by that certificate.

That is the whole of this amendment, simply to give the pensioner the benefit of the difference between the time when the examining surgeon certified and the Pension Office approved his report.

Mr. MORRILL, of Vermont. But I think it is obvious that if we pass this section, we ought to pass a law increasing the force of the Pension Office by at least fifty clerks.

Mr. PRATT. The Senator has heard the letter of the Commissioner of Pensions. He does not seem to anticipate any trouble of that sort, and he approves of this amendment of the law.

Mr. CONKLING. There is one respect in which there is a remarkable resemblance between pension laws and all other laws, and that is the value of certainty and stability. Now, if I comprehend the force of this measure at all, there are beyond the suggestion made by the Senator from Vermont two or three serious objections to it, and although I do not value any opinion of my own upon this subject as

much as I do that of the Senator from Indiana, I venture to make to him two or three suggestions.

This is to be an amendment of an existing act, an act approved on the 3d of March, 1873, and the provision is "the increase of pensions therein contemplated, as often as it shall occur, shall commence from the date of the examining surgeon's certificate that first shows increased disability." Now, before considering the effect of that, let us observe the present condition of the law. It contains no provision whatever against this very rule. It simply provides that the increased pension in these cases shall not date back of the surgeon's certificate. It does not declare that it may not go back as far as that, or as near that date as the Commissioner of Pensions may fix. Now comes a requirement that in all cases contemplated by the act of 1873, the pension shall thus date back. Therefore the Senator from Vermont is quite right in his suggestion; and there is no answer to it unless it be that the Commissioner of Pensions hereafter is to date back to the certificate of disability and there stop. What shall we have then? Every pensioner crying out, and justly so, that he is the subject of injustice. Why? Because every man whose case is adjudicated after this act shall pass, although adjudicated under a law which has existed for more than a year, is put upon a footing more favorable than he who upon the same state of case and with the same equities had his case adjudicated yesterday or on any prior day. The injustice of that the Pension Bureau and Congress cannot resist; and accordingly, as the Senator from Vermont suggests, this is to be an edict for a general revision and resettlement of all the cases "contemplated," in the language of this amendment, by the act of 1873.

But, Mr. President, that is not all. As often as the increase shall occur, it is to commence "from the date of the examining surgeon's certificate that first shows increased disability." What is to be the effect of that? Here comes a certificate from an examining surgeon. On its face, or by reason of facts which the Commissioner learns otherwise, there is reason to distrust it; no increase occurs. At a subsequent time the Commissioner of Pensions is satisfied that an increase should take place. Then what will be the effect under this? That increase must go back to the first certificate of an examining surgeon that showed this disability. There is to be a second revision of all these cases.

Mr. President, every time we change the pension laws, and every time we propose to change them, an immense amount of agitation and disturbance takes place; and if the correspondence of other Senators on this subject is anything like mine, they will understand the truth of which I speak; and it seems to me that such a provision as this, if now adopted, will start up a question in every case covered by the act of 1873 which has been adjudicated, and in every such case which awaits adjudication.

I asked the Senator from Indiana to repeat his reading of the provision in the act of 1873, in order that we might be sure that there was nothing there which prevented the discretion and judgment of the Commissioner of Pensions going back to the certificate, if he saw fit to do so; and the Senator assents to my assertion that there is nothing of that sort in the act. Therefore, as the law stands now, the Commissioner is clothed with the discretion and the jurisdiction to have the pension date from the first certificate, or the first one which satisfies him of the increased disability. The very fact that this provision is here shows that that has not been his rule of action in all cases, but that governed by his judgment and the facts of the case he has had it antedated more or less, depending upon the merits of the case. Now, we propose to say that it not only shall go back in all cases to the time when a certificate satisfies him of the disability, but that it shall go behind that, hit or miss, to that certificate, be it satisfactory or otherwise, be it true or false, which first showed an increase of disability.

My impression is that my honorable friend from Indiana, to whom we are so much indebted for the care and discrimination he gives to these cases, would do himself and us and the Treasury a favor if he would allow this bill to lie or to go back to his committee to consider whether really it is necessary to uproot all these cases when professedly there is no provision of law restraining the Pension Bureau from doing full justice in every case which the Commissioner thinks calls for this measure of justice rather than for another.

Mr. PRATT. If after I shall have answered some of the objections of my friend from New York he should prefer to make a motion to recommit this bill for further consideration to the committee, certainly I shall not oppose it, although it was considered quite fully in the committee and quite recently. It will be remembered that the law which is now sought to be amended was passed only a little upward of a year since, on the 3d of March, 1873; and consequently the increase to the pensioners cannot amount to a great deal during that short period of time. If in every case of increased disability the increased pension were to relate back to the time of the surgeon's certificate, it would not amount, I say, to a very great sum, because the law has been in force but little upward of one year.

Mr. CONKLING. If my friend will pardon me, I ask if it is not true that under that law, which was virtually retroactive because it related to disabilities which had occurred before the passage of the act as well as to those which should occur afterward, a great number of cases have undergone the action of the Pension Bureau, many thousand cases.

Mr. PRATT. I dare say a great many cases have occurred since the

3d of March, 1873; but I wish to call the Senator's attention now to the absolute justice of the provisions of this bill.

A man is admitted to the pension-roll, but his disability is rated at only one-fourth; he draws, therefore, but two dollars per month pension. He goes with his wounds, to the nearest examining surgeon, and the surgeon, after examining him, promptly reports to the Pension Office that the man is entitled to a pension for a total disability, or for a disability of one-half, or for a disability of three-fourths, as the case may be, and that his pension ought to be increased accordingly. That report is not acted upon here at the Pension Office for months afterward; and when the report is examined it is approved. Then under the present practice the pension is increased to date from the approval by the Commissioner of Pensions and does not go back a day. That is the mischief which is sought to be remedied.

Mr. CONKLING. I should like at that point to ask two questions: first, how does it happen that it takes months to adjudicate a case so plain as that which the Senator states; and, second, by virtue of what law is it that the Commissioner of Pensions feels himself constrained, in a case which he is satisfied is meritorious and truthful, to fix the day when he acts, rather than the date of the certificate, as the day on which the pension is to commence?

Mr. PRATT. In the first place, the honorable Senator will remember that there are nearly two hundred thousand pensioners, and there will of course proceed from different portions of the country a great number of cases every day in the year, and those cases cannot always be considered promptly when they reach the office. It takes time to examine these reports, and a conclusion may not be reached for weeks and months after the report of the examining surgeon is received. That is the fact. Were it not so, this amendment of the law would not be needed.

Now, as to the construction which the Commissioner of Pensions places on the law, that is his business, not ours. He has placed that construction. I think he would have done no injustice to the law if he had ruled otherwise, and when he approved the report of the examining surgeon he had made the increased pensions relate back to the date of the certificate. But the fact that he does not, that this is not the practice of the office, is the occasion of this class of pensioners coming to Congress.

Mr. CONKLING. But if my friend will pardon me again, this bill is not intended to remedy the evil he speaks of now and stop there. This bill makes it mandatory on the Commissioner not only to ante-date the pension, but in all cases to carry it back to the first certificate, not the certificate that he approves as the Senator says now, but the first certificate, of an examining surgeon coming from no matter where, which shows the disability. Thus he is entirely deprived of all power and discretion when he comes to a case where he is satisfied that the first certificate showing this increased disability was a faulty and unreliable certificate. He does not approve it; he disapproves it; but still the mandate of this law requires him to date back the pension to that time.

As I have interrupted the Senator I beg leave to make one other remark. He said a moment ago that this act having passed only a little more than a year ago, there could not be a great number of these cases to be revised; it could not lead to a very great amount of work; and yet now he tells us, using two hundred thousand for illustration, that there are so many pensioners, (thereby meaning pensioners under this increase of pension or else it has nothing to do with it,) that two, three, or four months, I think he said, sometimes elapsed before action. If the Senator is right now, if that is the measure of the increase which has occurred under the act of 1873, he will see that two things follow: first that this is an enormous increase of the pension-roll in money; and second an enormous provision in respect of the labor which will be required to revise all these cases so multitudinous that he says they pile up until three or four months are necessary to reach each particular case.

Mr. MORRILL, of Vermont. May I ask the Senator from New York if he does not think we shall have a large amount of increase of business on the part of Congress provided we undertake to correct the blunders of every officer who administers the law?

Mr. CONKLING. Yes, I do; and I think further, if I am not interrupting my friend from Indiana too much, that the most that can be called for here is a declaratory act which shall say to the Commissioner of Pensions that the existing law does not forbid him to go back to the certificate. I cannot comprehend how this section which has been read can be construed otherwise; but if there is any doubt, remove that doubt. As the Senator from Vermont says, if we undertake now, speaking back, to say that all these pensions shall be put back to the first certificate showing a disability, it seems to me we enter upon a thing which will give great trouble in the end, not only to the Commissioner and to the Treasury, but to ourselves.

Mr. PRATT. I do not rise to protract this debate. I will note simply one point made by the Senator from New York. If he had read the substitute carefully which the committee have adopted in place of the House bill, he would have found that the Commissioner does not absolutely act upon the report of the examining surgeon and necessarily increase the amount of the pension to accord with the increased disability, but he must first approve that report of the examining surgeon before any increase of pension takes place.

Mr. CONKLING. And yet the words are "that the pension shall

commence from the date of the examining surgeon's certificate that first shows an increased disability."

Mr. PRATT. Now read the balance.

Mr. CONKLING. "But all such surgeons' certificates under which an increase of pension is claimed shall be subject to revision by the Commissioner of Pensions as contemplated in the act of which this is an amendment."

Mr. PRATT. Precisely.

Mr. CONKLING. The effect of which language, as I understand it, is inevitably that although the Commissioner may still determine whether an increase of pension shall take place or not, when he does thus determine, he is tied up to a certain date of commencement, which date is the date of the first surgeon's certificate that shows such increased disability.

Mr. PRATT. Certainly, if that certificate is true and meets his approval.

Mr. CONKLING. There is nothing in the bill that says that.

Mr. PRATT. However, I shall not oppose the motion of the Senator from New York to recommit this bill if he thinks that the bill is not sufficiently guarded. Does he make that motion?

Mr. CONKLING. I suggest that it be recommitted, as the Senator has no objection.

The PRESIDENT *pro tempore*. The Senator from New York moves that the bill be recommitted to the Committee on Pensions.

The motion was agreed to.

BILLS RECOMMENDED.

Mr. FERRY, of Connecticut. I am instructed by the Committee on Patents to move to recommit to that committee the bill (S. No. 119) for the better security of property in patterns for metal castings.

The motion was agreed to.

Mr. CONKLING. I wish to move that House bill No. 1950, granting a pension to Betsie Lewis, be recommitted to the Committee on Pensions. I think I have the assent of the members of the committee to make that motion. It is a bill reported adversely four or five days ago.

The motion was agreed to.

Mr. BOGY. I move that House bill No. 294, for the relief of Joab Bagley, reported from the Committee on Private Land Claims a few days ago, be recommitted to that committee.

The motion was agreed to.

BILLS INTRODUCED.

Mr. BUCKINGHAM asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 652) conferring exclusive jurisdiction over Indian reservations upon the United States courts, and for the punishment of crimes by and against Indians; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Indian Affairs.

Mr. BOREMAN asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 653) for the relief of E. Boyd Pendleton, late collector of internal revenue, fifth district of Virginia; which was read twice by its title, and referred to the Committee on Finance.

Mr. HOWE asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 654) to extend the time for the completion of the railroad from the Saint Croix River or Lake, between sections 25 and 31, to the west end of Lake Superior and to Bayfield, in the State of Wisconsin; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

Mr. WINDOM asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 655) to enable the Mennonites from Russia to effect permanent settlement on the public lands of the United States; which was read twice by its title, and referred to the Committee on Public Lands.

Mr. INGALLS asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 656) to incorporate the Colorado Canal and Irrigation Company, and for other purposes; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

CORPORATIONS IN THE DISTRICT OF COLUMBIA.

Mr. HAMILTON, of Maryland. I submit an amendment to House bill No. 2423, explanatory of an act entitled "An act to provide for the creation of corporations in the District of Columbia by general law," which came over the other day and was referred to the Committee on the District of Columbia. I move that the amendment be printed and referred to that committee.

The motion was agreed to.

ASBURY DICKINS.

The PRESIDENT *pro tempore*. The Secretary will report the first bill on the Calendar.

Mr. WEST. I believe that the first bill on the Calendar is the bill for the relief of the legatees of Asbury Dickins, which has already occupied the Senate two days in the discussion of it to the exclusion of much other matter upon the Calendar; and in order that the Calendar may be proceeded with, I move that that bill lie on the table.

Mr. ANTHONY. I hope the Senator will not do that. It has occupied the morning hour for less than twenty minutes altogether and in legitimate debate in the morning hour. This morning has been entirely wasted in the discussion of a bill which has been sent back to the committee.

Mr. WEST. If the Chair permits debate on the question, we might as well now have it for the two and a half minutes left of the morning hour.

Mr. ANTHONY. I shall have to call for the yeas and nays on the motion to lay on the table.

Mr. WEST. I insist on the motion to lay on the table.

The PRESIDENT *pro tempore*. The Senator from Louisiana moves to lay the bill on the table.

The motion was not agreed to.

The PRESIDENT *pro tempore*. The bill (H. R. No. 1580) for the relief of the heirs of Asbury Dickins is before the Senate as in Committee of the Whole.

Mr. PRATT. I wish to submit some remarks to the Senate on the merits of the claim, and I cannot do it in the brief space allowed this morning. There is only a minute left.

Mr. ANTHONY. I hope the Senator from Indiana will be indulged. He is one of the minority of the committee that made the report, and I hope he will be allowed to make his remarks. They will be but a few minutes.

The PRESIDENT *pro tempore*. The Senator from Rhode Island asks unanimous consent that the Senator from Indiana be permitted to submit his remarks on this bill without being interrupted by the expiration of the morning hour.

Mr. SHERMAN. I do not want to object, but there is only one minute left of the morning hour.

Mr. CONKLING. Does the Senator from Indiana prefer to go on to-day?

Mr. ANTHONY. Certainly he does.

Mr. CONKLING. He has not said so.

The PRESIDENT *pro tempore*. The request is that the Senator from Indiana be permitted to proceed notwithstanding the expiration of the morning hour. Is there objection to that proposition?

Mr. CONKLING. Is that request made by the Senator from Rhode Island or the Senator from Indiana?

The PRESIDENT *pro tempore*. It was made by the Senator from Rhode Island.

Mr. CONKLING. If the Senator from Indiana has chosen to speak through the Senator from Rhode Island, he has selected certainly a very judicious attorney.

Mr. PRATT. I want to be considered simply as having the floor, so that I can present my views to the Senate in the morning hour to-morrow.

ENROLLED BILL SIGNED.

A message from the House of Representatives, by Mr. LLOYD, its Chief Clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians; and it was thereupon signed by the President *pro tempore*.

BANKING AND CURRENCY.

The PRESIDENT *pro tempore*. The morning hour having expired, the Senate, as in Committee of the Whole, resumes the consideration of the unfinished business of yesterday, which is the bill (S. No. 617) to provide for the redemption and reissue of United States notes and for free banking.

Mr. MERRIMON. I desire to offer a substitute for section 3 of the bill, as follows:

That \$46,000,000 in United States notes for circulation, in addition to such circulation now allowed by law, shall be issued to national banking associations now organized, and which may be organized hereafter; and such increased circulation shall be distributed among the several States as provided in section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870.

Mr. CONKLING. May we inquire to what is that offered as an amendment?

The PRESIDENT *pro tempore*. A substitute for the third section of the bill.

Mr. CONKLING. May I ask what became of the amendment of the Senator from Illinois [Mr. LOGAN] to strike out the third section and put it back with the word "the" inserted at a certain point?

The PRESIDENT *pro tempore*. The motion of the Senator from North Carolina is in order if moved as a motion to amend the proposition of the Senator from Illinois.

Mr. LOGAN. I will state to the Senate my purpose, and it is to withdraw my amendment to the third section so as to allow the substitute offered by the Senator from North Carolina to be voted on. I have become satisfied that there are a few Senators who have been voting with us for an increase of the currency who are not prepared to vote for free banking on either of the bases that have been proposed, and those Senators not voting with us leaves the matter so close that it might put the bill in jeopardy when it comes into the Senate. For that reason I am willing to withdraw my amendment to the third section, and am ready to vote for the substitute of the Senator from North Carolina, that this question may be ended without further discussion and without further delay, and the country may at least know what we intend to do. For that reason I withdraw my amendment in favor of the substitute of the Senator from North Carolina.

The PRESIDENT *pro tempore*. The Senator from Illinois withdraws his amendment, and the Senator from North Carolina moves to strike

out the third section of the bill and insert what has been read in lieu thereof.

Mr. MERRIMON. Let the words be again read.

The Chief Clerk read the words proposed to be inserted in lieu of section 3, as follows:

That \$46,000,000 in notes for circulation, in addition to such circulation now allowed by law, shall be issued to national banking associations now organized or which may be organized hereafter; and such increased circulation shall be distributed among the several States as provided in section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870.

Mr. MORTON. I suggest to the Senator from North Carolina a slight addition to his proposition, in some such form as this:

Provided, That the computation of wealth and business in each State upon which national banking capital is to be apportioned shall be computed by the Secretary of the Treasury on the 1st of January, 1875, from the best data that can be procured.

Mr. MERRIMON. I intend to accept that suggestion as a part of the substitute I offer.

The PRESIDENT *pro tempore*. Let it be reduced to writing and sent to the desk. Will the Senator from Indiana reduce it to writing?

Mr. MORTON. I will withdraw the proposition now and present it hereafter in proper form when reduced to writing.

Mr. DAVIS. Is any amendment pending to the amendment of the Senator from North Carolina?

The PRESIDENT *pro tempore*. The Senator from Indiana offered an amendment, but asked time to draw it up.

Mr. MORTON. I withdraw it for the present. I will offer it subsequently.

The PRESIDENT *pro tempore*. There is no amendment pending to the amendment of the Senator from North Carolina.

Mr. SAULSBURY. I offer an amendment to that amendment, to be added thereto:

Provided, That no interest shall be paid by the Secretary of the Treasury after the passage of this act on the bonds which have been or shall be deposited in the Treasury to secure the circulation of any banking association, except on the excess of the par value of such bonds over the average circulation of such association during the current year, while such bonds shall remain on deposit in the Treasury to secure such circulation.

The PRESIDENT *pro tempore*. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The PRESIDENT *pro tempore*. The question recurs on the amendment of the Senator from North Carolina.

Mr. DAVIS. I offer the following as a substitute for that amendment of the Senator from North Carolina. I move to strike out all of his amendment after the word "that," and insert the following:

So much of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," as provides that no circulation shall be withdrawn, under the provisions of section 6 of said act, until after the fifty-four millions granted in section 1 of said act shall have been taken up, is hereby repealed; and it shall be the duty of the Comptroller of the Currency, under the direction of the Secretary of the Treasury, to proceed forthwith to carry into execution the provisions of section 6 of said act; and to enable him to do so, he is hereby authorized and required, from time to time, as needed for the execution of the said section, to make requisitions upon each of the national banks described in said section, organized in States having an excess of circulation, to withdraw and return so much of their circulation as by said act may be apportioned to be withdrawn from them, or, in lieu thereof, to deposit in the Treasury of the United States lawful money sufficient to redeem such circulation, and upon the return of the circulation required, or the deposit of lawful money, as herein provided, a proportionate amount of the bonds held to secure the circulation of such association as shall make such return or deposit shall be surrendered to it.

That upon the failure of the national banks upon which requisition for circulation shall be made, or of any of them, to return the amount required, or to deposit in the Treasury lawful money to redeem the circulation required, within thirty days, the Comptroller of the Currency shall at once sell, as provided in section 49 of the national currency act approved June 3, 1864, bonds held to secure the redemption of the circulation of the association or associations which shall so fail, to an amount sufficient to redeem the circulation required of such association or associations, and with the proceeds, which shall be deposited in the Treasury of the United States, so much of the circulation of such association or associations shall be redeemed as will equal the amount required and not returned; and if there be any excess of proceeds over the amount required for such redemption, it shall be returned to the association or associations whose bonds shall have been sold. And it shall be the duty of the Treasurer, assistant treasurers, designated depositaries, and national-bank depositaries of the United States, (who shall be kept informed by the Comptroller of the Currency of such associations as shall fail to return circulation or to deposit lawful money as required,) to assort and return to the Treasury for redemption the notes of such associations as shall come into their hands until the amount required shall be redeemed.

That from and after the passage of this act it shall be lawful for the Comptroller of the Currency to issue circulating notes in the manner and proportion now provided by law, to associations organized or to be organized in those States and Territories having less than their proportion of circulation, under an apportionment made on the basis of population and of wealth, as shown by the returns of the census of 1870: *Provided*, That the whole amount of circulation issued to such banking associations, and withdrawn and redeemed from banking associations under the provisions of this act, shall not exceed \$50,000,000, and that such circulation shall from time to time be withdrawn and redeemed only as it shall be necessary to supply banks in those States having less than their apportionment.

This amendment offered by me is precisely the bill reported by the Committee on Finance originally transferring \$25,000,000 from the States having an excess to the States West and South that have less than their proportion under the act of July 12, 1870, with this exception, that I have stricken out "twenty-five" and inserted "fifty," so as to transfer \$50,000,000 from the States having an excess to the States having less than their proportion. The amendment of the Senator from North Carolina adds \$46,000,000 to the

present volume of national-bank currency. By the amendment which I offer it is proposed to give the South and the West—and to this point I call the attention of Senators from the South and West—more than the amendment of the Senator from North Carolina. It will give an additional circulation to the South and West of \$4,000,000 over and above the proposition of the Senator from North Carolina, so that I cannot see how the South and West can object to it, inasmuch as they get more by this amendment.

Mr. MERRIMON. May I ask the Senator from West Virginia a question?

Mr. DAVIS. Certainly.

Mr. MERRIMON. How much circulation will it add to the country?

Mr. DAVIS. It will give to the country that my friend is from and to all other parts of the country that want additional banking circulation \$4,000,000 more than he asks for in his amendment.

Mr. MERRIMON. How much will it add to the general circulation of the whole country?

Mr. DAVIS. I will answer in a moment. If my friend is legislating for New England and not for his own section of country, then he is right in opposing this amendment; but if he is legislating to advance the interests of his own people, and if the rest of the gentlemen who represent the South and West are doing the same, then this amendment is to their advantage. My friend asks me how much it adds to the circulation of the entire country. He knows that as well as I can tell him. His desire is to call the attention of the Senate to it, I suppose, but I presume there no Senator here who does not know the answer to that question. He and I represent a constituency somewhat alike. They say they want more bank circulation; they want facilities which they cannot have under the present bank act. The amendment I offer will give them more than the amendment of the Senator from North Carolina by \$4,000,000. It is plain to me that there is sufficient banking circulation now in the country. What is wanted is to have it properly distributed and properly located.

We have agreed to add \$44,000,000 to the circulation of legal-tender notes. Now I propose to take from those States that have a very large excess of bank circulation \$50,000,000 of that excess and transfer it to the States that have less than they are lawfully entitled to under the act of July 12, 1870. In that act Senators from the North and South and from the East and West, as I am told, for I was not here at the time, agreed that there should be a transfer on the basis of the census of 1870. It was agreed by the Senate generally that the North and East had more banking capital than they were entitled to on the basis of population and wealth, and that part of it should be transferred to the South and West. Now I propose in this amendment to carry out in good faith the act of July 12, 1870, and it will give to the section of the country where I live and where the western and southern members live more than the proposition of the Senator from North Carolina. Therefore I hope it will be adopted. I think it is just.

Mr. MORRILL, of Maine. Does my honorable friend understand that it is necessary, to carry out the act of 1870, which provided for a redistribution of \$25,000,000, now to increase it to \$50,000,000?

Mr. DAVIS. No, sir.

Mr. MORRILL, of Maine. Good faith would not require that.

Mr. DAVIS. Good faith would require that the East and the North should transfer \$25,000,000 to the South and the West. That is the law to-day. The only reason it has not been carried out is that the Comptroller of the Currency, instead of following the words the law uses, "when it is taken up," says he is waiting until all is issued of the \$54,000,000 additional. I propose a transfer of \$50,000,000, because I believe it is just that the South and West should have \$50,000,000 instead of \$25,000,000.

Mr. MORRILL, of Maine. I should like to make a further inquiry of the Senator. The Senate has agreed to an augmentation of the legal-tenders by an issue of \$44,000,000 more. Now, will adding this \$50,000,000 be satisfactory to those sections to which the \$50,000,000 are to be given?

Mr. DAVIS. What is the question?

Mr. MORRILL, of Maine. This proposition is to give those communities more currency. Is this done on the idea that having done it, this will be satisfactory to those communities?

Mr. DAVIS. I believe it would be to a great extent. There are some gentlemen who differ with me, however. My impression is that it would be just to them. They ought to have it, and therefore I am in hopes that the Senators North and South will agree to it.

Mr. LOGAN. If the Senator from West Virginia will allow me, I wish to understand this proposition. I want to discuss nothing this morning; I want to vote; but if I understand the proposition, it is, instead of increasing the bank currency \$46,000,000, to transfer from the North and East \$50,000,000 of what they already have, and it does not increase the currency a dollar. That is the proposition, is it not?

Mr. DAVIS. The North and East have to-day—

Mr. LOGAN. I understand what they have. I only ask the question.

Mr. DAVIS. I prefer to answer in my own way.

Mr. LOGAN. I ask if this is not a transfer instead of an increase of the currency?

Mr. DAVIS. The Senator is right about that, as he knows. But the North and East have now \$124,000,000 of bank circulation in

excess of what they are entitled to under the act of July 12, 1870. Out of that \$124,000,000 I propose to transfer \$50,000,000 to the South and West. That is the whole of it.

Mr. LOGAN. We do not want it that way. Let us vote.

Mr. SCHURZ. The Senator from Illinois says that this does not mean an increase of the currency but a transfer of the currency. The circumstance that it does not mean an increase of the currency recommends it to my vote. I do not like to vote for a measure of this sort at all; but since we have always been told that we are resisting accommodations to be given to the West and South, we desire to show to the Senate now that we do not resist any such measure at all. What we do resist is an increase of the currency without an efficient system of redemption. I shall therefore vote for this measure, although it does not in every respect meet my views.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from West Virginia to the amendment of the Senator from North Carolina.

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

The yeas and nays were ordered.

Mr. THURMAN. As I understand, the Senator from West Virginia offers this as a substitute for the amendment of the Senator from North Carolina; not as an addition to it, but striking it out.

The PRESIDENT *pro tempore*. The motion is strike out and insert, as the Chair understands.

Mr. ANTHONY. I understand the effect of this amendment is to transfer \$50,000,000 from the States that have an excess of their proportion to the States that are below their proportion, and to make no addition to the currency. Is that the proposition?

Mr. DAVIS. That is it.

Mr. BOREMAN. I regard this proposition as a cheat and a delusion. The effort of what has been the majority on almost every vote here has been to increase the banking capital and circulation of the country. They believe that such an increase is needed for the business of the country, and they believe that a large majority of the people of the country demand such an increase. The proposition now submitted, as is understood by every one here, is not an increase of the banking capital or circulation one cent. It is an effort to take from these States that now have banks established and have more than their proportion of circulation under existing law, and are transacting their business upon that circulation, a portion of it and transfer it to those States that have less than their proportion.

Now, sir, those with whom I am acting on this floor propose national legislation. They do not propose to array one section of this country against another; they do not propose to impair the interests of one section for the benefit of another; but believing that an increase of the bank capital and circulation is a necessity, without interfering with the existing state of things to the prejudice of any section of the country, we wish to give that increase and to afford facilities to our constituents for the transaction of their business. This is in obedience, in my judgment, to the will of the people of this country. We are here, as I understand, to express that will. I suppose every gentleman believes that he is expressing what he regards as the will of his constituents, and is doing that which is best for the people of the country at large.

Now, sir, I cannot understand the tactics of my colleague on this floor in regard to the measure now before the Senate. I have not interfered in this business; I have been content to vote on the various propositions submitted, believing as I do that my constituents demand an increase of currency, not a transfer from other States. They are not controlled by such narrow and contracted views. They do not wish to impair the business efficiency and success of any particular section of this country; but they act upon broad national grounds, and believing that it is demanded, they wish an increase of the banking capital and circulation of this country so that they may transact their business with facility.

I say, sir, that I do not understand my colleague. Yesterday he offered a proposition here to increase the banking circulation more than \$110,000,000, and to-day he opposes a proposition to increase it \$46,000,000 by an effort by indirection to substitute a proposition simply to transfer instead of increasing the banking circulation of the country. These two movements cannot be reconciled. They are inconsistent. It is a sort of tactics that I cannot comprehend. I think there ought to be some consistency. I took great pleasure yesterday in voting for the proposition offered by my colleague to increase the banking capital of this country by more than \$110,000,000; but I cannot go with him to-day in this side effort to defeat the proposition to increase \$46,000,000.

We have seen that every proposition that has been offered here, except this one of the Senator from North Carolina, to increase the capital and circulation \$46,000,000, has been defeated; and the friends of an increase of circulation have therefore come to the conclusion that the best they can do is to support the proposition of the Senator from North Carolina. They believe they can carry that proposition through the Senate. I believe so. I am satisfied of it from the votes that have been taken. But beyond that we cannot hope for success. Then why offer other propositions? When we were about to approach a vote on the \$46,000,000 increase, when everybody seemed to be willing and ready to take that vote, here comes in this other delusive proposition in order to defeat the success of an increase of the banking capital of the country.

Mr. President, I am satisfied that a large majority of the people of West Virginia, whom I have the honor in part to represent here, demand an increase of the banking capital; not that it be taken from New England or elsewhere. They do not wish to create sectional jealousies and unkindness. On the contrary, they wish to cultivate friendly relations with all sections. They wish New England to make the most of the capital they have, but they wish to be themselves supplied with the requisite facilities for the transaction of business. Because our friends from New England here, by their votes and their course, do not aid us in securing what we desire, we are not, therefore, to be controlled by a narrow and contracted course and attempt to impair their business relations; but we expect to be able to overcome the opposition of our friends; we at least hope to do so, and I think if we may be now allowed to vote we shall show to our friends on the other side and to the country that we are able to approach something like what is just to the business interests of the country, and increase the banking capital to the amount of \$46,000,000, at least, if we can do no more. The country demands it, in my judgment; the business of the country demands it.

All this talk about inflation is a scarecrow. Its only effect can be to delude and deceive. I do not mean to say that that is the purpose of Senators, but it must have that effect if it has any at all. Grown-up men who have lived to maturity in this country, and have participated in business transactions, are not to be frightened out of their propriety by this talk of inflation, "a sea of irredeemable paper without shore or bottom," and all that sort of stuff. We think we know what we need; we think we know what we are doing; and we are going to go as near to that thing as we can; that is, if we cannot get free banking, which I believe is the true policy of the country, we will take the next best thing and we will increase the banking capital \$46,000,000. Free banking would relieve the present system of national banks from the charge of monopoly, which is the most potent complaint against it.

Now, sir, I advise the friends of an increase of banking circulation not to be deluded or deceived by the proposition offered by my colleague to transfer circulation from New England to the South and West, but to vote it down and come to the practical proposition which will, without any unkindness, without irritation, without injustice or unfairness to any, give us what we need and what our constituents wish.

Mr. DAVIS. I shall not reply to what my colleague has said in referring to the amendment that I have offered as "a cheat and a delusion." The proposition which I present is a measure which was reported by the Committee on Finance at this session, the only change I have made being to increase from \$25,000,000, as proposed by them, to \$50,000,000, the amount to be transferred from the North and East to the South and West. If there is any "cheat and delusion," therefore, it must have come from that committee; but I deem such remarks unworthy of reply.

It is true, as he has said, (and that was a legitimate argument,) that I voted yesterday for an increase of \$110,000,000. I did so vote. It is well known to all Senators that at the time I offered the amendment to increase the national-bank circulation \$110,000,000, which would be the result on the basis of Pennsylvania, there was then pending a proposition for \$280,000,000 additional circulation. That is the explanation of the proposition for an increase of \$110,000,000 which was voted for by my colleague and by myself yesterday.

As to the act of 1870, I shall not call it "a cheat and a delusion." I believe my colleague was here at the time it was passed, and for aught I know he voted for it. I cannot say whether he did or not; but it is very probable that he did, and now he terms it "a cheat and a delusion." I shall say no more.

Mr. BOREMAN. That was all right. I do not know whether I voted for it or not; very likely I did; and if we cannot get anything else here, if our friends from New England will not allow us to pass anything else, we may ultimately take that now; but in the present status of the matter pending here this proposition is calculated to cripple and mislead and defeat what the friends of the increase of circulation are after; that is, to give us more bank circulation. The vote in 1870 has nothing to do with the exact status of the proposition now before us.

The PRESIDENT *pro tempore*. The Senator from West Virginia has spoken ten minutes.

Mr. FERRY, of Connecticut. Mr. President, I am not, like the Senator from West Virginia farthest from me [Mr. DAVIS,] legislating either for the West or the South or New England, but for the whole country; and in considering what is best to be done with regard to this amendment I try to consider the interests of the whole country. I can conceive of nothing in a financial point of view so disastrous to the interests of the whole country as any expansion of the currency; so that if upon the presentation of this substitute there was an absolute certainty that we had got to have either a transfer of national-bank currency to the amount of \$50,000,000 from the Eastern to the Western and Southern States on the one hand, or an expansion of the currency to the amount of \$46,000,000 on the other hand, I would vote to make the transfer. It would be a less evil than the expansion. But no such absolute alternative is as yet presented to us; and, therefore, upon the present substitute I shall vote as I believe to be right upon the question itself; and believing that such a transfer would be a violation of good faith in the object it attempted to ac-

complish, and, in the second place, a financial absurdity in itself, I shall vote against it in the present stage of the bill, and shall not vote for it under any circumstances until such an alternative is presented as I have indicated.

The PRESIDING OFFICER, (Mr. SARGENT in the chair.) The question is on the amendment of the Senator from West Virginia [Mr. DAVIS] to the amendment of the Senator from North Carolina, Mr. MERRIMON.

Mr. BUCKINGHAM. Let the amendment be reported again.

Mr. LOGAN. It is very long. It is merely a provision for a transfer of circulation from the East to the West and South.

Mr. BUCKINGHAM. I will not ask for the reading of it.

The PRESIDING OFFICER. Upon this question the yeas and nays have been ordered.

The Chief Clerk proceeded to call the roll.

Mr. SAULSBURY, (when Mr. BAYARD's name was called) said: I desire to announce that my colleague [Mr. BAYARD] is sick and unable to be in the Senate. He is paired, however, with the Senator from North Carolina, Mr. RANSOM.

Mr. BUCKINGHAM, (when his name was called.) On this question I am paired with the Senator from Maryland, Mr. DENNIS. I suppose he would vote "nay." If I were at liberty to vote I should vote "yea," choosing this as a lesser evil than expansion.

Mr. MORRILL, of Maine, (when his name was called.) On this and all kindred questions I am paired with the Senator from Rhode Island, Mr. SPRAGUE. If he were here he would vote "nay," I am advised; and I should vote "yea."

Mr. RANSOM, (when his name was called.) On this question I am paired with the Senator from Delaware, Mr. BAYARD, who is detained at home by sickness.

Mr. SCOTT, (when his name was called.) To avoid repetition I desire to say that wherever I have not voted on the bill I have considered myself paired with my colleague, [Mr. CAMERON.] I should vote "yea" on this proposition.

The roll-call having been concluded, the result was announced—yeas 20, nays 31; as follows:

YEAS—Messrs. Anthony, Conkling, Cooper, Cragin, Davis, Fenton, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Jones, Kelly, Morrill of Vermont, Sargent, Saulsbury, Schurz, Sherman, Thurman, and Wadleigh—20.

NAYS—Messrs. Allison, Boggs, Boreman, Carpenter, Clayton, Conover, Ferry of Connecticut, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Tipton, West, and Windom—31.

ABSENT—Messrs. Alcorn, Bayard, Boutwell, Brownlow, Buckingham, Cameron, Chandler, Dennis, Dorsey, Edmunds, Flanagan, Gilbert, Howe, Morrill of Maine, Ransom, Scott, Sprague, Stevenson, Stewart, Stockton, and Wright—21.

So the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from North Carolina, [Mr. MERRIMON,] to strike out the third section and insert a substitute; which will be read.

The Chief Clerk read the words to be inserted, as follows:

That forty-six millions in notes for circulation, in addition to such circulation now allowed by law, shall be issued to national banking associations now organized and which may be organized hereafter; and such increased circulation shall be distributed among the several States as provided in section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary loan certificates, and for an increase of national bank notes," approved July 12, 1870.

Mr. HOWE. Mr. President, I indicated a purpose last evening to vote for a proposition to put free banking on the bill as it stands; and it may be remembered by some that I attempted to justify such a vote upon the ground that I thought free banking in itself was a proper thing, and if inserted upon a proper bill would be quite satisfactory to me. I intimated that possibly if it was put on this bill, unless the bill was largely modified, I should not vote for the bill.

Here is a proposition to put, not free banking on the bill, but a new restriction upon banking. As I do not like restricted banking, I am not very strongly induced to vote for this proposition, because I object to the bill as it stands and to the amendment that is offered. I do not like the proposition moved, because it is a new restriction upon banking. I do not like the bill upon which you put it, because that bill provides for an increase of the greenback circulation.

I have taken occasion to say several times during this long winter that there were communities here and there in the United States which asked, which required, additional banking facilities. I have said that there was capital ready to furnish those facilities if your law would allow them to be furnished. I should be glad to offer those facilities. I should be glad to see that law so modified. But, Mr. President, when we have another bank in the United States I want it to be a real bank; I want it to do the whole duty of a bank, a full-breasted, full-grown bank. If we have got to do business with corporations like those that now exist, corporations which we have got to sit up with nights and feed with greenback broth, I do not want any more of them.

Mr. THURMAN. Mr. President, I shall vote for the amendment of the Senator from North Carolina without at all committing myself to vote for the bill if that amendment be adopted, for if we are to have a bill of expansion without one single feature in it which looks like ever coming back to a sound basis for the currency, I shall vote against any such thing. But I can vote for this amendment, reserving the

right to vote against the bill unless something shall be put into it which looks like saving us from a wholly irredeemable paper currency; and I can vote for it for this reason: We have had various propositions of inflation here; we have already agreed to inflate the greenback currency by the sum of \$44,000,000. That is fixed. Then we had a proposition to inflate the national-bank currency on the basis of the State of Maine, which I believe would inflate between two hundred and sixty and two hundred and eighty million dollars; then on the basis of the State of Pennsylvania, which would inflate by the sum of \$120,000,000 or thereabouts; then on the basis of the State of New York, which would inflate by the sum of \$110,000,000. And now, if I may judge by what is said by one of the leaders of the inflationists, they have concluded to come down to the inflation proposed by the Senator from North Carolina, \$46,000,000.

Well, I must say that this debate has not been without its effect, and that some good at least has resulted from it, when it has brought them down from \$260,000,000 or \$280,000,000 to the modest sum, in comparison with what has been heretofore urged, of \$46,000,000. I can therefore vote to put that in the bill, reserving, as I said, my right to vote against the bill unless something shall be done toward preventing this country from being flooded for all time with a wholly irredeemable currency.

Sir, I derive some little consolation from the fact that the friends of this inflation, who see all the benefits that Heaven itself can bestow upon earth in an inflation of the currency, have so far rectified their views that they seem now to be willing to take one-sixth of what the day before yesterday or yesterday seemed to be their idea of what was necessary to cover this whole country with prosperity.

While I am on this subject I wish to say that I am very apprehensive that if this measure pass it will not have the effect which the mover of it expects. I certainly as much as any one wish to see the South and West benefited; I wish to see every part of the Union benefited; but I know that there are peculiar reasons why the southern part of this country should have the fostering care of the Government. No one feels those reasons more strongly than myself. But when we come to consider what will be the practical effect of this amendment should it be carried and become a law, I must confess that it appears to me that the South will probably derive very little benefit under it if the Comptroller of the Currency will be obliged to award banking facilities to the States that are deficient according to the degree of their deficiency.

Let us see what are the deficient States. That which is the most deficient is the State of Missouri. Her deficiency is \$3,983,000, or in round numbers \$9,000,000. Then comes the State of California, with \$6,300,000; then Wisconsin, \$5,700,000, I leave out the hundreds; then Tennessee, \$5,300,000; Mississippi, \$5,000,000; Georgia, \$4,600,000; North Carolina, \$4,600,000; Alabama, \$4,200,000; Virginia, \$4,100,000; Texas, \$3,700,000; Arkansas, \$2,900,000. I need not read further.

Now, what is the Comptroller of the Currency to do? The total amount of deficiency is \$50,000,000. It is proposed to take \$46,000,000 and give that to the States, pursuant to the provisions of the first section of the act of July 12, 1870, to provide for the redemption of the three per cents. How is he to distribute, I want to know? By what standard is he to distribute? Is he to fix an arbitrary standard of some State, and say that no State shall have any banking facilities until the State of Missouri has the full amount according to that standard which he shall adopt—some standard which bears about the same relation that \$46,000,000 does to \$80,000,000; for the deficiencies which I read are deficiencies which aggregate \$80,000,000? Shall he take some standard such as the proportion that forty-six bears to eighty, and say that no State shall have any currency until Missouri, where the deficiency is greatest, shall have arrived up to that standard, and so on going step by step until all the deficient States have come up to that standard, or going a year without it have, under the provisions of this act, been deemed to refuse it? I do not understand from this amendment how the distribution is to be made; but if that shall be the distribution, my friends from the South will have to wait perhaps a long time before they get this addition of currency which they expect. But that is their lookout. I only mention it for the purpose of showing that if they want to have that relief down South which they say they need so much, they will perhaps have to find some other machinery in addition to that which is provided by this amendment.

Mr. MORTON. I do not care to discuss this question. I only say that the distribution will be apportioned among all the States in deficiency according to their deficiency. Of course it is not enough to meet all the deficiency. I wish it was more; but I ask a vote.

Mr. BUCKINGHAM. I have no doubt many sections of the country will be disappointed if they anticipate banking facilities and currency as it is proposed to have them distributed by this amendment. I believe it is true that money cannot go except where it is purchased by property. I understood some weeks since that the Senator from Georgia, [Mr. GORDON,] in speaking of the wants and necessities of Georgia, said that Georgia was poor. I am very sorry it is so; but I doubt not it is true, or he would not have stated it. Now I ask, if Georgia is poor, what object is it for any man or any association of men to go and establish a bank there where there is only poverty?

The honorable Senator said, if I remember aright, that when cotton was worth there but ten cents per pound they could not get money enough to move it and to buy it. I have no doubt it was true,

and I believe that if the people there had any property to buy money with, if the doors should be opened so that men who have money could send it there and move the cotton, they would do it. But the object of the Senator was to show that they needed banking facilities and could offer inducements for them, and those inducements were grounded first upon poverty!

He said another thing, that the men who borrowed money there paid 1½ per cent. a month, and that compounded every thirty days made it perhaps equal to 24 per cent. a year. I ask how long a capitalist will loan his money at 24 per cent. per annum? I think it is perfectly clear that inasmuch as capital is shy, is timid, the Senator from Georgia would find it very difficult to win capital by such statements as he has made, so as to have it located for banking facilities in his State. I say this, regretting as I do that they have not greater means, because I believe it illustrates what they will find true if this bill shall pass, that their expectations will not be realized.

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Carolina, [Mr. MERRIMON,] to strike out the third section of the bill and insert a substitute.

Mr. SAULSBURY. I shall vote against this amendment for several reasons.

First, I believe we have already too much currency in the country. There is too great a discrepancy between the amount of gold coin in the country and the volume of circulation. I believe it to be unwise and injudicious to increase that discrepancy; and for that reason, if there were no other, I should be compelled to vote against this amendment.

I am aware that the people of the South and West complain that they have not a fair proportion of the circulating medium in their midst; but when the proposition to-day was made to distribute \$50,000,000 now engaged in banking capital in the East among the Southern and Western States, almost every friend of inflation from either of those sections recorded his vote against that distribution which they had heretofore claimed to be necessary and to be equitable. Therefore, if the failure of this measure in practice, if the increase of the circulating medium should still leave the West and the South destitute of banking capital, the responsibility must rest and ought to rest exclusively on the Senators from those sections of the country which have refused it and recorded their votes in opposition to it.

But, sir, I am opposed to this increase of the national banking circulation for another reason. It is a proposition to pension upon the Treasury of the United States \$46,000,000 of additional capital. There are \$400,000,000 of property of the rich men of the country now pensioned upon the Treasury of the United States, and those capitalists are drawing from the Treasury of the United States the interest of their capital. That Treasury is supplied by taxation upon the people of this country. The industries of the country are taxed and the benefit of that taxation conferred on the shareholders in the national banks; and this proposition is to increase the list of these pensioners upon the public Treasury. Against that I shall record my vote now, henceforth, and forever, whenever the proposition may come up.

But, sir, I shall vote against this whole bill. I shall vote against it whether this amendment is adopted or rejected, because the first provision of this bill now proposes to increase the legal-tender circulation of the United States. Sir, I believe there never was any power in Congress to make paper promises a legal tender. With that conviction resting upon my mind, notwithstanding the decision of the Supreme Court of the United States in that regard, I cannot vote and no vote of mine shall ever be given to issue further paper money as legal tenders. Nothing but coin ought to be regarded as a legal tender in this country; and that paper legal tender which has been made by act of Congress is not to-day worth exceeding eighty-seven cents on the dollar. The people of this country are compelled as between themselves to accept it—to exchange their property for it at its face value. It is made a legal tender by law. If I owe a debt to you, sir, or to any one, it matters not when the debt was created or how honestly I may have promised to pay every dollar that I owe you, I can take this legal-tender currency and can tender it to you in payment of the debt and you are bound to receive it. The proposition in this bill to increase the volume of the legal-tender notes of this country, so that men can take advantage of it and pay their debts with a less amount than they ought to pay, shall never be carried out by any vote of mine. I therefore shall vote not only against the pending proposition, but against the bill, whether the amendment becomes a part of it or not.

Mr. MORTON. I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Carolina [Mr. MERRIMON] to strike out the third section and insert the matter that has been read by the Secretary.

The Chief Clerk proceeded to call the roll.

Mr. BUCKINGHAM, (when his name was called.) On this question I am paired with the Senator from Maryland, Mr. DENNIS. If he were present he would undoubtedly vote for this amendment, and I should vote against it. And I take this occasion to say that on all these questions I am for the present paired with him.

Mr. FLANAGAN, (when his name was called.) I suppose that I am

paired with the Senator from Tennessee, Mr. BROWNLOW. I regret it very much. If he were present I should vote "nay," and he would vote "yea." I may make the same statement as to all other questions pertaining to this bill.

Mr. HAMLIN, (when the name of Mr. MORRILL of Maine, was called.) I wish to say on behalf of my colleague, who is absent, that he is paired with the gentleman from Rhode Island, Mr. SPRAGUE. If he were present he would vote "nay," and the Senator from Rhode Island "yea."

Mr. RANSOM, (when his name was called.) On this question I am paired with the gentleman from Delaware, Mr. BAYARD, and on all questions connected with this bill during the day. If he were present he would vote "nay" and I should vote "yea" on this amendment.

The roll-call having been concluded, the result was announced—yeas 33, nays 19; as follows:

YEAS—Messrs. Allison, Boggs, Boreman, Carpenter, Clayton, Conover, Davis, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Sherman, Spencer, Thurman, Tipton, West, and Windom—33.

NAYS—Messrs. Anthony, Boutwell, Chandler, Conkling, Cooper, Cragin, Ferry of Connecticut, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Jones, Kelly, Morrill of Vermont, Sargent, Saulsbury, Stewart, and Stockton—19.

ABSENT—Messrs. Alcorn, Bayard, Brownlow, Buckingham, Cameron, Dennis, Dorsey, Edmunds, Fenton, Flanagan, Gilbert, Howe, Morrill of Maine, Ransom, Schurz, Scott, Sprague, Stevenson, Wadleigh, and Wright—20.

So the amendment of Mr. MERRIMON was agreed to.

Mr. FRELINGHUYSEN. I offer the following amendment, to come in after the first section:

The surplus revenues of the Government shall be used for the purpose of accumulating coin in the Treasury, until the Secretary of the Treasury shall be enabled thereby to redeem United States notes in coin when presented; but this shall not prevent the Secretary of the Treasury from selling gold sufficient to meet all demands on the Treasury which are payable in currency over and above currency receipts, and to keep on hand a proper cash balance for that purpose, and to retire such notes as may be required by this act to be retired.

The Senate has voted to increase the greenbacks \$44,000,000, and we have just voted for an increase of the national currency by \$46,000,000. We have the paper circulation up to \$300,000,000 of the two classes; and, as is suggested, the fractional currency is to be added. The proposition I submit is that the Secretary of the Treasury be authorized to retain the surplus revenue of the Government as a fund for the redemption of the greenbacks. It is the mildest proposition that can be put, if we mean to do anything to keep our pledges. We have heard it stated repeatedly in the Senate that the people of the country demand the increase of currency. Mr. President, the people were once tested. After the exigencies of the war were over appeals were made from various sources to induce the people to throw off the toilsome payment of what was termed an oppressive debt. Then the nation showed its true greatness, for the people all over the land, stalwart men with brawny arms and with the sweat-drops of labor on their brow, sent forth the decree that the faith and honor of the country should be inviolate; and they sent representatives here to carry out that decree, and those representatives placed upon the record, there to remain, if fulfilled, to the honor, and if repudiated to the dishonor, of this country forever, this sacred promise: "The United States solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin."

A proposition was made here, and is now renewed, to retain the accumulations of our surplus revenue in order to create a fund for the redemption of our promises, and we were told that the nation was too poor; that it was impossible to do anything. Sir, if we had shown the same want of resolution when the existence of this country was threatened we should to-day have had no nation to legislate about. When a proposition was made that those who held the notes of the United States should have the privilege of receiving an interest-bearing bond in exchange for them, we were seriously told that would cost five or ten million dollars a year; as if the fact that it cost something for a nation to pay its debts was a reason why it was not dishonored by the non-payment of its debts.

That is not all. We made a pledge that our interest-bearing obligations should not be paid before maturity unless the United States notes were at the time convertible into coin, unless they were paid off to secure a lower rate of interest. This was but equitable, and yet in violation of that pledge we have paid millions.

Mr. President, there is one other suggestion which I wish to make. There are Senators who have other obligations resting upon them than those which the Constitution imposes. Some here represent a political party, having come here avowing that we would carry out the sentiments of that party. On the 6th of June, 1872, at a convention held in Philadelphia, this plank of a platform was adopted:

We denounce the repudiation of the national debt, in any form or disguise, as a national crime, and confidently expect that our national currency will be perfected by a speedy resumption of specie payments.

And yet some of the representatives of that party have by their votes increased the paper promises of the country nearly \$100,000,000 without making any provision for specie payments. No Senator questions that as we increase this volume of currency the feasibility of

returning speedily to specie payments is diminished. Is this keeping faith?

Mr. President, this Government lies down on its promise; banks lie down on their promises; and it is no wonder that the atmosphere is filled with the sad stories of defalcations and violations of trust by clerks, and cashiers, and trustees, and comptrollers. The true keynote of integrity should here be set. When there is such a desolation of character, the nation should not break down the ramparts of the strictest integrity. If we refuse now to make this provision authorizing the Secretary of the Treasury to hold the surplus revenue with the view at some future day of a resumption of specie payments, we take a departure that is in itself a dishonor.

Sir, I hope that the amendment may be adopted. I know the argument is used that the banks authorized will not be created, that the national currency will not be increased. We, however, legislate on the assumption that it will be; and I understand that the capitalists of the country might hesitate as to creating banks under the pledge of this Government that we were soon to return to specie payments; but the speculators of the country know that specie payments are out of the question, and every dollar that you will permit them to put in new banks will be speedily invested. Let this measure, feeble as it is, be adopted as some poor fulfillment of the repeated pledges which the Government and the dominant party have given.

Mr. THURMAN. I offer the following as an additional section to the bill—

Mr. CONKLING. The amendment of the Senator from New Jersey to hold coin is now pending.

Mr. THURMAN. Let this lie on the table, then, until the amendment of the Senator from New Jersey is disposed of.

Mr. MORTON. Let it be read for information.

Mr. THURMAN. Very well.

The Chief Clerk read as follows:

That from and after June 30, 1874, one-twentieth of the customs duties shall be payable in United States legal-tender notes, and after June 30, 1875, one-tenth, and after June 30, 1876, one-fifth thereof may be so paid.

Mr. THURMAN. Now let the amendment offered by the Senator from New Jersey be read.

The CHIEF CLERK. It is proposed to add to the first section of the bill these words:

The surplus revenues of the Government shall be used for the purpose of accumulating coin in the Treasury until the Secretary of the Treasury shall be enabled thereby to redeem United States notes in coin when presented; but this shall not prevent the Secretary of the Treasury from selling gold sufficient to meet all demands on the Treasury which are payable in currency over and above currency receipts, and to keep on hand a proper cash balance for that purpose, and to retire such notes as may be required by this act to be retired.

The PRESIDENT *pro tempore*. The Chair does not understand the Senator from Ohio to move his amendment at present.

Mr. THURMAN. I have very great doubts of the wisdom of hoarding all the gold that will be received into the Treasury—

The PRESIDENT *pro tempore*. Does the Chair understand the Senator from Ohio to move his amendment at present?

Mr. THURMAN. I understand I can move it as a substitute for the other.

The PRESIDENT *pro tempore*. That will be in order.

Mr. THURMAN. But I prefer to let the question be taken on the amendment of the Senator from New Jersey.

Mr. MORTON. Offer it as a substitute.

Mr. THURMAN. No; I do not want to complicate it. I desire to offer this as a distinct proposition before the Senate.

The PRESIDENT *pro tempore*. The Senator makes no motion, the Chair understands.

Mr. THURMAN. I make no motion at present. I shall offer my amendment after the amendment of the Senator from New Jersey has been voted upon.

Mr. LOGAN. Let us take a vote on the amendment of the Senator from New Jersey, and then you can offer your proposition.

Mr. THURMAN. I wish to say a word about the amendment of the Senator from New Jersey.

If I understand the proposition of the Senator from New Jersey it is that all the gold that shall be received into the Treasury—and I do not know but that it goes further than the gold—all the surplus revenue, whether it be in gold or in paper, shall be hoarded in the Treasury for the purpose of redeeming the legal-tender notes. I have very great doubts of the wisdom of that mode of redemption. What would it require? It would require that you should accumulate gold in the Treasury to the amount now of \$400,000,000; that is, if this bill becomes a law, unless indeed it might be assumed that you could commence paying specie before you had acquired the full amount of \$400,000,000 of gold; and I presume you could; but it would certainly require a very large accumulation of gold. As long as the banks are not paying specie, and as long as the volume of greenback currency is \$400,000,000, it would not be safe for the Treasury to begin to pay gold until a very large accumulation had been made, such an accumulation as with a constant excess in the receipt of gold from the customs over and above the amount necessary to pay the interest on the public debt and our gold payments abroad to our ministers and to the Navy would secure a sum sufficient to pay the greenbacks as they might be presented. I do not know exactly what that would be. I do not therefore at first like very much the idea of hoarding the gold in this way, and unless better informed I cannot vote for the

proposition of my friend from New Jersey, although it looks in the right direction.

Mr. FRELINGHUYSEN. Mr. President, the gold receipts of the country are \$180,000,000.

Mr. MORTON. They were.

Mr. FRELINGHUYSEN. The gold expenditures are \$136,000,000, leaving a difference of \$44,000,000. It may be that it will be, and doubtless it would be, necessary to sell a part of that gold in order to meet the currency demands upon the Treasury, and yet it would be possible to retain a part of it, perhaps \$20,000,000, perhaps more, and in the course of a few years we would have an accumulation of gold. The idea that we can ever keep our pledges and make these notes convertible without accumulating gold, I cannot comprehend. We can give paper for paper, but we cannot redeem our pledge and make the notes convertible into gold unless we have got the gold. This is a step in the right direction. It is a step that goes but a little way, I admit. There is no contraction in it; but it gives an assurance to the country that this Government does mean to keep its oft-repeated pledges.

Mr. THURMAN. One word more on this subject. How do merchants obtain gold now with which to pay duties? I suppose the largest portion of it is obtained by sales of bills of exchange, perhaps foreign bills drawn against parties in England or some merchandise or security sent to Europe and sold; but a large amount of the gold with which duties are paid is purchased in New York with greenbacks. Now, the effect of hoarding gold in the Treasury must necessarily, as it seems to me, be to increase the premium on gold and just to that extent to increase the customs duties. The idea, therefore, of hoarding two or three hundred millions of gold seems to me to involve the proposition to make the customs duties, which I think are already onerous, still more excessive.

Mr. MORTON. Mr. President, this was a favorite idea with me six years ago. I presented a proposition to this Senate about six years ago that the Government should retain the surplus gold in the Treasury to provide a fund with which to redeem the greenbacks. If we were to redeem the greenbacks in gold, I did not know any way to do it without getting the gold; and I did not know any way to get the gold except to save the surplus. But I was met almost unanimously by the Senate at that time with the objection that it would require us to hoard gold for several years; that that would make gold scarce in the market; that importers and persons who had to send gold abroad to pay interest would have to buy it at constantly increasing prices; and upon such arguments my proposition was rejected. There was much more gold in the country then than there is now, and that objection was less forcible then than it is now.

The proposition of the Senator from Ohio [Mr. THURMAN] that we shall receive a part of the duties in greenbacks looks in the other direction, looks to diminishing the receipts of gold in the Treasury. That Senator talks constantly about irredeemable paper and about the necessity of redeeming our notes in coin, and yet he proposes to diminish the supply of gold which the Government receives.

Mr. SHERMAN. There is a modification to the amendment of the Senator from New Jersey which I suggested, and which met his concurrence. It is manifest it ought to be inserted.

The PRESIDENT *pro tempore*. The amendment will be reported as modified.

The Chief Clerk read the amendment as modified, as follows:

The surplus revenues of the Government shall be used for the purpose of accumulating coin in the Treasury until the Secretary of the Treasury shall be enabled thereby to redeem United States notes in coin when presented; but this shall not prevent the Secretary of the Treasury from selling gold sufficient to meet all demands on the Treasury which are payable in currency over and above currency receipts, and to keep on hand a proper cash balance for that purpose and to maintain the sinking fund.

Mr. SHERMAN. I do not see what possible objection there can be to this amendment. The great trouble, I am afraid, is that in the present condition of our revenue the surplus will not amount to anything. I doubt very much whether during the current year we shall be able to maintain the sinking fund. Indeed, the Secretary of the Treasury anticipates that he will not be able to provide for all the sinking fund this year. The statement laid upon our tables yesterday shows that since the 1st of July last our revenues have not been sufficient to pay our expenses, even without counting the sinking fund.

But the amendment of the Senator from New Jersey may be very useful in indicating a public policy. If it be adopted, the only thing in the bill (although I hope we may add something else to it before we get through) that will look to specie payments will be the accumulation of the surplus revenue. We have none now to accumulate; but in a year's time or in two years' time our revenues may so far improve that there may be a large accumulation of surplus revenue which will be applicable then to the purpose of maintaining and improving the credit of our currency rather than to the payment of the funded debt before it is due.

I shall therefore vote for the amendment. I do not see how gentlemen who are in favor of contraction can be opposed to an amendment to maintain a surplus revenue in the Treasury. For a year or two at least we cannot hope to have any; but as an indication of a public policy looking to the resumption of specie payments at some time it seems to me it is wise to insert it.

Now, as to the proposition of my colleague, for I may as well say

what I have to say upon both questions at once, the objection I have to it is this: In the first place it is an express violation of section 5 of the act of February 5, 1862, which provides—

That all duties on imported goods shall be paid in coin, or in notes payable on demand heretofore authorized to be issued and by law receivable in payment of public dues—

They are now all paid off—

and the coin so paid shall be set apart as a special fund, and shall be applied as follows.

It is perfectly manifest, therefore, that we can only dispose of the surplus gold over and above the amount necessary to pay the interest on the public debt and to maintain the sinking fund; that is about one-fifth. My colleague recognizes the force of this obligation by limiting his amendment to one-fifth of the gold. But, on the other hand, what is the use of diminishing the revenues to the extent of the premium on that gold to the amount of one-fifth? My own impression is that it would create constant confusion and great trouble. At present the sub-treasury receives nothing but coin certificates or coin. The mere difference between the value of coin and currency for one-fifth of the amount of the duties would not be any considerable relief to the merchant, while it would be a very great practical embarrassment to the Treasury Department in maintaining two systems of coin and currency in the payment of duties. If a duty should amount to ten dollars, two dollars of it would be in currency and eight dollars of it in coin, making a complication of accounts.

But that is not all. It is practically a diminution of the revenue to the extent of the premium on the one-fifth; and at this time we certainly ought not to reduce the revenue. In any point of view, therefore, it seems to me the proposition of my colleague is not advisable. I therefore cannot vote for it. The proposition of the Senator from New Jersey I see no objection to, except, I am sorry to say, that we have not much revenue to accumulate at present.

Mr. FERRY, of Michigan. I desire to call the attention of the Senator from Ohio, the chairman of the Committee on Finance, to the fact which he has stated in his reference to the statute which he has read. At that time Congress provided for the payment for duties of the old demand notes, similar to the proposition now made by his colleague.

Mr. SHERMAN. They have all been paid off.

Mr. FERRY, of Michigan. But at that time they were not paid off, and the law provided that they should be received for duties, which is precisely the proposition made by the Senator's colleague.

Mr. SHERMAN. That was a mere provision that we should not dishonor them. Those \$50,000,000 of demand notes were issued receivable for customs expressly, and consequently we could not pass a law that would violate the performance of that obligation.

Mr. FERRY, of Michigan. Still they were in existence, and the law provided for their use.

Now, as regards the other point that the Senator made, does it not appreciate the greenbacks by permitting a portion of them to be paid for duties? Does not that run in the line of the policy advocated by the honorable chairman of the Committee on Finance, and does it not also check the competition in the market for gold by reducing the amount necessary to be used for customs dues?

Mr. SHERMAN. In reply to the Senator, I stated the other day that this proposition would tend in one direction to appreciate the value of greenbacks, by making them useful for a purpose for which they cannot now be used; but at the same time it would diminish our revenue to the extent of the premium on the gold. It would make a very great difficulty in the accounts and the dealings between merchants and the Treasury and create great embarrassment to trade; and it would open up a question here on the floor of the Senate at this late day of the diminution of the duties on imported goods, because to the precise extent that you receive these notes in payment of customs duties you diminish the duties on imported goods. It will raise that question.

Mr. FRELINGHUYSEN. I have but a word to say. The suggestions against this amendment from the Senator from Ohio [Mr. SHERMAN] and from the Senator from Indiana [Mr. MORTON] do not correspond, do not harmonize. My friend from Ohio, while he will vote for it, thinks there is not much efficiency in the amendment because we shall have no surplus, while my friend from Indiana fears that the great accumulation this amendment provides for of gold in the Treasury will prevent the merchants from obtaining the necessary gold and embarrass business.

As to the first suggestion, that there is no surplus, it seems to me the Committee on Finance ought to address themselves to that question very vigorously. An increase of the tax on whisky and tobacco, as I indicated some three or four weeks ago, would give us a very material increase of our revenue, and we should then have a surplus.

As to the suggestion of the Senator from Indiana that this accumulation would interfere with business, I believe if this Government had an accumulation of gold it could control the gold market instead of being controlled by it, and there would be no difficulty on the double security of our own bonds in issuing gold certificates so as to relieve the demand for gold, and thus even prevent this amount of gold lying without producing any interest. The great advantage of this plan over any other is simply this: We say that the national banks may redeem in greenbacks; now we must make those greenbacks equivalent to gold; and if we do, we save all the interest that the funding

of \$400,000,000 would require, while at the same time we fulfill our pledge in making them convertible into coin.

Mr. MORRILL, of Vermont. I regret that the Senator from Indiana feels obliged to go against any proposition that he was in favor of six years ago. I do not regard this proposition as likely to have any effect for the coming year. Unquestionably we shall have a deficiency and shall be unable to supply the entire amount required for the sinking fund, and it may be, and probably will be, the duty of Congress before its adjournment to provide for that deficiency in some way.

As it has been the practice to consider both of these amendments at the same time, the amendment of the Senator from New Jersey and the amendment suggested by the Senator from Ohio, I desire to say a single word upon the proposition made by the Senator from Ohio, [Mr. THURMAN,] and that is that it is an indirect way of reducing the present tariff. At a moment when our revenues are less than are required for our ordinary expenditures, the Senator from Ohio proposes to decrease them. I think that is a sufficient answer to the proposition made by the Senator from Ohio, for it would practically operate as a diminution of the tariff upon all articles to the extent of the premium on the part of the duty that is proposed to be paid in paper.

Mr. MORTON. There will be nothing for this amendment of the Senator from New Jersey to operate on this year, and probably not for several years, certainly not until there is a restoration of good times. The Senator from Vermont refers to what I proposed six years ago. If my recollection is correct, when I made this proposition six years ago my friend from Vermont was on the other side.

Mr. MORRILL, of Vermont. I cannot say.

Mr. MORTON. I rather think he was.

Mr. MORRILL, of Vermont. I would prefer to have the Senator produce the record.

Mr. MORTON. I have not time to hunt it up, and I do not think Senators' records are worth the labor sometimes. [Laughter.] I would want to know that the record was valuable before taking the trouble to hunt it up.

One thing further. I desire to call the attention of the Senator from New Jersey to the fact that his amendment leaves it discretionary with the Secretary of the Treasury when he will begin to redeem. He may begin when he gets \$25,000,000, when he gets \$50,000,000, or when he gets \$60,000,000. It leaves it altogether discretionary with him. That is a very great power, a very great discretion.

Mr. FRELINGHUYSEN. The amendment says nothing about redemption—when he shall begin. The bill that I introduced before did.

Mr. MORTON. That is where this is defective.

Mr. FRELINGHUYSEN. No; that left it discretionary. If that is the objection that you make here, this only provides for the accumulation.

The PRESIDENT *pro tempore*. The Senator from New Jersey has exhausted his ten minutes.

Mr. THURMAN. I move to strike out these words at the close of the amendment of the Senator from New Jersey, "and to maintain the sinking fund." They ought to be stricken out, although that is not particularly my reason for moving to strike out, because they provide that the Secretary of the Treasury may sell gold to maintain the sinking fund. The sinking fund is to be in gold.

Mr. SHERMAN. No.

Mr. THURMAN. The greater part of it.

Mr. SHERMAN. O, no; he sells all the gold.

Mr. THURMAN. In bonds?

Mr. SHERMAN. Yes, sir.

Mr. MORTON. The duties are pledged to the sinking fund.

Mr. THURMAN. Yes, sir; and to be paid in gold.

Mr. MORTON. That is a part of the contract.

Mr. THURMAN. That is provided for in the act of 1862; but I do not care about that.

Mr. FRELINGHUYSEN. I will state to the Senator from Ohio that these words were inserted at the suggestion of the chairman of the Committee on Finance, supposing that they were necessary in order to preserve the law.

Mr. THURMAN. If Senators say so, very well; I will withdraw that motion and move another amendment.

What the Senator from Indiana says is perfectly true, that this amendment fixes no time when redemption shall commence. It would seem to leave it entirely within the discretion of the Secretary of the Treasury. The accumulation is to go on "until the Secretary of the Treasury shall be enabled thereby to redeem United States notes in coin when presented." I suppose that intends to leave him to judge whether he can commence with coin equal to 25 per cent., or 30 per cent., or 40 per cent., or 50 per cent. of the outstanding volume of greenbacks. I do not know that it is very wise to vest in a single officer of the Government the discretion to determine when specie payments shall be resumed in this country; a resumption that must affect more or less the business of the entire country, and which will require, whenever it takes place on the greenbacks, that the nineteen hundred and odd national banks and the new banks that are to be created shall all pay specie too. I think that is too much power to vest in any one man, and therefore there ought to be some amendment here, if this proposition is to be adopted, saying that the re-

demption shall commence when the accumulation bears a certain proportion to the outstanding volume of the greenbacks. That seems to me to be necessary; and, in order that the sense of the Senate may be tested on that, I move to insert after the word "presented" the words "which redemption shall commence when the accumulated gold is equal to 75 per cent. of the amount of outstanding greenbacks." I am not particular about 75 per cent. I do not think it would be necessary to go so high as that, but I move that simply as an amendment to test the sense of the Senate. I think myself we might commence redemption with 50 per cent., perhaps.

Mr. LOGAN. We might commence it, but it would not last long.

Mr. THURMAN. We might commence it and it would last, too, provided the receipts from customs should continue to be what they have been for the last five or six years. So much for that. I am not, however, in favor of this proposition for the reasons I have stated already and which I do not wish to repeat.

Now, I wish to say a word or two upon the proposition which I intend to submit, and which is not yet before the Senate, but has been commented upon.

In the first place, it is said by the Senator from Indiana that that is a step in the opposite direction. I do not know what he means by a step in the opposite direction.

Mr. MORTON. No; I did not say that. I saw the Senator from Ohio had been talking about irredeemable paper and the importance of redeeming it in coin, and at the same time he proposes to diminish the receipts of coin by the Government.

Mr. THURMAN. I do not care whether the Government has the coin or whether the people have the coin, so that the coin is in the country. It is not in any wise a step toward irredeemable paper to say that a certain proportion of the customs duties shall be payable in greenbacks, but it is a direct step toward resumption.

Mr. MORTON. I suggest to my friend on the question of redeeming greenbacks that it is the Government that has to redeem them and not the people, and therefore it is very material whether the people have the gold, or the Government.

Mr. THURMAN. I will show how it is a direct step in favor of resumption. It is admitted on all hands that if you receive a portion of the customs duties in greenbacks you will appreciate the value of the greenbacks. Everybody admits that, for everybody must see it. Well, just precisely as you bring greenbacks up to the standard of gold, just so do you make it perfectly easy for the Government to resume specie payments. When greenbacks shall have arrived at a commercial par with gold the Government could resume specie payments on their greenbacks with \$10,000,000 of coin in the Treasury, for there would be no run upon it for the coin. Therefore every measure which tends to bring greenbacks up to the standard of gold is a measure that tends to enable the Government to redeem them in gold, and brings about a resumption of specie payments without any pressure, without any hardship. That is the merit of the proposition, that without any shock at all, without any contraction, without any hardship you gradually appreciate the value of greenbacks and bring them up to gold, and then the Government can resume specie payments without any danger whatever of having to suspend the next day.

But it is said by my colleague that this would be a violation of the act of 1862. By no manner of means is it a violation of that act. What is the provision of that act?

That all duties on imported goods shall be paid in coin, or in notes payable on demand heretofore authorized to be issued.

They were coin notes; they are out of existence now, and so I may read it simply that all duties on imported goods shall be paid in coin.

And the coin so paid shall be set apart as a special fund, and shall be applied as follows:

First. To the payment in coin of the interest on the bonds and notes of the United States.

That is the first thing; and so far as this act is a pledge, that is a pledge to the holders of the securities of the United States.

Second. To the purchase or payment of 1 per cent. of the entire debt of the United States, to be made within each fiscal year after the 1st day of July, 1862, which is to be set apart as a sinking fund, and the interest of which shall in like manner be applied to the purchase or payment of the public debt, as the Secretary of the Treasury shall from time to time direct.

There are two objects. You may say the gold is applied to those two objects: first, to pay the interest on the public debt, which is payable in gold; and second, to provide a sinking fund. Is there any further pledge? None whatever. The third clause is:

The residue thereof to be paid into the Treasury of the United States.

What is the meaning of that? It is to be paid into the Treasury of the United States, and then capable of being appropriated precisely as Congress shall see fit. There is no limitation whatever upon it; and what has Congress done? Has not Congress allowed the Secretary of the Treasury to sell this gold by the hundred millions since this act of 1862 was passed? And who pretends that his sale of the gold for greenbacks was a violation of the pledge contained in that act? If his sale of gold for greenbacks was not a violation of that pledge, then the receipt of a certain proportion of greenbacks in payment of customs duties is no violation of that pledge. All the Government creditor has a right to is that he shall have his interest in gold and that he shall have a certain sinking fund set apart. That is the sole pledge that has been made to him;

and with the residue of gold we can do what the public interest requires. There is no violation, then, of the pledge of the Government.

But in the next place it is said that this measure will give rise to practical difficulties. I can conceive of no practical difficulty in it that amounts to anything. I propose at first that one-twentieth of the duties shall be received in greenbacks—that is a sum easily calculated—and then one-tenth, and then one-fifth. It would not take a boy ten years old to make the calculations upon any invoice as to what duties were to be paid. There can be no trouble about that. If our customs officers are not able to make such calculations and receive payment, they ought to be turned out and better men put in their places.

But then it is said it is proposed to decrease the revenue. How? My friend from Vermont talks about its decreasing the revenue, and my colleague talks about its decreasing the revenue. How? Because you will not take the whole of the customs duties in gold, and let the Government shave its own notes by selling gold for greenbacks and getting for one dollar in gold one dollar and ten cents or one dollar and thirteen cents in greenbacks. That is a singular argument to come from my friends who want gold and greenbacks to be on a par, or want greenbacks abolished altogether. Do they want this spectacle to go on of the Government collecting revenue to carry on the business of the Government by collecting gold, and then buying its own notes at a discount to pay the ordinary expenses? They talk about the Government being dishonored by the fact that these notes are unpaid promises to pay, and yet they propose that the Government shall go on collecting gold and then buying in its own paper at a discount of 10, 15, or 20 per cent. That is not the way I wish to see this Government carry on its business.

Sir, there is nothing in this fear of depreciating or diminishing the revenue to frighten us at all. Here is a plain proposition. The ultimate extent to which I have gone is seven-twentieth parts of the revenue, about one-third of the revenue. Can you safely collect one-third of your revenue after 1876 in legal-tender notes? According to all our experience you can do it, and have ample coin left to pay all the interest on the public debt and to provide for the sinking fund. Why, then, should we not do it? Why, then, should we not in this gradual way bring greenbacks up to gold and by doing so enable the Government to commence redemption, and with it bring redemption throughout the whole country?

Mr. FERRY, of Michigan. I desire to remind the Senator just there of one thing in the line of what he has been saying. He has cited the law and the pledge of the Government in regard to the disposition of the coin received through duties. I wish to remind him that the sinking fund, which was one of the pledges made at that time, was not created until March, 1869.

Mr. SHERMAN. The sinking fund was created by this very same section of the act of 1862.

Mr. FERRY, of Michigan. The law providing for the sinking fund was passed by the act of 1862, but the sinking fund itself, by the appropriation of gold for it, was not commenced until 1869.

Mr. SHERMAN. O, yes; it was provided for, but it was only modified.

Mr. FERRY, of Michigan. It was provided for by law, but not carried out in fact until 1869.

Mr. THURMAN. I do not care whether it was or not. There is the law, and I am willing to stand on the law and treat that as the pledge of the Government to the bondholders if they want that pledge. I am willing to stand by the faith of the Government. All I ask is that after we have performed all we have promised to do for them, then we shall do something for the people.

Mr. FERRY, of Michigan. It was not until the administration of President Grant and Secretary BOUTWELL, of the Treasury, in 1869, that the sinking fund was provided for in fact, by the appropriation of gold to it.

Mr. HAMILTON, of Maryland. I rise to make an inquiry. Is the amendment of the Senator from Ohio [Mr. THURMAN] pending before the body?

Mr. THURMAN. No; not now.

Mr. HAMILTON, of Maryland. Then why discuss it? As I understand, the amendment of the Senator from New Jersey [Mr. FRELINGHUYSEN] is now pending. Let us take a vote upon that first, and then we can come to this other question.

The PRESIDENT *pro tempore*. The Senator from Ohio moved an amendment to the amendment offered by the Senator from New Jersey, which is now pending.

Mr. THURMAN. No; I withdraw that. That was in regard to the amount of gold that must be accumulated.

The PRESIDENT *pro tempore*. The Senator from Ohio withdraws his amendment. The question is on the amendment of the Senator from New Jersey.

Mr. FRELINGHUYSEN. In reply to the suggestion of the Senator from Ohio, I do not understand that this amendment gives the Secretary of the Treasury any additional power in reference to redemption.

The PRESIDENT *pro tempore*. The Senator from New Jersey has exhausted his time. Is the Senate ready for the question on the amendment of the Senator from New Jersey?

Mr. FRELINGHUYSEN. I call for the yeas and nays upon it.

The yeas and nays were ordered; and being taken, resulted—yeas 16, nays 31; as follows:

YEAS—Messrs. Anthony, Conkling, Cragin, Ferry of Connecticut, Frelinghuysen, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Kelly, Morrill of Vermont, Sargent, Sherman, Stewart, and Wadleigh—16.

NAYS—Messrs. Allison, Bogy, Boreman, Boutwell, Carpenter, Clayton, Conover, Fenton, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Scott, Spencer, Thurman, Tipton, and West—31.

ABSENT—Messrs. Alcorn, Bayard, Brownlow, Buckingham, Cameron, Chandler, Cooper, Davis, Dennis, Dorsey, Edmunds, Flanagan, Gilbert, Hager, Hitchcock, Morrill of Maine, Norwood, Ransom, Saulsbury, Schurz, Sprague, Stevenson, Stockton, Windom, and Wright—25.

So the amendment was rejected.

Mr. THURMAN. I now offer my amendment as an additional section:

That from and after June 30, 1874, one-twentieth of the customs duties shall be payable in United States legal-tender notes, and after June 30, 1875, one-tenth, and after June 30, 1876, one-fifth thereof may be so paid.

Mr. MORRILL, of Vermont. The measures before Congress are ostensibly to increase the business of the country by giving larger accommodations in the way of paper money. Now the proposition of the Senator from Ohio is simply to cripple manufactures by reducing the tariff on imports to the extent of the depreciation of our paper money so far as any portion of it is used under his proposed amendment in the payment of duties. Besides that, it proposes a measure that changes the tariff every day. Whenever the price of gold shall be higher or lower, the tariff will be changed accordingly; so that we shall have a fixed tariff, and yet one that is extremely flexible.

Mr. WRIGHT. I move to amend the amendment of the Senator from Ohio by adding the following:

Whenever the same can be done without violating the pledge made by the act of February 25, 1862, for the payment of the interest on the public debt and providing for the sinking fund.

Mr. THURMAN. I am willing to accept that. I do not think it is necessary, but some Senators think it is, and out of abundant caution I am willing to accept it.

The PRESIDENT *pro tempore*. The Senator from Ohio accepts the amendment offered by the Senator from Iowa.

Mr. BOGY. I desire to offer an amendment to the amendment of the Senator from Ohio as modified. I will read my amendment for information. It is to change the amount to be received in the way provided as follows: That "after June 30, 1874, one-fourth of the customs duties shall be received in legal-tender notes and national-bank notes, and after the 1st of January next, one-half shall be received in such notes." My amendment proposes to accomplish the same object as that of the Senator from Ohio, except that the proportions are larger; and instead of providing that legal-tender notes only shall be received, I wish to extend it to national-bank notes. I desire to occupy a very few minutes in explanation of the amendment which I propose.

The PRESIDENT *pro tempore*. The amendment to the amendment will first be reported.

The CHIEF CLERK. It is proposed to amend the amendment so that it will read:

That from and after June 30, 1874, one-fourth of the customs duties shall be payable in legal-tender notes or national-bank notes, and from and after the 1st of January, 1875, one-half shall be payable in such notes.

Mr. BOGY. I wish to modify my own amendment, although that is the proposition which I presented some time ago. I will modify it so as to confine the receipt to legal-tender notes, excluding national-bank notes, and I will give the reasons for that.

The PRESIDENT *pro tempore*. The amendment will be reported as modified.

Mr. THURMAN. Allow me to call the Senator's attention to one fact. His amendment if adopted would defeat the whole thing, because it would make it impossible to comply with the act of 1862 unless our customs duties were increased very largely. Let me give the Senator the figures. It requires now to pay the interest on the public debt and to provide for the sinking fund, and to pay for our expenses abroad—

Mr. BOGY. If the Senator will excuse me, I will relieve him by telling him that I am aware of all these things, and I will give the reasons for this amendment in anticipation of the very objections that he rises to make.

Mr. THURMAN. Let me say that the amount required in gold is \$136,000,000, and we receive something over \$180,000,000 a year, which leaves us only about \$44,000,000.

Mr. BOGY. The limited time accorded me will not allow me to show that the calculation presented by the Senator from Ohio or by his colleague is incorrect. I will simply say that our gold receipts amount to about \$180,000,000 or \$190,000,000 a year, and we need for the public debt about \$100,000,000. We need for the sinking fund, gentlemen say, \$30,000,000. Well, then, we have a gold surplus of \$50,000,000. But we can so arrange that not one cent of gold need be used for the sinking fund. I have not the time to go into that; but it can be shown that gold is not necessary to comply with that portion of the contract.

But, sir, I desire to come to the act of 1862 upon which all these arguments have been based that it would be a breach of public faith now to receive in payment of customs duties legal-tender notes instead of gold. I have looked carefully into that act and I have listened

with great attention to the arguments which have been made on this floor by the chairman of the Committee on Finance as well as by the Senator from Vermont and the Senator from New Jersey and other Senators, and I have yet to see the force of their arguments.

The law of 1862 provides that customs duties shall be paid in gold, and be appropriated first to the payment of the interest on the public debt; second, to the sinking fund; and third, the balance to go into the Treasury as any other fund might go, subject to the disposal of the Congress of the United States. The object of that pledge at that time was, doubtless, to give character and credit to our bonds. We were then engaged in war. The amount of bonds we then had outstanding was small; but if the war continued, as a matter of course there would become a necessity for this nation to extend its debt to a very large amount. It was thence wise, and I commend the wisdom of it, to strengthen the public credit by a measure of this kind; but I say there was no pledge made, no contract made beyond this, that the bonds of the United States and the interest on those bonds should be payable in gold. That was the essence of the contract. The fact that gold was so used, no doubt, did the credit of the nation good at that time, but that did not enter into the contract. The contract is that the bonds shall be at maturity payable in gold. I doubt myself whether it was even a contract at that day, and indeed I believe it was not a contract; but I yield that point because by the act of 1869 it was said to be a contract; but granting that it was a contract, the essence of the contract was that we should pay this debt in gold.

It is proper for a nation having but little credit, like an individual having little credit, to give security for loans. A nation like Mexico or Venezuela or any other nation that has not much credit before the world has to pledge its customs receipts to enable it to negotiate a loan at all. But I say this nation has passed that period; its public faith is good enough; and yet for the purpose of raising \$100,000,000, or \$120,000,000, or \$130,000,000 a year in gold, by the argument made on this floor by every gentleman who has spoken on the subject, the currency has been depreciated 10 per cent. Your legal currency being depreciated 10 per cent., there is an actual loss between it and gold of \$40,000,000 a year. As a matter of interest it will be a great deal better for us to receive all our customs duties in paper money and periodically to buy gold for the purposes for which the Government requires gold, because if you received your customs duties in paper money the difference between gold and paper money would be small, and as you would need but \$100,000,000 of gold to pay your interest, you might well afford to pay 10, 15, or 20 per cent. for your gold and yet make money by the transaction. The depreciation is on the broad basis of \$400,000,000 now of legal-tender notes, and at 10 per cent. it is \$40,000,000. It would be better for this nation, on the score of mere dollars and cents, to buy the gold it needs.

If it were possible that this could be considered a breach of contract before the eyes of the world, of course I would not advocate it; but concede for the sake of the argument that these bonds were made payable in gold, then that is the essence of the contract, and the mode and manner in which this nation shall raise the money to do that is not a part of the contract. Nor would it affect the credit of this nation at all even to the hundredth part of a cent. There is not a bondholder in Europe or in the world but has the utmost confidence in the ability and willingness of this nation to pay all its obligations in the manner it undertook to pay them, whether in gold or greenbacks.

The only good argument which I have heard, and I think the only view in opposition to this amendment which is entertained by a large number of Senators on this floor, is the one advanced by the Senator from Vermont [Mr. MORRILL] awhile ago in answer to the Senator from Ohio [Mr. THURMAN] that by the receipt of paper money in payment of duties you would decrease your tariff duties. That is really the effect.

Mr. LOGAN. If the Senator will allow me, I wish to call his attention to one point. I do not want to make a speech on any of these questions, but I want to call his attention to one point which he may have overlooked, and I ask the attention of the Senator from Ohio also to it. This amendment although offered in good faith, as all these amendments are, would if put on this bill be its certain defeat. Why? Under the Constitution the House of Representatives alone can originate a bill for the raising of revenues; and under that provision of the Constitution the construction has been that any measure changing, raising, or diminishing the revenue in any degree, no matter how slight, must originate in the other House. So the very moment this is put on this bill the House of Representatives, as they did two years ago in another case, would stop the proposition. I ask, then, the friends of the measure not to allow any such thing as this to go on the bill, which if done here will be done in my opinion in violation of the Constitution, and I could not vote for the bill with it in.

Mr. BOGY. I regret that I disagree with my distinguished friend from Illinois—

Mr. LOGAN. I merely wanted to call the Senator's attention to that point, thinking that he had overlooked it.

Mr. BOGY. I regret that I disagree with my distinguished friend under whose banner I have been walking, and walking to victory, the last four or five days. I do not think there is anything in the objection which he raises. This does not affect the revenue in the way contemplated by the Constitution, surely. The mode of collecting the

revenue cannot be construed to come within the provision of the Constitution on that subject.

Mr. President, I think it is very manifest to the mind of every Senator on this floor that there is a majority of this body—and I use the word with some hesitation, because I do not like to use it in a body of this character; but to express my idea I am compelled to do it—that there is a majority in this House in favor of an expansion of the paper money of the nation. For reasons which I have given heretofore, disapproving as I do of the entire system, I am in favor of an augmentation, which some call expansion, and I have so signified my position. It being to me a fact apparent that cannot be contradicted that there will be an augmentation or expansion of the currency, it becomes of the greatest importance, and I realize the importance myself, that proper securities shall be given to prevent that enlarged circulation from being depreciated. If you make it too large and depreciate it itself by the very law you pass, of course it will have that effect.

Now, the great reason, the paramount reason, why the legal-tenders are not to-day equal to gold in value is owing to the fact that we ourselves by an act of Congress depreciate our own issue. Let the Congress of the United States that creates this money say that it shall be good money for all the dues of the Government without any exception; and as far as I am concerned I would go further. I say it would be wise and proper to make no discrimination between legal-tenders and national-bank notes; but knowing the views of a number of Senators on this floor, with some of whom I have agreed in the votes in regard to expansion, that the legal-tender is used as a means of redemption of national-bank notes, I yield my convictions in that respect.

The PRESIDENT *pro tempore*. The Senator has spoken ten minutes.

Mr. MORRILL, of Vermont. Mr. President, I know very well that my opinion in relation to this subject will not be very welcome to those who are sustaining this bill; but at the same time I feel it my duty to call the attention of the Senate to one or two points in this measure.

The proposition is here that we shall take a portion of our duties in paper instead of gold. What will be the practical effect in the first instance? Merely to make perhaps twenty or thirty million dollars of gold an article of merchandise, and have it exported from the country. Do those here who advocate an expansion of currency feel any particular hostility, after they have got all the paper they require, to having thirty or forty or fifty millions more of specie in the country? Not one dollar more will be purchased for the purpose of paying duties.

Mr. LOGAN. The Senator will notice that the proposition is not offered by any person who has advocated an increase of the currency. It is offered by the Senator from Ohio, who is opposed to an increase of the currency.

Mr. MORRILL, of Vermont. I stand corrected. Now, Mr. President, there will be no more gold purchased for the purpose of paying duties, whether the amount of duties is all paid in coin or not, with the bare exception of this proposed reduction, and if this proposed reduction of the amount to be paid in coin shall take place, as I said, it will merely give the privilege to the country of exporting that amount, and there will be so much less of gold remaining in the country afterward than there is now.

Can gentlemen suppose that our paper currency is going to be increased in value by the amount of diminution of the coin of the country? The very idea is an absurdity. Of course all recognize or have hitherto recognized the fact, that if we had a sufficient amount of gold it would be in the power of the Government to commence a resumption of specie payments. But this proposition goes in the direction of transacting the entire business of the country on paper, and bidding farewell to the idea of ever resuming specie payments, and that without the slightest reason, except the reason that may be offered by those who are in favor of reducing our present tariff on duties. If there are any here who are in favor of diminishing the receipts of the Treasury, they may be in favor of going for this measure; but I think no one who has any interest or any responsibility for this Administration can propose at the present time or vote for a proposition that will diminish the revenues, which are now notoriously insufficient to pay the ordinary expenses and provide a sinking fund.

Mr. SCOTT. I wish to call attention a little more distinctly to the point made by the Senator from Illinois in reference to this amendment. It certainly will have the effect of tabling this bill in the House of Representatives if this amendment be voted into it, and for this reason: it will be practically a reduction of the customs duties. If it were to go into effect to-day, it would be a reduction of 12 per cent. on the amount of the duties authorized to be paid in paper currency. There can be no doubt about that.

Mr. BOGY. Will the Senator allow me one word?

Mr. SCOTT. Certainly.

Mr. BOGY. I contend that that difference will disappear at once when we increase the value of the greenback by this process.

Mr. SCOTT. Let that be as it may in the future, I am looking at it as a practical question in the light in which it will be viewed by the House of Representatives. It is not an open question as to how they will receive legislation of this character. We passed a few sessions ago a bill in this body to repeal the income tax. That was

a bill reducing taxation, abolishing taxation, a bill that did not put money in the Treasury at all, did not raise revenue; and yet when it went to the House of Representatives they held that as it affected the revenue it was a measure which the Senate could not originate, and therefore they refused to consider it; they laid it upon the table; and so pertinacious were they upon that subject that they insisted upon it and demanded a committee of conference between the two Houses for the purpose of settling the question. The same question has occurred several times on minor subjects in relation to bills that had been amended by the Senate.

Mr. MORRILL, of Vermont. Once this session.

Mr. SCOTT. And once this session upon a very small point, on which probably the question will come up again. I call attention to it simply as a practical question. Is it advisable that on a bill of this character, upon which the country is asking for speedy action, where both Houses are desirous of speedy action, we should with our eyes open, whatever view we may entertain of the position assumed by the House, incorporate in the bill a provision which will have the effect of putting it upon the table in that House and clogging its passage? I shall certainly vote against the amendment, if for no other reason for that reason, although I concur in the views that have been expressed by the Senator from Vermont.

Mr. THURMAN. Mr. President, before I say anything upon this subject I wish to observe that upon reflection I am inclined to think that the amendment suggested by the Senator from Iowa, and which without due consideration I accepted, had better be withdrawn. There are some Senators who think that it would lead to uncertainty as to whether these legal-tenders would or would not be receivable at any given time in payment of customs duties—an uncertainty that ought not to exist for a single moment. I hope, therefore, that the Senator from Iowa will agree that that may be withdrawn at least for the present.

Mr. WRIGHT. I appreciate what has been said by the Senator from Ohio touching the amendment that I offered. I can see very well that it may leave this question in such doubt and uncertainty that perhaps, instead of reaching the end that is desired by him and the friends of the measure, it may have the effect of crippling it and leaving the matter in such an uncertain position that it is better to have the vote taken upon his proposition by itself, before any further amendment shall be offered. I therefore withdraw my amendment, and leave the question as first presented by him.

Mr. THURMAN. I wish to reply now to an objection that is started against this proposition of mine even by some Senators who do not profess hostility to it, and that is that it must necessarily destroy the bill, because the House of Representatives will not pass any bill which contains any measure originating in the Senate which affects the public revenue. Well, sir, if that is the Constitution of this country, the sooner the Government is abolished and another government set up the better it will be for the people. But that is not the law. My friend from Pennsylvania certainly does not believe that is the Constitution.

Mr. SCOTT. My friend from Ohio will permit me to say that I took the trouble to write a somewhat lengthy report on that subject, in which I took the ground that the House of Representatives was entirely wrong in its position on that question. But, nevertheless, that does not remove their objection as a practical question of legislation.

Mr. THURMAN. The Senator did write that report, which does him infinite credit as a constitutional lawyer; and I think there was not a member of the Senate who did not agree with it, and I do not suppose the Senate intends to relinquish or abjure its constitutional rights. Nor does it follow because a House of Representatives of a former Congress entertained very erroneous notions on the subject of the rights of the Senate, that therefore the present House does; or, if the present House does, that therefore we should abrogate our powers and be governed by the opinion of the House. But, sir, there is nothing in this idea whatsoever. A bill to raise taxes must originate in the House of Representatives. The Constitution is clear enough on that subject; but does it say that every bill or measure that in anywise affects the revenue of the country must have its origin there? It says nothing of the sort. If that were the case we could not originate a bill here in regard to the public lands, or we could not amend a bill in regard to what should be receivable in payment for the public lands. A host of bills would be wholly unconstitutional if they originated in the Senate, because they increase the revenue from the public lands. An amendment to allow homestead, or pre-emption, of payment in scrip, or anything of that kind, if moved in the Senate, would be unconstitutional, because it would affect the revenue. Nay, sir, every single grant to railroads that has been made by bills originating in the Senate would also be unconstitutional, because they tended to diminish the revenue. So that idea does not stand at all. What is the provision of the Constitution, pray? That all bills for raising revenue shall originate in the House of Representatives.

Mr. LOGAN. Will the Senator allow me to state what I meant by raising the objection? I did not propose to discuss the constitutionality of this question, but merely to suggest to the Senate that the question would be raised in the House, and that, knowing what the House had determined, it was a matter for us to look at carefully here in the Senate before we send such a bill there. I agreed with the Senate when the House dissented before and when the conference

was had which has been referred to; but knowing the facts, I say according to the theory of the House (whether correct or not is not the question) this amendment upon the bill would subject it to their objection, beyond all doubt, in my judgment. Therefore I said what I did, that it would certainly produce the defeat of the bill either here or in the House.

Mr. CONKLING. As the Senator from Ohio is interrupted for a moment, will he let me make a suggestion? I hope no Senator will accept the idea that this presents a question parallel to that in respect of which the Senator from Pennsylvania made a report. The suggestion now made goes as far as this: if we were to undertake to say by a bill originating here that in future silver would not be a legal tender for any purpose in sums greater than ten dollars, that would encounter this objection. Why? Because it would require the payment of duties in silver, just as this does when you say that hereafter gold may not be tendered for all the duties, but a certain portion of them may be paid in greenbacks. I venture to say it has nothing whatever to do with the question which the Senator from Pennsylvania discussed in the report to which reference has been made.

Mr. THURMAN. What is said by the Senator from New York is precisely true. It is a wholly different thing from that. I can demonstrate that this whole bill runs counter to the idea of the House of Representatives if this amendment of mine does, for this bill affects the revenue without my amendment at all. It affects the value of the medium in which the taxes shall be paid and its purchasing power in the hands of the Government; and upon the same kind of reasoning by which this amendment of mine would be held to be a measure for raising revenue, which therefore must originate in the House of Representatives, this whole bill would have to originate there; in other words, the Senate would be shorn of its power to legislate as the Constitution provides it shall. I will not waste any time on that. I am sorry that those who are opposed to this measure interpose such an obstacle as that to frighten us out of our propriety.

Mr. LOGAN. Allow me a word, as I raised the question. The Senator says he is sorry those opposed to it do so. I am not opposed to his proposition. The Senator mistakes me. In a speech here on the 19th day of January I suggested to the chairman of the Finance Committee to let a portion of the duty be payable in greenbacks. I raised the objection to putting it on this bill because I believed it would affect the passage of the bill; and that is my objection to it, and not to the principle, by any means.

Mr. THURMAN. I did not misunderstand the Senator from Illinois. I did not believe he was hostile to the amendment I offered. I was not alluding to him as being hostile to it, for in principle I understand him to be in favor of it. But let that pass.

Now it is said by the Senator from Vermont that this proposition of mine is a proposition tending toward perpetuating an irredeemable currency. Well, upon my word, that is quite past my comprehension. Can any man doubt for one moment that if you say that a portion of the revenue now payable in gold only may be paid in the legal-tenders of the United States, that makes those notes more valuable than they now are; that that approximates them to gold? Is there anybody who can doubt that proposition? Has it not been said by the Committee on Finance, did not the distinguished Senator from Vermont as one of the members of that committee report the second section of this bill providing for the redemption of these notes in 5 per cent. bonds, upon the very ground that 5 per cent. bonds being at par with gold, if you made the greenbacks convertible into them you would bring the greenbacks up to the par of gold; and now when it is proposed to make the greenbacks equal to gold in the payment of customs duties, it is said that will not have the effect of appreciating them at all; that will not raise their value at all; but on the contrary it is a step toward perpetuating an irredeemable currency. Sir, I cannot understand such a proposition as that; and I cannot help thinking that if my respected friend, the Senator from Vermont—and there is no man who respects his intellect and his purity more than I do—were not a little warped in his judgment on this question by that prodigious affection he has for a high protective tariff, which amounts almost to the fanaticism of a first love, he would not see this measure in the light he does. But it is before the Senate, and there is no use in arguing it. The Senate understands the proposition. I propose, without any shock, without any contraction, without any violence to the business of the country, without injuring any man who owes money, and without raising any conflict between the debtor and creditor class, a measure that is in the direction of a return to a sound specie-paying currency—not so rapidly as to shock business or do injury to any debtor in the whole country, but quiet and easy in its application, and certain in its effects. I do not say that there may not be much better propositions; but I do say to those who are opposed, as I am opposed, to an irredeemable paper currency now and forever, that I believe they had better take this proposition which I believe they can carry, and enact it into a law.

Mr. CARPENTER. I desire to explain why I shall vote against this proposition. I am for it in and of itself, and on an independent bill introduced providing what the amendment of the Senator from Ohio provides I would vote for it. I am in the second place perfectly clear in my mind that the objection which the House will take to this proposition has no foundation whatever, that a bill to raise revenue within the meaning of the Constitution must be a bill under and by

virtue of which revenue is collected. That is the only kind of a bill which can be styled a bill raising revenue; but it is equally clear in my opinion that the House will object to this, and lay the whole bill upon the table if we send it there. I shall therefore, and for only that reason, vote against this amendment.

Mr. FERRY, of Michigan. It is hardly necessary for me to repeat here that I am in favor of the proposition proposed by the Senator from Ohio. As early as the 4th of December, in a speech which I had the honor to submit to the Senate, I declared my belief that if the Government would make its currency uniform and a full legal tender, it would appreciate it, as the currency of France to-day is appreciated, but within $\frac{1}{2}$ per cent. of coin. The currency of France is receivable for customs, and if our currency was receivable for customs also we should find no perceptible difference worth noticing between our currency and coin. I also reiterated that view in a speech made, I think, on the 10th of March, and I am of the same opinion now. I am willing, however, to defer to the judgment of others who think that the House of Representatives would lay this bill on the table because holding the feature proposed to be placed in it by the Senator from Ohio, and it is only on that account that I rise to occupy any of the time of the Senate, because I made up my mind at the opening of this day that I would say nothing, if possible, that we might come to a vote and conclude this subject; and yet I am now forced to place myself right on this question, and to say, as has been said by our President *pro tempore*, that whenever there is an opportunity, divested of the difficulties which seem to be attached now to the question, I shall be most happy to vote for a proposition of this kind, believing that it is in the line of the appreciation of the currency, and is the best way of placing our currency at par with coin. I shall be compelled to vote against it at the present time as an amendment to this bill, however, for the reason already stated.

Mr. WRIGHT. Having paired with the Senator from Vermont, Mr. EDMUNDS, upon all questions in connection with this bill, inasmuch as it will be my duty to state that fact when the vote shall be taken, I embrace this opportunity to state the reasons why I should vote for this proposition if at liberty to vote.

During the first week of January, soon after the recess, it will be remembered that in some remarks which I had the honor to submit to the Senate I stated that I believed 10 per cent. of the customs revenues could be safely collected in greenbacks, and that in my judgment there was not any step that could be taken which would tend more certainly to the appreciation of the greenbacks than that one step. I believe so yet; and whether it shall be 10 per cent. or the per cent. proposed by the Senator from Missouri, would make but little difference so far as the principle is concerned. So far as the question now before the Senate is concerned and its effect on this particular bill, as to what steps the House might take on that question is a matter for each Senator to determine for himself. Inasmuch as I am precluded from voting on the question, I only deemed it my duty to state at this time, that I may place myself right, that if allowed to vote I should vote for this proposition.

Mr. MORTON. I desire simply to state the reason for my vote. I shall not vote upon this proposition on its merits. I think the objection is well taken that it belongs to a class of measures which must originate in the House of Representatives. All laws for raising revenue must originate in the House of Representatives. It is equally a part of that prerogative to determine in what the revenue shall be received, because the medium in which it is to be received may affect the amount. For that reason, whether it is to be received in paper or in coin, as that may affect the actual amount of the revenue, is a question to originate in the House—not to be finally determined there, but to originate there; and for that reason, without giving any opinion on the proposition made by the Senator from Ohio or my friend from Missouri, I shall vote "nay."

Mr. HAMILTON, of Maryland. I shall vote for the proposition of the Senator from Ohio for the very reasons assigned by Senators on the other side for voting against it. If I can be induced to believe that putting this proposition in this bill will induce the House to lay it on the table, that is what I want; and the sooner it goes on the table the better, as it now stands. I shall therefore vote for that proposition of the Senator from Ohio. I am for collecting the revenues of the United States in gold and silver; and I am for separating this Government from any contact with paper money at all. But while I am for that, I am opposed to the principle that this Government should force its paper money on other people. But when it undertakes to force its paper money on other people, let it take the medicine itself, and soon the whole system will be exploded.

Mr. CONKLING. The Senator from Maryland, like the Senator from Illinois, reasons very persuasively in favor of this amendment, and I should be tempted to vote for it too if I could concur with either of those Senators in supposing that there was any hope that the House of Representatives would take advantage of the amendment as a reason for laying this bill upon the table. I have too much respect for the common sense and discernment of the House to leave any room to hope for such a result. Therefore I am compelled to vote upon the amendment in respect of its merits, and as I think it has no merits I shall vote against it.

Mr. TIPTON. Mr. President, being unaccustomed to make public addresses, I shall have to vote for this proposition to set myself right on the record. [Laughter.]

The PRESIDING OFFICER, (Mr. MORRILL, of Vermont, in the chair.) The first question is on the amendment proposed by the Senator from Missouri [Mr. BOGY] to the amendment of the Senator from Ohio, [Mr. THURMAN.]

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment proposed by the Senator from Ohio, [Mr. THURMAN.]

Mr. CONKLING. I think we ought to have the yeas and nays on the amendment of the Senator from Ohio, and I ask for them.

The yeas and nays were ordered.

Mr. SARGENT. I am paired on this bill and the amendments to it for the rest of the day with the Senator from Louisiana, Mr. WEST.

The question being taken by yeas and nays, resulted—yeas 19, nays 27; as follows:

YEAS—Messrs. Bogey, Davis, Fenton, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Jones, Kelly, McCreery, Merrimon, Pratt, Ramsey, Ransom, Saulsbury, Stewart, Stockton, Thurman, and Tipton—19.

NAYS—Messrs. Allison, Anthony, Boreman, Carpenter, Chandler, Clayton, Conkling, Conover, Cragin, Ferry of Connecticut, Frelinghuysen, Harvey, Hitchcock, Howe, Johnston, Lewis, Logan, Mitchell, Morrill of Maine, Morrill of Vermont, Morton, Patterson, Pease, Robertson, Scott, Sherman, and Spencer—27.

ABSENT—Messrs. Alcorn, Bayard, Boutwell, Brownlow, Buckingham, Cameron, Cooper, Dennis, Dorsey, Edmunds, Ferry of Michigan, Flanagan, Gilbert, Goldthwaite, Gordon, Ingalls, Norwood, Oglesby, Sargent, Schurz, Sprague, Stevenson, Wadleigh, West, Windom, and Wright—25.

So the amendment was rejected.

Mr. SAULSBURY. I offer the following amendment, to be added to the first section of the bill:

That the Secretary of the Treasury, on and after January 1, 1876, shall redeem in coin United States legal-tender notes upon presentation at such places as he may designate, in sums of \$1,000 or any multiple thereof, at the rate of \$100 in coin for \$110 in currency; and after six months from said date he shall redeem said notes, presented in sums as aforesaid at the places aforesaid, in coin at the rate of \$100 in coin for \$108 in currency. On and after January 1, 1877, the Secretary of the Treasury shall redeem said notes, presented in sums as aforesaid at the places aforesaid, in coin, at the rate of \$100 in coin for \$106 in currency; and six months thereafter he shall redeem said notes, presented as aforesaid at the places aforesaid, in coin, at the rate of \$100 in coin for \$104 in currency; and on and after January 1, 1878, the said Secretary shall redeem the said notes, presented in sums as aforesaid at the places aforesaid, in coin, at the rate of \$100 in coin for \$102 in currency; and six months thereafter the said Secretary shall redeem said notes, presented in sums as aforesaid at the places aforesaid, in coin, at the face value of said notes: *Provided*, That said notes shall at no time be redeemed at rates higher or greater than their value relatively to gold.

On that amendment I ask for the yeas and nays. I do not care to debate it.

The yeas and nays were ordered; and the Chief Clerk proceeded to call the roll.

Mr. RANSOM, (when his name was called.) On this question I am paired with the Senator from Delaware, Mr. BAYARD.

The roll-call was concluded.

Mr. MORRILL, of Maine. I am paired with the Senator from Rhode Island, Mr. SPRAGUE, as I was on the question last voted on. I voted on it inadvertently. I ask unanimous consent to withdraw my vote.

The PRESIDENT *pro tempore*. The Senator from Maine asks unanimous consent to withdraw his vote on the previous proposition. Is there objection? The Chair hears none. The Chair will, however, call attention to Rule 17:

When the yeas and nays shall be taken upon any question, in pursuance of the above rule, no Senator shall be permitted, under any circumstances whatever, to vote after the decision is announced from the Chair.

Mr. MORRILL, of Maine. Then I content myself with saying that I voted inadvertently.

Mr. HAMLIN. The rule simply prevents his voting after the announcement.

The PRESIDENT *pro tempore*. The Chair thinks this correction may be made by unanimous consent. The name of the Senator from Maine will be erased from the roll on the preceding vote.

Mr. MITCHELL. I am paired with the Senator from Massachusetts, Mr. BOUTWELL. I am not advised how he would vote on this particular question, and I content myself with this statement and do not vote.

The result was announced—yeas 7, nays 31; as follows:

YEAS—Messrs. Cooper, Hamilton of Maryland, Hamilton of Texas, Hamlin, Jones, Saulsbury, and Stockton—7.

NAYS—Messrs. Allison, Bogey, Boreman, Carpenter, Chandler, Clayton, Conover, Cragin, Fenton, Ferry of Michigan, Gordon, Hitchcock, Howe, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Morrill of Vermont, Morton, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Scott, Sherman, Spencer, and Tipton—31.

ABSENT—Messrs. Alcorn, Anthony, Bayard, Boutwell, Brownlow, Buckingham, Cameron, Conkling, Davis, Dennis, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Frelinghuysen, Gilbert, Goldthwaite, Hager, Harvey, Kelly, Mitchell, Morrill of Maine, Norwood, Ransom, Sargent, Schurz, Sprague, Stevenson, Stewart, Thurman, Wadleigh, West, Windom, and Wright—34.

So the amendment of Mr. SAULSBURY was rejected.

Mr. MORRILL, of Vermont. I offer an amendment now to come in after the section that was adopted on the motion of the Senator from North Carolina, [Mr. MERRIMON,] in the shape of two sections. I will say that while the amendment is not in accord with my own sentiments, I think it will be in accord with those of a large majority of the Senate. I take the amendment from a bill introduced in the House in relation to the redemption of the national-bank currency, and it is in so moderate a shape that I think it will commend itself to the general judgment of the Senate.

The words proposed to be inserted were read, as follows:

That every association organized, or to be organized, under the provisions of the national-currency act approved June 3, 1864, and of the several acts in amendment thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to 5 per cent. of its circulation to be held and used only for the redemption of such circulation; and when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption, in sums of \$1,000, or any multiple thereof, to the Secretary of the Treasury, or to the assistant treasurer in the city of New York, the same shall be redeemed in United States notes. All notes so redeemed shall be charged by the Secretary of the Treasury to the respective associations issuing the same, and he shall notify them severally, on the first day of each month, or oftener, at his discretion, of the amount of such redemptions; whereupon each association so notified shall forthwith deposit with the Treasurer of the United States a sum in United States notes equal to the amount of its circulating notes so redeemed, under penalty of forfeiture of charter. And when such redemptions have been so reimbursed, the circulating notes so redeemed, or if worn, mutilated, or defaced, new notes instead, shall be forwarded to the respective associations: *Provided*, That each of said associations shall reimburse to the Treasury the costs of redemption and of supplying new notes in place of those redeemed. And the associations hereafter organized shall also severally reimburse to the Treasury the costs of engraving and printing their circulating notes: *And provided further*, That the entire amount of United States notes outstanding and in circulation at any one time shall not exceed the sum of \$400,000,000, now authorized by existing law.

That upon all circulating notes hereafter issued, or hereafter to be issued, whenever the same shall come into the Treasury, in payment, or deposit for redemption or otherwise, there shall be printed, under such rules and regulations as the Secretary of the Treasury may prescribe, the charter numbers of the associations by which they are severally issued.

Mr. LOGAN. I wish to call the Senator's attention to the fact that this proposition is pretty much the same as one that I offered yesterday. It is a part of the House bill in connection with free banking, just cut out of the House bill and offered. It applies only to a bill with free banking. Now I should like to ask the Senator why he offers it to this bill, and whether or not he will vote for the bill if this amendment is adopted.

Mr. MORRILL, of Vermont. It is utterly impossible for me to say what shape this bill is going to assume before we get through with it, and whether I shall vote for it or not. I do not think I ever can be induced to vote for it.

Mr. LOGAN. That is just what I supposed.

Mr. MORRILL, of Vermont. But I presume to say, notwithstanding, that the amendment which I offer is offered in good faith.

Mr. LOGAN. I am not doubting that at all.

Mr. MORRILL, of Vermont. And it is offered to perfect the bill. There is no portion of the bill that has any provision of like character; and I think it will commend itself to the good sense of all Senators that there should be something of this sort. I do not say that this is entirely correct; but this was handed to me by a gentleman who has ideas of expansion as well as the Senator from Illinois, a member of the House, and I thought there were some good features in it; and seeing the entire absence of any provision of this sort in this bill, I ventured to offer it here.

Mr. LOGAN. Now I wish to call the attention of the Senate for a moment to this point, because it is important. These two sections in connection with free banking were offered in the House so as to correspond with the features of that bill in connection with the greenbacks; but it ought not to be offered to this bill, because the very redemption that is provided for national-bank notes, with very little change in it, is in the law now as it exists; and it is a mere change so far as the machinery is concerned. Substantially the very same thing exists to-day in the law. But if free banking was to be adopted, it might be well to make these little changes for the purpose of perfecting the machinery. This bill, however, only providing for \$46,000,000 additional bank circulation, there is no necessity for any machinery in reference to it except that which is already in the law, because this is the law with very little change. I presume the Senator offered it with a view to have a vote, without any expectation of its being adopted, or, if it was adopted, without any intention of voting for the bill. I hope the friends of the bill will not permit amendments that ought not to be applicable to this particular feature of it as it stands to be adopted so as to embarrass it.

Mr. MORTON. I presume this amendment is not perfected even as the Senator from Vermont would have it. The Senator would not require the banks to keep 5 per cent. of greenbacks in the Treasury of the United States in addition to what they are now required to keep by law. I presume he would have this 5 per cent. a part of the reserve which they are now required to keep.

Mr. President, the banks are now required to redeem at their own counters; they are also required by the law to select one of the redemption cities in which they shall keep a redeeming agency. They are now required to redeem at two places: at their own counter and at one of the redemption cities. This amendment requires them to redeem at a third place, at the Treasury of the United States, and the amendment would require an additional reserve of 5 per cent. I can conceive no good to be accomplished by it. If you require them to redeem at the Treasury, then you ought to strike out the redemption cities. They ought not to be required to have more than two places to redeem. The old State banks were only required to redeem at their own counters. I believe that is the rule in regard to all banks, even where they pay in specie, that they are only required to pay at their own counters. The objection that the national-bank notes are not presented for redemption grows out of the fact that the national-bank currency is so good that nobody cares about having it redeemed. That is the objection.

Mr. SCOTT. I rose when the Senator from Illinois concluded, but I gave way to the Senator from Indiana when I saw that he was not aware that I had been recognized; and I rose for the purpose of propounding to the Senator from Vermont the very same question that the Senator from Indiana has started. I am glad he has done it; for if it be the intention to add 5 per cent. to the amount of greenbacks which the national banks are required to keep on hand, then I shall offer an amendment to the amendment of the Senator from Vermont, releasing the banks altogether from keeping any reserve on their circulation. At present, as the Senator from Indiana has stated, they are required to redeem at their counters; they are required to select one of the redemption cities, and may keep there three-fifths of their reserve; and if this be added to it, it would make a reserve of 20 per cent. required of all the country banks instead of 15. I am opposed to this amendment unless it is accompanied with a release of the banks from keeping a reserve on circulation altogether. If it be the intention of the Senator from Vermont to take a vote on it as it stands, I will move to add to the section these words:

And said associations shall not hereafter be required to keep on hand any amount of legal-tender notes as a reserve upon their circulation.

The PRESIDENT *pro tempore*. The Senator from Pennsylvania moves to amend the amendment.

Mr. MORRILL, of Vermont. I will modify my amendment by inserting the words "shall be counted as part of their reserve" after the word "circulation;" so as to read:

That every association organized or to be organized under the provisions of the national currency act, approved June 3, 1864, and of the several acts in amendment thereof, shall at all times keep and have on hand in deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to 5 per cent. of its circulation, to be held and used only for the redemption of such circulation, and which shall be counted as part of their reserve, &c.

Mr. FERRY, of Michigan. I dislike very much to take up time; but still I must call the attention of the Senator to a burden that this imposes on the banks. The redemption now is through their own correspondents, the choice of the banks in New York. It is proposed by this amendment to make the redemption at the Treasury and sub-treasuries of the United States. The process will be to send its currency back to the banks. If it is confined to Washington, it compels them to redeem at a political center, not a financial one. The process in New York now is, they having selected their own correspondents, that the difference is made up through exchanges. In this case it will require the currency to be sent back and the banks will be compelled to pay the express charges.

Another thing; it proposes to characterize the currency, to localize it, and thus start a system of discrimination between the issues of the different banks. I am opposed to anything of that kind. The bank currency passes now universally throughout the country; but the tendency of this amendment is to individualize the issues of each bank and gradually create discrimination against one and another that may be more distant than others. That will be the effect, and it compels the banks to pay the expense of sending back the currency to their own counters. Now they do it through their exchanges, without expense, and it is done in New York where the balances naturally increase. Here it is proposed to be at a political center, out of the financial channel. It seems to me the amendment ought not to be adopted.

Mr. HOWE. I understand that it is even worse than the Senator from Michigan suggests. It seems to me to impose a very direct and not a light burden upon the Treasury Department. It makes the Treasury Department the agent of the eastern banks where the money of the country is concentrated, in assorting that money and collecting greenbacks for it. Two hundred million dollars or two hundred and fifty million dollars are on deposit in Baltimore, Philadelphia, New York, and Boston continually. If I understand this proposition, it says to bankers and brokers, "Send your money *en masse* right into the Treasury; the Treasurer shall find clerks to count and assort it, and return you greenbacks for it at once, and take their chances of collecting it from the country banks all over the United States in thirty days." It seems to me the Treasury is made directly—I do not want to use any offensive term—the agent to effect these collections. If the Government finds the material with which the banks shall redeem their promises, I think that is enough for the Government to do.

Mr. MORTON. I think the suggestion of the Senator from Wisconsin is a very important one. That would undoubtedly be the effect of the provision.

Mr. SHERMAN. The Senator from Indiana remarked a moment ago that there was now redemption both at the bank-counters and in the redemption cities. That is not so in practice. There is no occasion to send notes home for redemption at the bank-counters, because the persons who desired to get greenbacks for their notes would not pay the expense of sending them home. Redemption in the redemption cities has proved to be a failure. I doubt whether in the whole history of the banking law there has been \$10,000 redeemed in the redemption cities. It is simply a means by which the banks get interest on deposits in the redemption cities. There are now two thousand banks. Think of the difficulty of assorting the notes of particular banks. Suppose it was desired to select the notes of a particular bank for redemption, either at its counter or at the place for redemption in a city; it is practically impossible; the difficulty is so great that it is never done.

Then there is another difficulty. Who knows where these bank-notes can be redeemed? Who designates in what particular bank and in which city is the place of redemption of any country bank? I doubt very much whether the bankers could find it out. The redeeming agents are designated by each bank respectively, how? By a notice to the Comptroller of the Currency. Is that published? Is that known? Not at all. You may take a national-bank note out of your pocket. There is nothing on the face of the note to show that it is redeemable at the First National Bank of New York. How can you find out which one of the numerous banks in the redemption cities is the place for the redemption of that note? You might possibly by writing to the Comptroller of the Currency in Washington find out the bank and city where it is to be redeemed. But that is practically impossible.

We have now bank paper which is convertible into a greenback by law at two places of redemption, and yet is practically inconvertible into greenbacks at any place of redemption. It cannot be sent home to a remote point for redemption, because that is too expensive and troublesome; it is too difficult to assort, too difficult to select those particular notes. It cannot be sent to a redeeming bank in a redemption city, because that is not ascertainable either on the face of the note or by any particular regulation of law.

The purpose of this section in the eye of the gentleman who penned it, and who himself is not only in favor of free banking but of an increased volume of legal-tender notes, was to secure something like an oscillation, a movement backward and forward, of this currency to prevent its redundancy; and it seems to me that he has fallen on the best expedient to accomplish this purpose. It is true I do not think it amounts to much, because as you increase the volume of greenbacks and swell the volume of bank-notes there is no great occasion to send the latter home for redemption; but certainly this will enable the holder of national-bank notes who desires to have legal-tender notes to get them by presenting them at the Treasury of the United States.

I have it from a member on whose word I rely, that the Treasurer of the United States says that practically there will be no difficulty in carrying this section into operation; that 5 per cent. is an ample reserve for the circulation of banks, and this would enable persons who desire to obtain legal-tenders either for the purpose of paying a debt or for any other purpose they may have in view to get them. Now, practically anybody may refuse to take a national-bank note in payment of debt. Therefore it is sometimes a proper and right thing to endeavor to get greenbacks. If the volume of bank-notes is to be largely increased there ought to be some mode by which these notes may be converted into greenbacks. There is no mode now. The very fact that these notes are all of the same similitude makes redemption impracticable under the present law. All the notes of two thousand banks are precisely alike, and the very name of the bank, the very designation and character of the bank and its location are in such small type that a man past fifty years would have to put on his spectacles to find out where the note was issued, so that redemption is impracticable. It was to meet that point that another provision contained in this section was inserted by the member who framed it. As each bank is known by a number, numbering from one up to nineteen hundred and odd, according to the date of its charter, it is proposed—which can be done at once by an ordinary machine—to stamp on the face of the note the number of the bank issuing it. Everybody can then ascertain what bank issued any particular note by its number. Now, practically it is impossible to have redemption, as you will see by taking up a pile of bills and assorting them over. You would find it difficult to pick out the notes of banks in one State without referring to localities in it.

I think I understand the object of the section. Indeed I have conversed with the gentleman who drew it. He does not agree with me in opinion; but his object in this is perfectly right and just, to facilitate redemption so as to promote as far as practicable under this system of redemption in greenbacks the oscillation, the movement backward and forward of currency, so that if bank-notes are unduly issued in a particular section of country they may flow back.

Now, take the State of Massachusetts. Massachusetts has issued \$59,000,000 of circulating notes, and they are scattered all over the western country. If the bankers and people of the West could send those notes to the Treasury with the hope of getting greenbacks to carry on their operations, why should they not have that privilege? But now practically it is impossible; there is no redemption, no plan of redemption. Although the law guarantees one, yet it is utterly futile. No man can now convert a bank-note into a greenback without more labor and more trouble than the whole operation would be worth to him. It was merely to remove that difficulty that this section was framed. I shall vote for it, not that I think it will accomplish any great results, but it will certainly tend to permit this oscillation backward and forward of notes from the place of issue to the place where they are loaned, and then let them float back again to the bank or the Treasury, where they will be redeemed by a greenback.

Mr. HOWE. I am very much inclined to think that this measure would get up a little more oscillation than would be agreeable, especially to the banks. I guess you had better keep the circulation as still as you can.

Let me say to the Senator from Ohio what I think is the reason

you have not any practical redemption; nobody wants it. What is the use of changing a bank-note into a greenback? Neither of them is money in a commercial sense nor in any honest sense. The greenback is more abundant than the bank-note. You say the greenback is issued by the Government; the bank-note is supported by the Government also. The greenback is a promise of the Government to pay a dollar; the bank-note is supported by the promise of the Government to pay a dollar and ten cents. There is a dollar and ten cents of the Government credit pledged for the redemption of the bank-note. The bank-note is the stronger of the two.

Mr. MORTON. It is a kangaroo.

Mr. HOWE. It has got the longest legs, you see. Then in paying debts every domestic creditor takes the bank-note just as readily as the United States note, and when you want to pay a foreign debt you cannot pay it with either. What is the use of such a redemption as that? You might provide for redeeming whisky with water and expect that to be practical. Most of the people would prefer to keep the whisky, just as most of the people would prefer to keep the bank-note, because it is the strongest; a good reason for keeping it. [Laughter.] But the fact is, that all those who deal in money care so little whether they have the one note or the other that the banks have taken in and paid out both indiscriminately. You cannot go into a bank and get \$100 without getting all kinds of currency. But the Senator from Ohio suggests that if the United States Treasury will take upon itself this labor of assorting the notes, counting them out, sending them back and forward, then you will get up an oscillation. I have not the least manner of doubt about it, but as I do not hunger for oscillation, I think I shall vote against this amendment.

Mr. FENTON. There is a way of securing redemptions, a practical plan if we want to adopt it, but I do not think we do. I have not seen any such disposition on the part of the Senate when they have had the opportunity, and they have it still. This amendment would not be very successful if it was adopted in securing redemptions in my judgment, and if it would be it ought not to be adopted, for I doubt whether the Government ought to be turned into an assorting and clearing house for the banks of this country. I shall vote against it.

Mr. SCOTT. I offered my amendment to the section offered by the Senator from Vermont, not because I am entirely favorable to that section, but if it is to be adopted I want my amendment to accompany it. My view of this central redemption for national-bank notes is, that it is at entire variance with the whole original theory of the national-bank system. We know it was a part of it, but the idea of the national-bank system was to apportion circulation to wealth and population in certain localities, for the purpose of accommodating the business of those localities; and if there be any way by which that is to be accomplished it ought to be by keeping that national-bank circulation in the very localities to which the law originally apportioned it. To require these banks to keep a portion of their reserves in a distant locality is in effect taking away from the localities intended to be benefited by the apportionment the benefit which the law intended to confer upon them. Therefore, I have never been very favorably impressed with the system of establishing redeeming agencies at the commercial centers for national-bank paper; for I think it is at war with the original idea of apportioning the circulation for the benefit of business in different localities according to wealth and population.

Mr. FRELINGHUYSEN. In order to understand this amendment, I ask the Senator from Pennsylvania whether the amendment does not provide for assorting the bills so that they will be sent to the places where they are intended to circulate? It struck me that that was just the benefit, if there was any, of this amendment, that it was a mode by which the bills which had wandered off thousands of miles away from their locality would through this channel be brought back to the place whence they originally issued. Am I correct?

Mr. SCOTT. If that were the only practical effect, that might be so; but it is evident the practical effect of it is intended to be to give the money-changers at the commercial centers the opportunity of getting greenbacks for this national-bank circulation. That is the effect of it. The other is a mere collateral affair, and not the original purpose of it.

Mr. MORRILL, of Vermont. When I introduced this amendment I stated that it did not precisely harmonize with my own views. I would be much more in favor of redemption at the city of New York. But as we have indications from enough of those who control a majority here to show what would be the fate of this proposition, and it is quite evident that the minority have "no rights which white men are bound to respect" as to offering amendments, [laughter,] I withdraw the amendment, and I hope the majority will propose something from a quarter that they will be ready to accept themselves.

Mr. FRELINGHUYSEN. I move that we now proceed to the consideration of executive business.

Mr. LOGAN. O, I hope not; let us go on and finish the bill.

Mr. ANTHONY. Will the Senator allow me to interpose a motion before that?

Mr. FRELINGHUYSEN. Certainly.

Mr. ANTHONY. Mr. President, to-morrow is a day that is observed with peculiar solemnity by the whole Christian world, and although I was not educated in the doctrine that accepts it as the authentic anniversary of the event which it commemorates, I have great respect for those who do. I believe it has not been customary during

the long session for the Senate to sit on Good Friday. I therefore move that when the Senate adjourns to-day it adjourn to meet on Saturday next; or as we have not sat on a Saturday at all during this session, I will move that when we adjourn to-day it be to meet on Monday next.

Mr. MORRILL, of Maine. Has there ever been an instance when that has been done?

Mr. ANTHONY. Has there ever been an instance during the long session when we have sat on Good Friday? I am sure that we have adjourned over that day. I cannot say that the practice has been uniform, but I know we have done so at times.

Mr. MORRILL, of Maine. I do not remember an instance.

Mr. MORRILL, of Vermont. Never but once.

Mr. ANTHONY. I will move that when the Senate adjourns to-day it be to meet on Saturday next.

Several SENATORS. Say Monday.

Mr. ANTHONY. I would prefer Monday, but I understood some Senators to object to that.

Several SENATORS. No, no; say Monday.

Mr. ANTHONY. Very well; then I move that when the Senate adjourns to-day it be to meet on Monday next.

The PRESIDING OFFICER, (Mr. BOREMAN in the chair.) The motion can be entertained by unanimous consent.

Mr. MORTON. If it is out of order, I object.

Mr. ANTHONY. I should think the Senator would allow us to test the sense of the Senate. I do not want to impose, and I certainly cannot impose, on the Senate any adjournment that they do not desire; but the Senator will allow us to test the question, will he not?

Mr. MORTON. I asked the other day to move to reconsider a vote to adjourn over, and I was told very promptly by the Senator from New York and half a dozen others that it was not in order, and was required to take my seat.

Mr. ANTHONY. Then I move to lay the pending bill on the table, the object being to have an opportunity to interpose a motion for the order of business, which I supposed was always granted. That motion is in order.

The PRESIDING OFFICER. It is in order, but it is not debatable.

Mr. ANTHONY. I hope, however Senators may vote on the question of adjournment, they will give us a chance to test the sense of the Senate upon it.

The PRESIDING OFFICER. The motion is not open to debate.

Mr. ROBERTSON. I call for the yeas and nays on the motion.

The PRESIDING OFFICER. The Senator from Rhode Island moves to lay the pending bill on the table.

Mr. HAMILTON, of Maryland. For the single purpose of moving an adjournment over.

Mr. CONKLING. Let us take the question by the sound, without the yeas and nays.

Mr. MORTON. No; let us have the yeas and nays.

Mr. CONKLING. Very well; then let us lay the bill on the table.

The yeas and nays were ordered; and being taken resulted—yeas 22, nays 21; as follows:

YEAS—Messrs. Anthony, Conkling, Cooper, Cragin, Davis, Fenton, Flanagan, Frelinghuysen, Goldthwaite, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Kelly, McCreery, Morrill of Vermont, Ramsey, Saulsbury, Schurz, and Windom—22.

NAYS—Messrs. Bogy, Boreman, Carpenter, Ferry of Michigan, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Logan, Merrimon, Morton, Norwood, Oglesby, Patterson, Pratt, Robertson, Scott, Sherman, Spencer, and Tipton—21.

ABSENT—Messrs. Alcorn, Allison, Bayard, Boutwell, Brownlow, Buckingham, Cameron, Chandler, Clayton, Conover, Dennis, Dorsey, Edmunds, Ferry of Connecticut, Gilbert, Lewis, Mitchell, Morrill of Maine, Pease, Ransom, Sargent, Sprague, Stevenson, Stewart, Stockton, Thurman, Wadleigh, West, and Wright—29.

So the bill was laid on the table.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. O. E. BABCOCK, his Secretary, announced that the President had on this day approved and signed the act (S. No. 334) to remove the political disabilities of William L. Cabell, of Texas.

PROPOSED ADJOURNMENT TO MONDAY.

Mr. ANTHONY. I now move that when the Senate adjourns to-day it be to meet on Monday next.

Mr. FERRY, of Michigan. I move to amend the motion so as to provide for a meeting on Saturday next.

Mr. MORTON. Is this question debatable?

The PRESIDING OFFICER. It is, in the opinion of the Chair.

Mr. MORTON. The proposition to throw away the day to-morrow, in view of all the circumstances, it seems to me, cannot be justified; and I will say to my friend from Rhode Island that I think we ought to be allowed to take a vote on the pending financial question without this sort of delay being interposed. The proposition to adjourn over Good Friday is contrary to the usages of the Senate. I think no Senator here can remember that it has ever been done. There are many other holy days which it would be equally proper to adjourn over as that of Good Friday, that are observed by the Catholic and Episcopalian and other churches. I think we all understand this. I hope now that this sort of proposition will not be interposed to the final decision of this question.

Mr. ANTHONY. When I am charged with wasting the time of the Senate by any Senator who has not spoken more hours than I have

minutes during this session I will defend myself. Until then I can stand upon my record. [Laughter.]

Mr. TIPTON. It is very evident that if we lose to-morrow on account of our piety, we shall take some Sunday in order to make up for it. [Laughter.] We have been in the habit of doing that, sitting on Sunday at the end of a session; and I have no doubt we shall be called upon to sit all day some Sunday in order that we may now piously take a day that our constituents do not expect us to take from the public business.

The PRESIDING OFFICER. The Senator from Michigan moves to amend the motion by substituting Saturday for Monday. That is the pending question.

Mr. CONKLING. That will merely waste the day. We shall not do anything on Saturday.

Mr. MORTON. I want to say one thing further. The remark of my friend from Rhode Island does not change the character of this proposition in the least. I shall make no defense against what he said.

Mr. ANTHONY. If the Senator knows or conceives that I have not made this motion in good faith, or that it has any character that does not appear on the face of it, I would thank him to state it. I am not in the habit of trifling with the Senate.

Mr. MORTON. It occurs to me that this is very much like trifling with the Senate.

Mr. FERRY, of Michigan. I have offered my amendment in good faith. I do not know that the vote just taken is an indication that the Senate proposes to adjourn over to-morrow; but if they are disposed to adjourn over, it seems to me they cannot do less than meet here on Saturday. If it is the object to pay respect to Good Friday, then I meet Senators upon that point, and ask them to meet here on Saturday. We are just as able to meet here on Saturday as we are on Friday, and if we give away Friday, we ought to take Saturday.

It has been stated by others that there has been a disposition to prolong this discussion and waste the time of the Senate. The country has so felt, and has asked us to settle this question of finance one way or the other; and now in the face of that, with the measure pending and evidently a majority disposed to perfect the bill, it is proposed to throw away two days.

Mr. MORTON. To adjourn over three days.

Mr. FERRY, of Michigan. If it is just that we should give one day, I am willing to give that one day, but no more; and I am willing and ready to come here on Saturday and try and do my duty.

Mr. ANTHONY. I think I shall ask my friend from Michigan if his motion is according to the new parliamentary law which has been laid down here within a few days, that no Senator has a right to move an amendment to a proposition unless he is going to vote for it? If the Senator is going to vote for the proposition as amended, then I admit his right to move the amendment. I think he and his friends have laid down the doctrine in the case of my friend from Vermont [Mr. MORRILL] and others, that they have no right to move an amendment unless they are going to vote for the bill.

Mr. FERRY, of Michigan. That was on a financial question, not a religious one. [Laughter.] The Senator from Rhode Island has presented a new precedent, adjourning over Good Friday. I have no knowledge of such an expedient, but I am disposed to defer on religious matters as rapidly and as fully as I can to the Senator from Rhode Island. We have been applying rules, however, to a financial question. This is a new one. I was not aware of it until my attention was called to it. Now I propose to vote according to the amendment that I propose, and then my feeling is to vote down the whole proposition, because I am opposed to an adjournment over. I am disposed to spend the Sabbath religiously; but to adjourn over a day now, when we have spent four months on this great question, I think is asking a little too much.

Mr. BOGY. I hope the amendment of the Senator from Michigan will be adopted, and that the Senate will adjourn until Saturday. I appreciate the argument made by the Senator from Indiana and also by the Senator from Michigan, that the pending bill ought to be disposed of; but it must not be forgotten that to-morrow is a day that is held in high veneration by the entire Christian world, and I think it would be promotive of good even on this great financial question if we observe that day which is commemorated by the Christian world as the day upon which the Saviour of mankind was crucified. I hope the amendment of the Senator from Michigan will be adopted, and that the Senate will adjourn over until Saturday.

Mr. GORDON. Is it proposed by Senators on the other side to make it a day of prayer and fasting, that they may get light to guide them on the financial question? [Laughter.]

Mr. FERRY, of Michigan. I move that the Senate do now adjourn.

Mr. SHERMAN. I trust the Senator who desires to adjourn now will change the motion and move an executive session. There is occasion for an executive session.

Mr. FERRY, of Michigan. Very well; I modify the motion in that way.

The PRESIDENT *pro tempore*. The Senator from Michigan moves that the Senate proceed to the consideration of executive business.

The motion was agreed to.

Mr. ANTHONY. I never take advantage of the Senate, and I do not wish to do anything that may seem to do so; and therefore I give notice that to-morrow I shall move to adjourn, so that Senators may be here or not as they see fit.

The PRESIDENT *pro tempore*. The Senator from Rhode Island gives notice that to-morrow he will move an adjournment; but whether at twelve o'clock or during the afternoon he does not state.

Mr. ANTHONY. On the assembling of the Senate to-morrow.

EXECUTIVE SESSION.

The Senate proceeded to the consideration of executive business. After thirteen minutes spent in executive session the doors were reopened, and (at five o'clock and eight minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

THURSDAY, April 2, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

RESUMPTION OF SPECIE PAYMENTS, ETC.

Mr. PLATT, of New York. On behalf of my colleague, Mr. CLARKE, who is confined to his bed by illness, I desire to present the petitions of merchants, manufacturers, bankers, and leading business men of the city of Rochester, New York, praying a return to specie payments and that there may be no more issue of paper currency, that it may be referred to the Committee on Banking and Currency.

Mr. FORT. I shall have to object unless others can be allowed the same privilege. Hundreds and thousands of petitions come here praying the very reverse of this petition. I am perfectly willing that this petition shall be presented if we can all present other petitions in the same way; but there will be hundreds of them every morning.

Mr. GARFIELD. Let them all be referred under the rule.

The SPEAKER. Objection being made, the petition will be referred under the rule.

CLAIMS FOR ADDITIONAL BOUNTIES.

Mr. HOLMAN. I ask unanimous consent to submit for consideration at this time a bill to extend the time for filing claims for additional bounties under the act of July 28, 1866. I think there will be no objection to it.

The bill was read for information. It proposes to extend the time for filing claims for additional bounties under the act of July 28, 1866, and which expired by limitation on the 30th of January, 1874, until the 30th of January, 1875, and to provide that all claims for such bounties filed in the proper Department after the 30th of January, 1874, and before the passage of this bill shall be deemed to have been filed in due time, and shall be considered and decided without refiling.

Mr. WILLARD, of Vermont. I must object to the present consideration of that bill. It will give rise to debate.

Mr. HOLMAN. I hope the gentleman will allow it to be referred to the Committee on War Claims with permission to report at any time. It is a matter of great importance to the soldiers.

Mr. WILLARD, of Vermont. I have no objection to that.

Mr. HAWLEY, of Illinois. It ought to go to the Committee on Military Affairs, if to any committee.

Mr. HOLMAN. I will withdraw the bill for the present and introduce it on Monday, if I can get the floor.

Mr. GARFIELD. I call for the regular order of business.

REDUCTION OF THE ARMY.

Mr. DONNAN. I rise to a privileged report from the Committee on Printing. I report back adversely the following resolution:

Resolved, That there be printed for the use of the House three thousand extra copies of the report of the Committee on Military Affairs as to the reduction of the Army.

The resolution was laid upon the table.

COMMISSIONER OF FORESTRY.

Mr. DONNAN. I report back from the Committee on Printing the following resolution, with a recommendation that the same be adopted:

Resolved, That there be printed five thousand extra copies of the report of the Committee on the Public Lands on the message of the President in relation to the appointment of a commissioner of forestry.

I hold in my hand the report referred to. It consists of some one hundred and sixteen printed pages well indexed, and was made by officers of the American Association for the Advancement of Science. It is a very able report, and there has been so much call for it that the committee have deemed it advisable to recommend the printing of five thousand extra copies. The type is now standing, and the cost of these extra copies will be some sixteen or seventeen cents per copy. The resolution was adopted.

PERSONAL EXPLANATION.

Mr. STORM. I rise to a personal explanation, and what I consider to be a question of privilege. I find in the RECORD this morning, upon looking over the remarks of the gentleman from Nevada [Mr. KENDALL] as there printed, certain remarks of a personal character which were not uttered upon this floor during the debate of yesterday. I rise merely to call attention to the fact and to condemn the practice of gentlemen adding to their remarks others of a personal character which were not made upon this floor. I think no gentleman in this House should resort to such practice.

The SPEAKER. Does the gentleman mean personal in reference to a member of this House?

Mr. STORM. Yes, sir.

Mr. KENDALL. I did not understand the statement of the gentleman.

Mr. STORM. I say that the gentleman from Nevada, in his speech as published in the RECORD this morning, has some remarks of a personal character which were not uttered upon this floor yesterday. I mention this fact in order to condemn the practice.

Mr. KENDALL. And I say that if the gentleman had paid attention to what I said he would have heard what is reported in the RECORD this morning.

Mr. STORM. I say that the gentleman has added to his remarks, and the reporters' notes will show it. He does not deny it.

Mr. KENDALL. I do deny it.

Mr. STORM. I move that the RECORD be corrected by striking out that portion not uttered yesterday by the gentleman.

The SPEAKER. The gentleman from Pennsylvania [Mr. STORM] raises the point that there are published in the RECORD this morning, as remarks of the gentleman from Nevada, some remarks of a personal nature which were not uttered upon the floor, and asks that the same should be excluded from the bound copy of the RECORD. The Chair is of opinion that that is a question of privilege.

Mr. KENDALL. I ask that the sentences be read to which exception be taken.

The SPEAKER. They will be read.

The Clerk read as follows:

The gentleman from Pennsylvania who offered this amendment, [Mr. NEGLEY,] and his colleague, [Mr. STORM,] who are so familiar with the condition and wants of the mines and miners of the Comstock, though neither has ever seen a silver mine, bray out their usual argument that this is another movement of the "California Bank ring" to defeat the long-suffering and much-persecuted Sutor!

I had, Mr. Speaker, at one time thought of replying to the other gentleman from Pennsylvania, [Mr. STORM,] usually so reticent, who the other day became so suddenly enlightened about the wants of the poor miners in the "sage-brush;" but I forbear; it is not worth the while; it is not of the slightest consequence.

Mr. STORM. Those remarks, I say, were not uttered upon this floor.

Mr. KENDALL. I wish to say, that standing here in this place on yesterday, where I now stand this morning—

Mr. NEGLEY. Allow me just a moment to say to the gentleman from Nevada and to the House, that so far as any reference is made to me it is a matter of perfect indifference.

The SPEAKER. That is not the question before the House.

Mr. KENDALL. I wish to state that during the debate of yesterday on the bill which has been referred to, standing here where I now stand, the five minutes which I was allowed to address the House expired. I then stated that I should refer to certain extracts from newspapers that had come to me in reference to this bill, and should ask to have them included in my remarks, which I have done. And the gentleman from Pennsylvania [Mr. STORM] who has just now resumed his seat, then standing at my left, should have heard that I said substantially in regard to himself what appears in the RECORD of this morning. Now, sir, the gentleman is somewhat sensitive about the allusion that is made to him, and I am glad of it. It is a sign of good health when the patient has a little sensibility left. My allusion, though not in kind terms to him, was of such a nature that I am a little surprised the gentleman should rise here this morning to a personal explanation and ask that the RECORD be corrected. However that may be does not concern the matter. I repeat that the remarks which have been read were essentially and substantially made here in the course of that debate. That is all I have to say in explanation, not in defense, for I make none and need none.

Mr. STORM. The gentleman does not deny, he cannot deny, that he did not make yesterday in the debate the remarks which the Clerk has read.

Mr. KENDALL. I say that I did make them substantially.

Mr. STORM. I appeal to the notes taken by the reporter at the time, which I have not seen; but I say they will not be found there.

The SPEAKER. That is a question of fact, which the reporters' notes will settle. There have been several instances in which remarks of a personal nature have been interjected into the reporters' notes; and such cases have always given rise to unpleasant debate in the House. A notable case was that of a then member from Ohio, in which case the matter was referred to a committee of the House. It has uniformly been held that where a member revises the reporters' notes, or where he obtains leave to print remarks not delivered, everything of a personal nature, not spoken on the floor, should be carefully excluded. This is a part of the common law of the House.

Mr. SPEER. I ask that the reporter produce his notes.

The SPEAKER. The Chair is informed that the manuscript of the reporters is not in the House, but necessarily at the printing office.

Mr. STORM. I hope that the language printed in the RECORD may be corrected by reference to the reporters' notes. Without having seen those notes, I am ready to stand by them.

Mr. G. F. HOAR. In connection with this matter, I beg leave to inquire of the Chair by what authority the expressions "laughter," "sensation," &c., are put into the debates by the reporters; whether such things are any part of the proceedings of the House?

The SPEAKER. The Chair thinks not.

Mr. G. F. HOAR. Then I request the Speaker to direct that such expressions be hereafter omitted.

The SPEAKER. The Chair thinks that all those things should be omitted from the official report of the House, because they are in contravention of the rules; and to insert them in the report is only putting upon record that members are violating the rules of the House.

Mr. KENDALL. I am just informed (and I ask the indulgence of the House to say it) that gentlemen who were immediately around me yesterday morning did hear substantially, and almost identically, the language to which exception is taken by the gentleman from Pennsylvania. Even if the notes of the reporter should not peradventure show the language, there are many gentlemen here around me who say that I did use substantially the language which I have asseverated I did use.

Mr. STORM. Now the gentleman is creeping out of a very small hole.

I was as much interested in the gentleman's remarks yesterday as any man on the floor of this House; and I say he did not use the remark which is applied to me in the printed report. There was a remark of that kind applied to my colleague, [Mr. NEGLEY,] but the other remark was not applied to me at the time the gentleman spoke.

Mr. KENDALL. I simply refer to other gentlemen here.

Mr. G. F. HOAR. In order that the reporters may definitely understand their duty in this matter, I ask that the statement which has been made by the Chair in regard to the insertion of parenthetical remarks by the reporters may be considered as an instruction to them on the part of the House.

The SPEAKER. Attention being called to the matter, the Chair directs the Official Reporters that hereafter all parenthetical remarks, such as "laughter," "applause," or anything of that kind, shall be omitted from their reports. Such things should never have recognition in the official reports of the House, any more than applause in the galleries. They are distinctly against the rules of the House.

In view of the question raised by the gentleman from Pennsylvania, [Mr. STORM]—whether it is to be brought up again upon an appeal to the reporters' notes the Chair does not know—the Chair begs again to remark, and to impress upon members, that the common law of the House which has always obtained in the revision of the official reports is, that it is not allowable for a gentleman to interject into his printed remarks anything of a personal nature not spoken on the floor. Members are all aware that great latitude is allowed in the printing of speeches and in the alteration of spoken remarks of an impersonal character. But as to everything personal, every member's sense of propriety will recognize at once that such remarks should be strictly confined to the report made by the official organs of the House.

Mr. KENDALL. I wish to appeal to members around me who are willing to rise in their places and say that I did use the language which appears in the report. Although the language to which the gentleman from Pennsylvania [Mr. STORM] takes exception is not of an offensive nature, I did use it in this debate, as members around me will asseverate.

The SPEAKER. The Chair thinks this matter has gone far enough.

Mr. KENDALL. I wish to set myself right on this question. Gentlemen who were near me yesterday will, if called on, rise in their places and say that I used the language appearing in the report.

ORDER OF BUSINESS.

Mr. DAWES. Mr. Speaker, there is a Senate amendment—

Mr. CONGER. I have been trying for something like thirty days to get the floor away from my friend from Massachusetts, [Mr. DAWES].

The SPEAKER. The gentleman from Michigan [Mr. CONGER] has a privileged report, upon a bill which his committee has been authorized to report at any time. The Chair understands him, however, to yield to the gentleman from New York, [Mr. WHEELER.]

Mr. CONGER. Yes, sir.

DEFICIENCY IN APPROPRIATION FOR WAR DEPARTMENT.

Mr. WHEELER. I move that a communication presented yesterday from the Secretary of War, transmitting a statement of the amount of deficiency in the appropriation for his Department for the fiscal year ending June 30, 1873, be ordered to be printed.

The motion was agreed to.

ALASKA FUR-TRADE.

Mr. CONGER. I am directed by the Committee on Commerce to report back, with the recommendation that it do pass, a bill (H. R. No. 2667) to enable the Secretary of the Treasury to gather authentic information as to the condition and importance of the fur-trade in the Territory of Alaska.

Mr. NEGLEY. I desire to ask the Speaker if I am to be taken off the floor by this and other business without being heard?

The SPEAKER. The gentleman from Michigan has a privileged report which he has the right to make, the House having conceded to that committee the right to report at any time.

Mr. NEGLEY. I am not questioning the Speaker's action, but that of the gentleman from Ohio, [Mr. GARFIELD,] who, when I am on the floor, calls for the regular order.

The SPEAKER. The call for the regular order prevented the Chair from recognizing the gentleman from Pennsylvania.

Mr. NEGLEY. I wish to know whether the gentleman from Ohio proposes to parcel out the time of the House?

The SPEAKER. The gentleman is not doing so; the Chair is doing that.

Mr. NEGLEY. I take notice, Mr. Speaker, that every morning when we attempt to pass any bill in the interest of members, which will occasion no debate, a few gentlemen call for the regular order and take us off the floor. I think it shows a lack of courtesy to other gentlemen who have pressing business, not of their own, but others.

The SPEAKER. The gentleman from Michigan reports back a bill, the title of which has been read, from the Committee on Commerce.

The bill was read. It provides that the Secretary of the Treasury be, and he is thereby, authorized to appoint some person, qualified by experience and education, a special agent for the purpose of visiting the various trading stations and Indian villages in the Territory of Alaska, the seal-islands, and the large islands to the north of them, in Behring Sea, for the purpose of collecting and reporting to him all possible authentic information upon the present condition of the seal-fisheries of Alaska, the haunts and habits of the seal, and the preservation and extension of the fisheries as a source of revenue to the United States; together with like information respecting the fur-bearing animals of Alaska generally, the statistics of the fur-trade, and the condition of the people or natives, especially those upon whom the successful prosecution of the fisheries and fur-trade is dependent; such agent to receive a compensation of eight dollars per day while actually thus employed, with all actual and necessary traveling expenses incurred therein; provided that the appointment made under the act shall not continue longer than two years.

Mr. WILLARD, of Vermont. I objected to the bill yesterday, but did not have time to state my point of order. I wish to know now whether the point of order, that this bill involves an appropriation and must have its first consideration in Committee of the Whole on the state of the Union, does not lie against it?

The SPEAKER. The gentleman from Massachusetts, [Mr. DAWES,] the chairman of the Committee on Ways and Means, reported this bill for consideration by the House from that committee. It was objected to, but was permitted to go to the Committee on Commerce with the right to report it back at any time.

Mr. WILLARD, of Vermont. I should like to have the question of order settled whether the right to report at any time relieves the bill from the point of order.

The SPEAKER. The gentleman will observe the status of the bill. The gentleman from Massachusetts was asking to have the bill considered in the House when he reported it from the Committee on Ways and Means. Objection was made, but permission was given to have it considered in the House, provided it first went to the Committee on Commerce. It now comes back under that condition of things. The gentleman's point of order would lie against the bill if there had been no condition of that kind.

Mr. WOOD. Yesterday I understood one objection prevented the presentation of the bill.

The SPEAKER. It did, because at that time the bill from the Committee on Mines and Mining had possession of the floor, under the operation of the previous question, but there is nothing of a higher nature which will now cut it out. The right to report at any time is good except when anything is occupying the attention of the House, placed there by a suspension of the rules or by the seconding of the previous question. The report is in order now because there is nothing of a higher privilege.

Mr. POTTER. Do I understand there is an entry in the Journal that it was the understanding this bill should be considered in the House when it was reported?

The SPEAKER. The Chair thinks it was so understood and implied, if not distinctly recorded. The gentleman will of course observe the mere right to report at any time for reference to the Committee of the Whole gives the bill no advantage at all. There would then have been no gain; and the gentleman from Massachusetts, in order to avoid having it go to the Committee of the Whole, made this arrangement upon the floor of the House previous to the reference of the bill to the Committee on Commerce.

Mr. POTTER. That it might be reported at any time, which was understood to be to report for consideration in the House?

The SPEAKER. There would have been no gain unless that had been the condition; because if such had not been the condition it would have been better for the gentleman to have allowed his bill to go to the Committee of the Whole at that time.

Mr. POTTER. I merely desire to be instructed by the Chair as to the effect of leave being given to report at any time, as it was at my suggestion that that privilege was granted in this case.

The SPEAKER. It was done by unanimous consent; for at that time a single objection would have carried the bill to the Committee of the Whole on the state of the Union.

Mr. WILLARD, of Vermont. Do I understand the Chair to rule that when a committee is authorized to report at any time, the point of order that the bill makes an appropriation does not lie?

The SPEAKER. Not at all. The Chair does not so decide. The Chair will again rehearse what took place, that there may be no misunderstanding. The gentleman from Massachusetts, [Mr. DAWES,] the chairman of the Committee on Ways and Means, reported this bill and asked for its consideration in the House at that time. There was some objection made to that. Had the point of order been then made, the bill would necessarily have gone to the Committee of the Whole

on the state of the Union. But after some conversation it was agreed by unanimous consent that the bill would not be objected to if allowed to go to the Committee on Commerce, with the right to the committee to report it back at any time.

Mr. WOOD. Do I understand the Chair to rule that the privilege given to any committee of this House to report at any time does away with the privilege of a member to raise the point of order as to what should be done with the bill when it comes back here?

The SPEAKER. Not at all.

Mr. WOOD. Then I raise the point of order that, as this bill makes an appropriation, it should go to the Committee of the Whole.

The SPEAKER. That point of order was expressly waived. The understanding only goes to the point of order that was waived. The gentleman from New York [Mr. WOOD] will observe that the gentleman from Massachusetts [Mr. DAWES] having control of the bill would not have permitted it to go to the Committee on Commerce, under the right to report it back at any time, merely to lose two weeks before its going on the Calendar. If the point of order had been made at that time, the bill would have gone to the Committee of the Whole on the state of the Union. But that was waived, and instead of going to the Committee of the Whole the bill was sent to the Committee on Commerce with the right to report it back at any time.

Mr. WOOD. My recollection was that when the gentleman from Massachusetts made that report objection was made, and the bill was sent to the Committee on Commerce with only one privilege—no question of order being raised—the privilege simply of reporting it back at any time. No unanimous consent was given that the bill should be considered irrespective of the point of order.

The SPEAKER. What does the gentleman from New York consider was the motive in sending it to the Committee on Commerce?

Mr. WOOD. The committee could report it at any time.

The SPEAKER. What for? What was the motive on the part of the chairman of the Committee on Ways and Means in having the bill go to the Committee on Commerce?

Mr. WOOD. Because objection was made to it.

The SPEAKER. Objection was not made to reporting it.

Mr. HOLMAN. I would like to answer the question just put by the Chair. That subject-matter had been uniformly before the Committee on Commerce before, and for that reason I objected myself to the consideration of the bill until it had been referred to the Committee on Commerce.

The SPEAKER. Precisely. But one objection would have carried it to the Committee of the Whole on the state of the Union then, over the objection of the gentleman from Indiana.

Mr. HOLMAN. Certainly; but I said it should go to the committee that uniformly had had jurisdiction of that subject.

Mr. G. F. HOAR. Is it not also true that the bill was considered in the House, and on consideration referred to the Committee on Commerce?

Mr. DAWES. I agreed to the bill going to the Committee on Commerce on the assurance that that committee should have the privilege of reporting it for consideration at any time.

Mr. WILLARD, of Vermont. Did not the gentleman's own committee have that right?

Mr. DAWES. My committee did not have the right to report at any time. My recollection is that I asked unanimous consent to report the bill for present consideration on the ground that it was a matter of urgency. That is my recollection, that I asked unanimous consent to report it for present action. After I had so reported it, and it had been read for action at the present time, the gentleman from Indiana, [Mr. HOLMAN,] of the Committee on Commerce, suggested that that was a subject which had been in charge of the Committee on Commerce. I replied that I knew the matter originally did come from the Committee on Commerce, and I did not know exactly why the Secretary of the Treasury had referred it to our committee; but I had not the slightest objection to its going to the Committee on Commerce, provided they had the right to report it back at any time. That was agreed to, and it was handed over to the Committee on Commerce.

The bill had some discussion in the House. There was, I thought, a consideration in the House to that extent. I had, as I understood, the consent of the House to report it for action at any time. The action at that time was taking it from the House and referring it to the Committee on Commerce, with leave to report it at any time. That is the way it struck me.

Mr. POTTER. I understand the facts in respect of the introduction and reference of the bill to the Committee on Commerce exactly as the gentleman from Massachusetts has stated them, except that I did not understand that the House gave any leave to consider the bill at that time. In other respects I agree with the gentleman. I do not desire to antagonize the bill at this time; I believe it was at my suggestion, as well as that of others, that the Committee on Commerce were authorized to report at any time. I can see very well that no experienced parliamentarian would allow a bill to be referred, as this bill was, to a committee with leave to report at any time, if upon its being reported back one objection would send it to the Committee of the Whole. I only wish to call attention to that being the effect of such an understanding, so that we may have the benefit of it in other cases; and if a gentleman desires to save the point of order

that a bill must go to the Committee of the Whole, he must not allow it to be referred to a committee with leave to report at any time.

The SPEAKER. O, no; the Chair could not allow it to be drawn into a precedent in that respect. The mere fact that a committee is authorized to report at any time does not affect the point of order.

Mr. DAWES. I do not so understand it.

The SPEAKER. The Chair does not so rule.

Mr. DAWES. I do not understand that the bill comes before the House by any such ruling as that.

Mr. WOOD. Allow me to say a word in reply to my colleague, [Mr. POTTER.] The Committee on Ways and Means had not the right to report this bill at any time.

The SPEAKER. The Chair has not so asserted.

Mr. WOOD. The object of the chairman of the Committee on Ways and Means was to have the bill referred to another committee. It received no consideration in the House; but the gentleman, by having it referred to another committee privileged to report at any time, thus obtained a privilege which the bill had not before.

Mr. DAWES. If the Chair will indulge me, I will say that I very well recollect that after I had reported the bill, I went on to give reasons for action upon it and for the necessity of prompt action, and to explain the principle upon which the bill was framed. That called the attention of the Committee on Commerce to the bill, and a member of that committee, while I was discussing the merits of the bill, suggested that the whole matter originated with the Committee on Commerce and should be considered by that committee. I was discussing the merits of the bill and explaining why it was proper that it should be passed at the present time, and then the gentleman from Indiana [Mr. HOLMAN] suggested that it ought to have gone to the Committee on Commerce. I saw then, while the bill was pending, that the Committee on Commerce might think it proper to antagonize the passage of the bill, and I said at once to myself that I would rather it should go to that committee immediately and let them see it for themselves and have leave to report it back at any time. But that was while I was discussing the merits of the bill. If I recollect aright I had gone so far as to give a history of the fur-seal trade; I have not thought of it since; but I am confident that I was discussing the merits of the bill.

The SPEAKER. The Chair has not had time to refer to the record, but the recollection of the Chair differs in one respect from that of the gentleman from Massachusetts. The Chair does not think that full leave had been given to consider the bill in the House, but pending an explanation, after which objection might have been made, an objection being made to considering it in the House, this arrangement was entered into. It was so far made that the record on the back of the bill, the official indorsement by the Clerk, is "March 26, 1874, read twice, and referred to the Committee on Commerce, with leave to report at any time." Now the fact that a bill has been once read takes it beyond the point of order, and the general understanding was that the bill was read twice. Gentlemen of the House will all observe that the mere right to report for reference to the Committee of the Whole is about the smallest privilege that can be given to a bill. A reference to the Committee of the Whole leaves it so entirely under the control of the opponents of the bill that any one is ready to give his assent to have it referred to another committee in this way, and therefore the gentleman from Massachusetts, acting with an intelligent knowledge of the rules as he always does, would not have consented to have the bill referred to the Committee on Commerce simply for the purpose of having it reported back to go to the Committee of the Whole.

Mr. WILLARD, of Vermont. I understand, then, the decision of the Chair to be that the bill having been read twice the point of order could not be made. Does not a bill have to be read twice before it can go to a committee?

The SPEAKER. Precisely; but when the bill itself was brought into the House, and allowed to be twice read, the question being upon its third reading, the point would not apply.

Mr. WILLARD, of Vermont. I understand that the bill was reported from the Committee on Ways and Means.

The SPEAKER. The bill was read twice and referred to the Committee on Commerce. It had not been read twice and referred to the Committee on Ways and Means, for this is a new bill with a new number.

Mr. WILLARD, of Vermont. Ah! then, it was an original bill reported from the Committee on Ways and Means without having been referred to them.

Mr. DAWES. Yes, sir.

Mr. CONGER. Now, if these matters are settled satisfactorily—

Mr. POTTER. If the point had been made in time it would have been good?

The SPEAKER. It would. The question is upon ordering the bill to be engrossed and read the third time.

Mr. BECK. Is there to be no explanation?

Mr. CONGER. If desired I will make a brief explanation.

Mr. BECK. The bill was considered in our committee, and I desire to be heard a few minutes upon it.

Mr. CONGER. I desire to state to the House what most members are aware of, that for the last three years the Government has been receiving from two little islands in Behring's Bay, some one hundred

and fifty miles from the mainland, and lying contiguous to each other, the sum of \$261,000 a year as royalty and rent for the fur-seal fisheries and the use of the islands; a very large revenue from such an apparently unimportant source. It is supposed, from investigations that have been made, that there lie in other parts of Behring's Bay, between Behring's Strait and the Aleutian Islands, other rookeries of the fur-seal, from which additional revenue to the United States may be derived. It is also supposed that the haunts of the sea-otter, one of the most valuable furs known in the world, the skins of which in the market range in value from twenty-five to one hundred dollars each, may be so utilized by a proper management of the sea-otter fisheries, and other furs in that locality, as to bring a considerable revenue to the Government.

There is no station of the United States where officers or soldiers of the Government are employed nearer than Sitka, which is south of the Aleutian Islands. The regions proposed to be explored extend from three hundred to one thousand miles north of that, in a portion of the world where during the summer season the sea and the islands are covered with fogs and mists, where it rains almost continually. They have been heretofore very little explored. The knowledge which has been derived of them by the Russian government heretofore has been confined to the Russian government, and never has been made public so that it might be known. All their operations connected with the fur-trade are kept secret, as is the case at the present day with the Hudson Bay Company of British North America. There have been no officers of the Army, or other officers of the Government, even if fitted for such an investigation, within from three hundred to one thousand miles of the regions to be explored.

This exploration requires an agent familiar with the language of the inhabitants, one ardent and energetic in his desire for exploration, who will have to pass from island to island and examine in that misty, cloudy, rainy region all the haunts of these fur-bearing animals, and report to the Government the information he may collect. This will be a work of toil and danger. The whole exploration, after these islands have been reached, will have to be made in the little skin boats or kyaks of the natives. It is a thankless task in one sense, and yet one which a naturalist and explorer might be very willing to undertake, as the gentleman proposed to be sent there has already undertaken in regard to the seal-islands, Saint Paul and Saint George.

The gentleman who it is proposed shall be appointed to this work, Mr. Elliott, has spent a year and a half among the Aleutian Islands and has made a report, a few copies of which have been printed, setting forth the haunts and habits of the seals upon these islands, the duties of the Government in regard to their protection, and the amount of revenue that may be received. It is a report that is a credit to the country and to him. It is proposed, if he will consent, to employ him for a year or perhaps two years longer in this further exploration.

I have been familiar with this subject since the time the first bill was reported to the House in regard to these seal-fisheries. I took part in the preparation of that bill some years ago. At that time we were receiving nothing in return for the \$7,000,000 which the Government had expended in the purchase of Alaska. But from the action which originated in this House we adopted a plan which has given us a revenue of \$261,000 a year from two little obscure islands, Saint George and Saint Paul. It is thought this revenue may be increased, perhaps doubled, if the seal-rookeries on the other islands, should there be such, and the other fur-fisheries, are protected as they should be, and other fur-bearing animals are saved from needless destruction or from being driven from their haunts on our territory.

The object of this bill, which has been introduced at the request of the Secretary of the Treasury, is to enable him to send one man, not to inaugurate an expensive expedition costing thousands of dollars, but to send one man who shall continue the explorations which he has made so satisfactorily to the Government during the last year and a half. And I trust there will be no objection to this bill in an economical point of view. In my opinion the beneficial results of this measure to the Government and to its revenue will greatly counterbalance any possible expenditure which may be made under the bill.

Mr. BECK. Will the gentleman from Michigan yield to me for a few minutes?

Mr. CONGER. I will hear the gentleman.

Mr. BECK. I would like to have the bill read, and then I only want to occupy two or three minutes.

Mr. CONGER. The bill has been read twice.

Mr. BECK. It has not been read this morning.

Mr. CONGER. O, yes; it has.

Mr. BECK. Then, Mr. Speaker, I want to say a word on this question.

Mr. CONGER. I will first yield to the gentleman from Vermont [Mr. WILLARD] for three minutes.

Mr. WILLARD, of Vermont. I desire to call attention to the provisions of this bill, which has just been explained by the gentleman from Michigan, [Mr. CONGER.] To start with, it creates a new office. It provides for an additional special agent of the Treasury, at a salary of \$2,500 a year and traveling expenses, whatever they may be—probably \$2,500 more. It continues this office for two years, making the expense to the Treasury at least \$10,000. The object of the

bill as stated here—and I have no doubt that such is the sincere purpose of the gentlemen who bring forward the measure—is to see whether we cannot make something out of Alaska. We have found that purchase an expensive one, costing some seven or eight millions in gold; and we have realized but very little out of it thus far. The bill seems to be an experiment based upon this theory: that it is not certain but there may be more seals in that region of country than have yet been discovered, and that a hardy, vigorous, enterprising traveler, at an expenditure of \$5,000 a year, may find that there are multitudes of them there, and that he may also be able to hunt up some parties who will be willing to contract with the United States to pay something for the opportunity of killing them and taking their skins. Well, it occurs to me that this is not the wisest economy. Although this bill has the indorsement of two committees—as respectable and honorable committees as any in the House, and composed of as intelligent gentlemen as any others—it seems to me that this is a very singular method of attempting to replenish the Treasury of the United States. The proposition is to send out a special agent—to create a new officer, though we are attempting here on all hands to cut down the number of public offices. The chairman of the Committee on Ways and Means, [Mr. DAWES,] in a speech which he delivered here some weeks since, arrayed with startling significance figures to show how much money we were paying out and how little we were getting in return for it. And yet his committee have indorsed this project to pay out \$10,000, more or less, in an effort to see whether we cannot get something back from our expenditure for Alaska. I think, Mr. Speaker, that this measure is certainly not in the direction of economy.

If the bill is intended to hit the case of some traveler who has gone abroad, some special agent of the Treasury Department who has been investigating consulates, or something of that sort, and who is coming back by way of Alaska, (the appropriation on which he is traveling having expired,) that may possibly be a reason with some gentlemen why the bill should be passed. I do not suppose, however, that either of the committees that have recommended this bill had any such missionary in their mind. I have, however, seen an intimation in the newspapers that some gentleman has been appointed as special agent for the purpose of going to Alaska and investigating the fur-seal fisheries.

Mr. O'NEILL. Will the gentleman from Vermont state the name of the person to whom he refers?

Mr. WILLARD, of Vermont. I cannot. I think, however, he was from Vermont; and I suppose he is now in San Francisco waiting for this bill to pass, so that he may get \$5,000 a year while journeying to and from Alaska. Now, sir, while this bill may be a wise measure of public economy, while it may be the means of getting back into the Treasury more money than we pay out to this officer, it does not seem to me on the face of it to promise very much in that direction.

Mr. BECK rose.

Mr. CONGER. I will yield in a minute to the gentleman from Kentucky, [Mr. BECK.]

Mr. Speaker, I think it would hardly be consistent with the good health of the gentleman from Vermont [Mr. WILLARD] if any bill, for any purpose, was to pass this House without his occupying our attention with something entirely disconnected from it, such as his reference in this case to agents for investigating consular matters. My friend from Vermont is economical. He shows it every day and every hour by occupying with his economy hour after hour of the time of this House, which is said to cost \$5,000 an hour. Now, sir, the gentleman has never voted for economy as I have and as other honorable members of this House have.

Mr. WILLARD, of Vermont. The gentleman cannot find anywhere a record which will show that I have not been as economical in all my votes as he has been.

Mr. CONGER. Now the gentleman must interrupt me again, it seems. But this House knows that on every occasion, whether the bill is important or unimportant, whether it looks to economy or to squandering, the gentleman from Vermont rises with his tail, lank form and opposes every measure that comes before the House, whether he knows anything about it or not. My own opinion has been that he took this course in the arduous and laborious pursuit of information, desiring that the progress of the Government be stayed while he gathered for himself a little private information, which he might have learned from the reports of the committees.

Of course there has been a report made on this matter—a printed report, (Elliott's report)—which, if the gentleman had read it, would have shown him the importance of such a bill as this. If he had read even the current record of the country he would have known that Alaska did not cost \$8,000,000. There is not a school-boy in the land but knows "seven millions for Alaska" is the great war-cry of the country, and not eight millions, and yet a million is of no difference to my friend, the economical gentleman from Vermont. He said seven or eight millions, he did not know which.

Now, Mr. Speaker, it is a matter of entire indifference to me whether the House passes this bill or not; but it has been thought by those who do know something about it, those who have spent their time in studying the condition of our country even as far off as Alaska, that there is here an opportunity of recovering from that country at least a fair interest upon the expenditure of the Government, and to put this money into the Treasury at a trifling cost.

Now, why does the gentleman vote here to give forty, fifty, sixty, or seventy thousand dollars in exploring around the Yellowstone in the interest of science? The gentleman voted for that bill, and I was surprised he did, for a bill organizing a great corps of men, surveyors, horses, mules, and cattle, and camp equipage, to explore the beauties of the Yellowstone. He had no word of reproof for that; but it is only when we propose to send some poor, lone, adventurous explorer, without retinue, without horses, without mules, and even without a jackass, that he objects. It is only when we propose to send out this adventurous explorer, who is to go to the region of mist and rain, and darkness and storm, alone, in his poor seal-skin boat, that the gentleman's economy comes to the rescue. And he talks to this House about the enormous expenditure of eight dollars a day for a man who, in the interest of science and in the interest of this Government, will risk his life and peril his comforts to go there alone to make this exploration—a thankless task for anybody.

Now, while I would go with the gentleman from Vermont, who has arrogated to himself not only this year but during all the preceding years ever since I have had the honor of being a member—who arrogates to himself the entire economy and prudence of the whole House as if he alone knew what was best for the Government to do, as if he alone knew where an expenditure would be beneficial—I say while I would go with him in all that is reasonable and in all that is proper, there is a limit to this eternal ringing into our ears of objections to every measure which will promote the prosperity of this Government. The gentleman from Vermont fails to see that, and he will go down to his grave objecting, objecting, objecting. He will go into the other world, and I believe when he gets there will object to the angels treading the golden streets for fear they will wear away some of the golden dust and destroy it forever.

Mr. WILLARD, of Vermont. The gentleman should not forget that I am in favor of gold, while he is in favor of greenbacks.

Mr. CONGER. I say, Mr. Speaker, that possibly one of the main inducements held out to my friend from Vermont for seeking to go into those glorious upper regions is that, inasmuch as he is such a lover of gold, he will have these golden streets to walk upon.

Now, sir, this is simply a question for this House to consider, whether or not this trifling expenditure commends itself to the judgment of the House as a desirable one for the interest of the Government. If not, defeat the bill. If it is desirable and proper in the direction of sound economy, pass the bill. I now yield to my other economical friend—my friend from Kentucky, [Mr. BECK.]

Mr. BECK. Mr. Speaker, I knew all the time that the gentleman from Michigan was speaking in reference to the gentleman from Vermont, while looking at me so sternly, it was a warning to me not to say anything against this bill, and was meant as a prelude to what, if I should do so, would surely fall afterward on my devoted head. I will take the warning given by his manner. I have had to make my peace with him once or twice before.

Sir, I sympathize with the gentleman in the object of the bill, but while it was before the Committee on Ways and Means I voted against the special provision limiting it to a single person, and he not an officer of the Government, although a majority of that committee voted in favor of it. I opposed it for this reason: While I have the highest appreciation of the talent of the young gentleman named, (Mr. Elliott,) whose report I have read and to whom I listened with much pleasure before the committee, and while I am prepared to say his work and his learning are everything to satisfy me that he is a young man of uncommon intellect, yet I did not think it was a proper thing for the purpose I had in view to pass a special bill to give him this employment alone. I will state my reasons briefly.

We have a contract now with a great, rich, and powerful company whereby they agree to pay us two dollars per skin for one hundred thousand seals, and the rent for the islands amounts to some fifty or sixty thousand more. We thus receive \$200,000 for one hundred thousand seal-skins and from fifty to sixty thousand dollars for the use of the islands.

That company may or may not be taking more than one hundred thousand seals. I believe that nearly three hundred thousand seals are taken from our islands instead of one hundred thousand under that contract. There are houses in England that have a monopoly of the business. Not a seal-skin can be brought into this country—their monopoly is absolute. The skins are shipped from the islands to San Francisco and thence to London; and there they are manufactured. While seal-skins cost them \$2.50 apiece, and two good seal-skins make a full set for a lady, or three inferior ones, not costing the company for a set over \$5.50 or \$7.50, that monopoly enables them to sell those sets of furs at prices varying from seventy-five to one hundred and twenty-five dollars in gold in London, or from two hundred to three hundred dollars a set in New York after they have been returned to this country.

My opinion, from pretty thorough information, is that those men are getting somewhere seal-skins to the amount at least of three hundred thousand a year. That number are said to be in the market, and there is no other place to get them except what fur can be obtained from one Russian island. The company has a general contract with the government of Russia to take as many seal-skins as they please from the Russian possessions, but, as I learn, they get very few. I do not suppose they get ten thousand a year from all the possessions of Russia. But that unlimited contract with Russia enables them to

claim that all the seal-skins they have beyond one hundred thousand come from the Russian possessions, when in fact most of them are coming from our islands.

I desire, therefore, to send a man capable of looking into this business, an energetic officer of the Army, a man of high standing and position, responsible to the Government, to investigate those contracts and the number of seals that are taken, so that Congress may know whether we are being defrauded. I have faith in the capacity and integrity of the regular Army officers, and I rely on their disposition and ability to make our information thorough. Why, sir, this young man is no doubt a young man of scientific acquirements, a young man of education, and a young man well qualified to take photographs and write reports about the habits of seals, and I have no reason to doubt his integrity; but I would as soon think of sending a Southdown lamb to the prairies of Texas to catch wolves as of sending him to detect frauds perpetrated by that company. I want an officer of the Army to be sent for that purpose. And while I think the investigations of this gentleman ought to be prosecuted, and his examinations made, and the habits of the fur-seals made known, and that he is a good man to do that work, perhaps the best man in the country, I would add to this bill, even if I intended sending him, a provision for sending also one of your most competent officers and for paying him, if necessary, a fair price for the delicate and difficult services required at his hands.

Let us see that those companies are not defrauding us, that they are not annually taking from us in excess of their contracts hundreds of thousands of seal-skins, as I believe they are now doing. And if, as Mr. Elliott reports, the number of seals that may be killed can be increased and two or three hundred thousand can be killed—indeed he supposes that as many as four hundred thousand may be taken annually without encroaching on the breeding-grounds—why, in that case, let contracts be made on the report of a responsible officer, after a thorough investigation, which would enable us to get what we ought to from these islands and prevent fraud, if there be any, from being perpetrated, if it should be developed, as I believe it would be, that we are now being defrauded.

Mr. CONGER. I desire to make one further statement. The Government has an agent on each of these islands, Saint George and Saint Paul. The agents count all the skins there. But one vessel goes from there to San Francisco, where the skins are all counted from off the boat. There can be, without fraud on the part of the officer, no excess in the killing beyond the number that is reported, except a few thousand authorized by law to be killed by the natives for their food. There are five million seals it is supposed that land there for breeding purposes; after that they disappear in the ocean and nothing is known of them for nearly a year. Those agents are local officers. They stay there; while the exploration this bill calls for will extend over a sea-coast of seventeen hundred miles, and much more for its bays and inlets.

Mr. MAYNARD. I wish to ask the gentleman from Michigan a question in the line of what he has just been saying. Statements have been made in the newspaper press to the effect that the number of seals taken on those islands amounts to two hundred thousand or two hundred and fifty thousand a year. On what authority that statement is made I do not know. But I desire to ask the gentleman whether the Committee on Commerce had given any special attention to that subject, or whether they have relied generally on the provision of law, and supposed that all was correct.

Mr. CONGER. I will say, in answer to the gentleman's question, that the law under which these islands were leased provided that there should be resident Government agents on those islands, who should take account of every seal-skin taken there, the killing of seals being put under their direction. They are shipped on board the only one boat which is allowed to approach those islands and taken to San Francisco. And I desire to say this, that of all the seals taken in the world two-thirds are taken on those two little islands one hundred and fifty miles away from the mainland.

A portion are taken from the Russian islands, on the Asiatic coast; a few are taken occasionally on their passage up and down the coast, taken in the water or upon rocks; a few are taken in the southern seas around the southern pole and from the adjacent islands. That embraces the whole; and I may say that there is in all the world but one place where these fur-seal skins can be prepared for use in the form in which they are used. So far as the taking off the hair from them and cleaning and coloring them is concerned, there is but one firm in the world that does it, and that is a London firm. Thousands of dollars have been expended to find out the secret of preparing and dressing fur-seal skins and coloring them; but as yet the business is confined to one firm.

Mr. MAYNARD. It is a manufacturing secret.

Mr. CONGER. Yes, sir; it is a secret; no one else has yet found out the particular mode of preparing fur-seal skins for the market, and hence this firm in London can command, and, as the gentleman from Kentucky says, do command, the whole market of the world. They alone buy them for what you might call the manufacture of fur-seal skins.

Mr. MAYNARD. One word more. It was stated in connection with the Russian treaty, how truly I do not know, that the Russians retained one or two islands near to the Asiatic coast, avowedly because they believed that we should manage the seals on the islands of

Saint Paul and Saint George so unwisely that they would be driven from there to take refuge on those islands on the Asiatic coast, so that, notwithstanding the treaty, Russia would practically have the benefit of the fur-seal skin trade after all.

Mr. CONGER. We think the protection provided by the present law will preserve this fishery perpetually to our own Government. That was the object of the law, and the only object of making this monopoly, and so far it works admirably. I now yield to the gentleman from Massachusetts, [Mr. DAWES.]

Mr. DAWES. Mr. Speaker, the policy of the Government in regard to this matter is fixed by law. It is too late for us to discuss its propriety. When the bill which is now the law was before the House I was intensely opposed to it and had a prepared speech upon it which remained undelivered; I sought the opportunity which my friends on the Committee on Commerce would not let me have to bring before the House the very objections suggested to the operation of this law. But the law passed against the protest of the Treasury Department, and against the protest of many members of this House. I am free to say, however, that the objections to putting this whole matter into the hands of one monopoly for twenty years have not been realized by experience. It has thus far worked well. I have kept my eye upon it, and not a friendly eye either, because I felt that it was wrong. I am willing to say that thus far the interest of these parties has led them to conduct this business remarkably well, as well for their own interest as for the interest of the Government and the preservation of the seals. But the whole thing depends upon the fact whether we know that we have the whole control of the fur-seal fishery or not. We cannot acquire the knowledge of that fact in any other way than by ascertaining more fully than we now are able to tell what is the condition of the other islands still in the possession of Russia. Every man cannot acquire that knowledge. An Army officer of the United States going there among these islands would be repelled; he would have no facilities for acquiring this information. It is proposed by the Treasury Department to send out there a young gentleman who has been a year and a half there, and has acquired by his relations with the people there such facilities as no other man possesses, and which would enable him to bring back to us the topography of those islands, the climate of those islands, to enable us to tell whether it be true, as my friend from Kentucky suggests, that these parties sell two or three hundred thousand skins a year and pay us a tax for one hundred thousand only. I have no reason to believe that they do cheat us; but I said when this bill was passed that they had made a contract with Russia for the other islands and that under cover of that contract such a result might be reached by them. I have no evidence that induces me to believe that such is the case beyond the statement of the gentleman from Kentucky. I see no better way to guard our revenue and to secure facilities in the collection of these taxes than that which is proposed by the Treasury Department, to bring back here, from one who will have facilities for obtaining this information, such a report as he has brought back in reference to our own islands, and the like of which for value of information has never been brought us from those regions.

Sir, not only are there seventeen hundred miles of coast there; there are more than four times that extent of coast there, taking all the islands into consideration. Then there are other kinds of fishery; there is the fossil-ivory business; and there are other fur-bearing animals on the mainland of which we are almost entirely ignorant, and concerning which we can obtain information only from the inhabitants of those islands through persons so situated that they can obtain reliable information. I know that a man may go there and play and pretend to get information. And I know that one who is an enthusiast in his business, who has devoted himself summer and winter to exploring that icy region of country, who has become identified to some extent with the interests of the inhabitants themselves, if an honest and faithful man, can bring back information which no other man can obtain. An Army officer, honest I have no doubt as they all are, but bound up in his formalities and regimentals, under orders of cast iron, and stiff as those which govern all Army explorations, would come back here with reports formal enough, but the information to be derived from them would not be very great.

When this whole matter was before the Government when the treaty with Russia was pending, the Government found but one man in the country who knew anything about the condition of these islands. He was an old sea captain down in New Bedford, in my State, who had spent nearly thirty years in the Pacific Ocean and among these islands. They brought him on here, and the information which he gave to those who negotiated that treaty, and to the Treasury Department afterward, was the basis of all the legislation we have had on this subject. He has been sent there, has spent the whole of his time there, summer and winter, coming back here once each year to make his report and to make such suggestions as to the management of these islands as his experience and observation enable him to make. It is in this way and this alone that we have been able to take care of this Russian acquisition of ours and to make it pay something into the Treasury.

Mr. BECK. I desire to say one word before the gentleman from Massachusetts [Mr. DAWES] takes his seat.

Mr. DAWES. The floor is in the control of the gentleman from Michigan, [Mr. CONGER.]

Mr. CONGER. I am advised that I must call the previous question now, if I wish to have this bill acted upon this morning.

Mr. BECK. I merely wish to say a word or two to put myself right.

Mr. CONGER. I only wish to obtain action upon the bill and not have it lose its place.

The SPEAKER. The Chair will recognize the gentleman to call the previous question.

Mr. BECK. I do not mean to say that I knew this was all a fraud. But my information while in London last summer was that there was a very large number, perhaps three hundred thousand, seal-skins, used annually there; and I do not believe they came from any other source.

Mr. SCHUMAKER, of New York. I desire to say a word in reply to the gentleman from Massachusetts. I understood him to say that the only person who had any knowledge of these seal-islands was an old New Bedford whaler.

Mr. DAWES. Perhaps I ought not to have said that he was the only man.

Mr. SCHUMAKER, of New York. I wish to say that Henry Havens, of New London, and H. & S. Willett, of New York, sent their whaling ships to these islands some seven years ago, took possession of them by force, and formed a seal-hunting company, which with their old ships and oil-pots they sold out for millions of dollars. Stockholders of that company, with few exceptions, are foreigners, persons in Hamburg, Frankfort, and London. That is the way this seal-skin company was formed.

Mr. DAWES. I do not want to discuss that question. But years back of that Captain Bryant—

Mr. SCHUMAKER, of New York. He never was heard of in this speculation. This is one of the most gigantic speculations of the age. It is talked of in every city of Europe; it is well known there that this seal-skin fraud, as it is called, has been legalized by Congress and has now become one of the most gigantic swindles of the age. And they charge for a seal-skin suit, which costs them perhaps from fifteen to twenty dollars, from one hundred and seventy to two hundred dollars.

Mr. DAWES. I am speaking of the knowledge we obtained.

Mr. SCHUMAKER, of New York. I did not intend to say a word on this subject, but I know that Henry Havens, of New London, and A. & S. Willett, of New York, started this seal-skin company that has made so much money on the Pacific coast.

Mr. CONGER. I now call the previous question.

Mr. COBURN. I wish to propose an amendment to this bill, to the effect that the Secretary of War shall be authorized to detail an officer of the Army to go with this person and in conjunction with him make inquiries and report; and that in addition to that he shall also inquire and report whether the contracts as to the seal-fisheries have been heretofore complied with and whether said contracts should be extended.

Mr. MAYNARD. I will suggest that the Secretary of the Navy should send a naval officer.

Mr. CONGER. I must resume the floor, and call the previous question.

Mr. COBURN. I desire that this amendment may be read for information.

Mr. CONGER. I cannot yield.

The question was taken upon seconding the previous question; and upon a division there were—ayes 74, noes 65; no quorum voting.

Tellers were ordered; and Mr. CONGER and Mr. BECK were appointed.

The House again divided; and the tellers reported that there were—ayes 81, noes 66.

So the previous question was seconded.

The question was, Shall the main question be now put?

Mr. YOUNG, of Georgia. On that question I call for the yeas and nays.

Mr. MAYNARD. I wish that the amendment of the gentleman from Indiana [Mr. COBURN] might be read. The object is to get the amendment attached to the bill if possible, and I ask that it be read for the information of the House.

Mr. CONGER. I cannot yield; it relates to an entirely different object.

Mr. COBURN. If the gentleman will hear it read he will see that it relates to this very subject.

Mr. CONGER. It relates to an entirely different object. I cannot yield to have it read.

The question was taken upon ordering the yeas and nays upon the main question; and there were 35 in the affirmative.

So (the affirmative being one-fifth of the last vote) the yeas and nays were ordered.

The question was taken; and there were—yeas 102, nays 110, not voting 78; as follows:

YEAS—Messrs. Albert, Averill, Barber, Barry, Bass, Bradley, Bromberg, Buffington, Burleigh, Benjamin F. Butler, Roderick B. Butler, Cain, Cannon, Cason, Cessna, Amos Clark, Jr., Clayton, Conger, Corwin, Crooke, Crutchfield, Curtis, Dawes, DeWitt, Dobbins, Donnan, Duell, Dunnell, Eames, Elliott, Farwell, Foster, Frye, Garfield, Gunkel, Hagans, Robert S. Hale, Harner, Hathorn, Havens, John B. Hawley, Joseph R. Hawley, Gerry W. Hazelton, John W. Hazelton, E. Rockwood Hoar, Hooper, Houghton, Hubbell, Harbut, Hyde, Hynes, Kasson, Kelley, Lynch, Alexander S. McMill, MacDonall, Monroe, Moore, Myers, Negley, Niles, O'Neill, Orr, Orth, Packard, Page, Isaac C. Parker, Parsons, Pendleton, Phelps, Thomas C. Platt, Pratt, Purman, Ransier, Rice, Richmond, Ellis H. Roberts, Rusk, Sawyer, Henry B. Saylor, Sessions, Sheldon, Lazarus D. Shoemaker, Sloan, William A. Smith, Sprague, Stanard, Strait, Christopher Y. Thomas, Tyner, Waldron, Wallace,

Marcus L. Ward, Wheeler, Whiteley, George Willard, Charles G. Williams, John M. S. Williams, William Williams, William B. Williams, Wilshire, and Woodworth—102.

NAYS—Messrs. Adams, Arthur, Ashe, Atkins, Barrere, Beck, Begole, Bell, Berry, Biery, Bland, Blount, Bowen, Bright, Brown, Buckner, Caldwell, John B. Clark, Jr., Clements, Clymer, Stephen A. Cobb, Coburn, Cook, Cotton, Creamer, Crounse, Darrah, Davis, Durham, Eden, Eldredge, Field, Fort, Freeman, Giddings, Gooch, Hancock, Henry R. Harris, John T. Harris, Hatcher, Hays, Hereford, Herndon, George F. Hoar, Hodges, Holman, Hoskins, Howe, Hunter, Hutton, Jewett, Kendall, Knapp, Lamar, Lawrence, Lawson, Lofland, Luttrell, Mazee, Marshall, Martin, Maynard, McKee, McLean, McNulta, Mellish, Merriam, Milliken, Mills, Neal, Nunn, O'Brien, Hosea W. Parker, Perry, Pierce, Pike, Rainey, Rapier, Ray, Read, Robbins, James C. Robinson, James W. Robinson, John G. Schumaker, Scofield, Sener, Sheats, Sherwood, Sloss, J. Ambler Smith, John Q. Smith, Southard, Speer, Standford, Stone, Storm, Taylor, Thornburgh, Vance, Walls, Wells, White, Whitehead, Whitehouse, Whitthorne, Charles W. Willard, James Wilson, Wolfe, Wood, and Pierce M. B. Young—110.

NOT VOTING—Messrs. Albright, Archer, Banning, Barnum, Bundy, Burchard, Burrows, Freeman Clarke, Clinton L. Cobb, Comingo, Cox, Crittenden, Crocker, Crossland, Danford, Glover, Eugene Hale, Hamilton, Benjamin W. Harris, Harrison, Hendee, Hersey, Kellogg, Killinger, Lamson, Lampont, Lansing, Leach, Lewis, Longbridge, Lowe, Lowndes, McCrary, James W. McDill, McJunkin, Mitchell, Morey, Morrison, Nesmith, Niblack, Packer, Pelham, Phillips, James H. Platt, Jr., Poland, Potter, Randall, William R. Roberts, Ross, Milton Saylor, Henry C. Scudder, Isaac W. Scudder, Shanks, Small, Smart, A. Herr Smith, George L. Smith, H. Boardman Smith, Snyder, Starkweather, Stephens, St. John, Stowell, Strawbridge, Swann, Sypher, Charles R. Thomas, Todd, Townsend, Tremain, Wadell, Jasper D. Ward, Wilber, Willie, Ephraim K. Wilson, Jeremiah M. Wilson, Woodford, and John D. Young—78.

So the main question was not ordered.

During the roll-call, the following announcements were made:

Mr. GIDDINGS. I wish to announce that my colleague, Mr. WILBIE, is detained from the House by sickness.

Mr. PLATT, of Virginia. On this question I am paired with the gentleman from Kentucky, Mr. YOUNG. If he were present, he would vote "no," and I should vote "ay."

The result of the vote was announced as above stated.

Mr. MAYNARD. I call for the regular order.

THE SPEAKER. The House having refused to order the main question, and the regular order being called for, this bill goes over. But the gentleman from Indiana [Mr. COBURN] is recognized to offer an amendment.

Mr. COBURN. I move to amend the bill by adding the following:

That the Secretary of the Navy be, and is hereby, authorized to detail an officer of the Navy to go in connection with the person above mentioned, who shall be charged with the same duties, and shall make a like report upon the subjects therein named, and shall also report whether the contracts as to seal-fisheries have been complied with by the persons or company now in possession, and whether said contracts can be safely extended.

Mr. MAYNARD. I call for the regular order.

Mr. CONGER. I ask that the previous question may be considered as ordered on the bill and amendment.

THE SPEAKER. The regular order being demanded, and the House having refused to order the main question, the bill must go over, as the currency bill has been made a special order for half-past one o'clock.

Mr. CONGER. When will the bill come up again?

THE SPEAKER. To-morrow morning; or if the currency bill should be disposed of to-day, it would come up immediately thereafter.

REMOVAL OF OBSTRUCTIONS AT HELL GATE.

Mr. MELLISH, by unanimous consent, presented a memorial of the East Side, West Side, and North Side Associations of the city of New York, to the Congress of the United States, in favor of increased appropriations for the removal of obstructions at Hell Gate; which was referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

The memorial of the East Side, the West Side, and the North Side Associations of the city of New York, in favor of increased appropriations for the removal of obstructions at Hell Gate.

To the Senate and House of Representatives of the United States:

The associations above named respectfully ask your honorable bodies to make suitable appropriations for the removal of obstructions impeding the navigation of the East River entrance to New York Harbor, and present the following facts as reasons to warrant an early completion of that work:

1. The East River is an arm of the sea through which passes a large portion of the vast fleet of coasting vessels that trade from the Eastern States to New York; and it is the hourly resort of steamboats crowded with passengers, and carrying the most precious freights.

2. The removal of those obstructions involves the expenditure of a sum trifling in comparison with the amount of property daily placed in jeopardy. From records kept at Execution Height it appears that from August 1 to November 30, 1868, inclusive, (four months,) 19,408 vessels passed that station and through the Gate. Of these there were 2,434 steamers, averaging at least 1,200 tons, and 16,974 sailing-vessels, (including 8 ships, 22 barks, and 436 brigs,) averaging at least 150 tons each, a value in tonnage alone of more than \$700,000,000, or more than \$6,000,000 daily passing that point. Add to this the vast amount of freight moved by steam and by sail daily through this channel, and there is given an aggregate of many millions of dollars daily exposed to the perils of this passage.

3. The number of passengers on the various steamers during those four months averaged 7,212 daily, and including the crews of steamers and sailing-vessels, there were over 12,000 souls daily exposed to consequences which were chiefly averted by the skill and watchfulness of pilots.

4. From investigations of several years it appears that an annual loss of over \$1,500,000 has arisen from these obstructions. Admiral Davis has written:

"Of sailing-vessels which enter the Hell Gate passage, it is estimated that one in fifty sustains more or less injury by being forced by violence of the currents on the rocks and shoals."

And Admiral Porter has written:

"No one can form an idea of the number of vessels that go on shore during the course of a month. Fifty went on shore during the period I was occupied there, (two months,) and many of them were much injured."

5. The appropriations made by Congress for the removal of these obstructions

began in 1868, when an appropriation of \$80,000 was made. Since then the following appropriations have been made: In 1869, \$180,000; in 1870, \$250,000; in 1871, \$250,000; in 1872, \$225,000; and in 1873, \$225,000. These appropriations, however, included expenditures for the whole distance from Buttermilk Channel, at Governor's Island, to a point beyond Hallet's Point, above Astoria, and only about 60 per cent. of the same has been expended in the Hell Gate improvement. The appropriations made have been inadequate to carry on the work with the success desired, as appears by all the reports made by General Newton, who is in charge of the work. In his last report, dated August 30, 1873, he writes:

"We have been much delayed, and the cost of the operations has been increased, by being compelled to work under appropriations not sufficient for rapid and economical progress. These matters have been touched upon in previous reports, and I repeat them here simply from a sense of duty."

In fact, in consequence of the exhaustion of the appropriation made at the last session of Congress, work has been actually suspended at Hell Gate since the 20th of November.

At the rate of progress thus far made it is estimated it will take from thirteen to sixteen years to complete the work, whereas with adequate appropriations it could be completed in three to four years.

In conclusion, it is hardly necessary to say that the commercial interests of our whole country, and a just regard for the lives and property of its citizens, as well as ordinary business economy, require that this work should be completed at the earliest possible period.

In view, therefore, of the importance of the subject and the absolute necessity that larger appropriations should be made, the said associations ask an appropriation for that object of at least \$600,000 for the current year, that amount being required to enable all the men to be employed that can be worked to advantage.

Respectfully,

CHARLES CRARY,
WILLIAM A. DARLING,
THOMAS J. CROMBIE,

Special Committee of Public Meeting called by the East Side Association.

A. R. MARTIN,
JOHN W. PIRSSON,
LYNN S. CLARK,
L. G. MORRIS,

Special Committee of the West Side Association.

W. T. MARION,
JOSEPH W. GODWIN,
HUGH N. CAMP,

Committee of the North Side Association.

IRON-SHIP BUILDING-YARD.

Mr. HAYS, by unanimous consent, presented from the Committee on Naval Affairs a report to accompany the bill (H. R. No. 589) to establish an iron-ship building-yard on the waters of the Atlantic and on the Mississippi or one of its tributaries, and to afford facilities to the Navy; which was recommitted, and ordered to be printed.

HOMESTEAD AND PRE-EMPTION SETTLEMENT IN CALIFORNIA.

THE SPEAKER, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the bill (H. R. No. 2298) to restore certain land in California to homestead and pre-emption settlement; which was referred to the Committee on the Public Lands, and ordered to be printed.

TELEGRAPH LINE FROM SANTA FÉ TO TUCSON.

THE SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to a telegraph line from Santa Fé, New Mexico, to Tucson, Arizona Territory; which was referred to the Committee on Military Affairs, and ordered to be printed.

CURRENCY AND FREE BANKING.

THE SPEAKER. The House now resumes the consideration of the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from Mississippi [Mr. NILES] is entitled to the floor.

[Mr. NILES addressed the House. His remarks will appear in the Appendix.] At the conclusion of his speech he said: If I have any time remaining, I yield it to the gentleman from Virginia, [Mr. HARRIS.]

Mr. HARRIS, of Virginia. I shall be very much obliged if the House will allow me twenty minutes; that is, seventeen in addition to the three minutes yielded to me by the gentlemen from Mississippi, [Mr. NILES.]

Mr. RANDALL. That is not an unreasonable request; I hope it will be granted.

There was no objection.

Mr. HARRIS, of Virginia. Mr. Speaker, it is said "the people look too much to the Government for relief." Under ordinary circumstances, and in a government well administered, the people should only ask it to protect them in their rights of persons and property, and leave them to work out their own destiny and happiness as to them should seem proper.

But, sir, the Congress of the United States has taken upon itself the management of the affairs of the people in so far as to provide them with a circulating medium, and by unfriendly legislation taken from them the right through their several State governments to provide it for themselves.

When a crisis comes upon the country like that under which we have been suffering since September last; when business in all departments is prostrate; when the laboring man cannot get bread for his family; when the industrious mechanic cannot get paid for his work; when the agricultural interest of the country is languishing for the want of means with which to prosecute it; when the people of two great sections—the West and the South—are disheartened and borne down with oppression, resulting from the laws of the United States, is it not natural and proper that the people should look to the source of their evils to have them corrected?

The Congress of the United States by its banking system and its

laws of unequal taxation has brought the country to its present condition of distress. And the people will look to it to furnish some remedy for the great wrongs under which they are suffering. It is idle for Congress to attempt to escape the responsibility. It rests on them, and them alone, and there the country will place it.

Congress is the author of the banking system, which enabled all the banks of the United States at one time to close their vaults on the people's money, and in defiance of right, justice, or fair dealing to hold it and laugh their depositors to scorn, while they use the money to gamble in stocks and for other purposes to promote their own interest. And Congress sits with folded arms and looks serenely upon the wreck which itself has produced. The country, well knowing the financial system is the creature of Congress, looked with anxious interest for its meeting in December last, with the confident hope something would be done for the relief of the people.

The session is passing away, the spring season has come, when the farming and all other business interests must know what they are to rely upon, yet Congress does nothing. The banks hold with clenched hand the currency of the country from its rightful uses, make millions at the expense of the people, issue their certified checks or "their promises to pay," while the people in every department of business outside of New England and the East, in consequence, are prostrate and overwhelmed.

Sir, will not the Representatives of the people rise to the magnitude of the crisis and apply the remedy? I venture to answer for them, *they will do nothing* equal to the great emergency, but will talk and resolve, and resolve and talk, until the end of the session, without passing any law which will give substantial relief. Some palliative may be offered to an outraged people. And they must wait, as we are told, "for the laws of trade to regulate the affairs of the country."

Sir, if this state of things had been produced "by the laws of trade," I would join them in the sentiment. But as it was not the *laws of trade*, but the *laws of Congress*, which produced the convulsion, it therefore becomes the first and highest duty of Congress to apply the remedy and correct the evil. Will you do it? If the people of the great West and the South could answer this question, they would say in no doubtful voice you must do it.

But, Mr. Speaker, we are told that there is a sufficient amount of circulation to meet the wants of the country. This question is difficult to determine by any system of calculation. We must, therefore, look to the amount now in circulation in other countries, as well as in our own, before the present state of things existed, to act with wisdom on this great question.

ENGLAND.		
Total circulation	\$772,684,000	
Population	31,817,108	
Amount of circulation to each person	\$24.28	
FRANCE.		
Total circulation	\$1,250,000,000	
Population	36,802,921	
Amount of money to each person	\$34.62	
GERMANY.		
Total amount in circulation	\$1,091,000,000	
Population	41,058,196	
Amount of circulation	\$26.60	
UNITED STATES.		
Total amount in circulation	\$669,000,000	
Amount of circulation to each person	\$16.72	
SOUTHERN STATES.		
In 1861-'62, bank circulation	\$71,098,408	
In 1873, bank circulation	\$38,160,308	
VIRGINIA.		
In 1860, bank circulation	\$19,817,143	
Bank circulation to each person	\$12.41	
In 1873, bank circulation	\$3,902,342	
Amount of circulation to each person	\$3.25	

Thus, Mr. Speaker, it will be seen that while in England, France, and Germany the average circulation *per capita* is \$28.50, in the United States it is only \$16.72, and in Virginia only \$3.25 for each person, a difference in favor of those countries over ours of nearly 100 per cent.; and over my own State of nearly 900 per cent.

But, sir, this is not all or the worst. Great wrong and injustice exist in the unequal distribution of the bank circulation. The facts and figures which I give will startle gentlemen who have not examined this question.

The five New England States have of bank circulation	\$110,489,966
The five Middle States have	124,608,139
Total in the ten States East	235,098,105
The fifteen Southern States and the District of Columbia have only ..	\$38,160,308
The twenty Western and Pacific States and Territories all combined have only	78,709,836
Total in the twenty-seven States South and West, and the Territories ..	116,870,144

These figures are taken from the official report of the Comptroller of the Currency. They make the shocking exhibit that little New England has *three times* as much circulation as all the *fifteen Southern States*, and about 35 per cent. more than all the Western and Pacific States and the Territories combined.

It is not the laws of trade that takes all this money to New England, but the laws of Congress inaugurating this system of banking which builds up the moneyed monopolies of New England at the expense of the farming and laboring classes of the South and the West. Unjust as the law is, still it has not been fairly executed as to the South and West, as I will now proceed to show.

The following table exhibits the apportionment of the whole amount of circulation authorized by law (\$354,000,000) to the different States upon the basis of population and wealth as given in the census returns of 1870, together with the amount outstanding and authorized, and the excess and deficiency:

EASTERN STATES.				
States and Territories.	Aggregate apportionment.	Outstanding and authorized circulation.	Excess.	Deficiency.
Maine	\$4,931,018	\$8,029,252	\$3,098,234	.....
New Hampshire	2,947,938	4,634,525	1,686,587	.....
Vermont	2,897,976	6,932,030	4,034,054	.....
Massachusetts	19,239,189	59,523,671	40,284,482	.....
Rhode Island	2,750,047	13,385,840	10,635,793	.....
Connecticut	7,033,752	17,994,648	10,960,896	.....
Total	39,799,920	110,489,966	70,690,046	.....
MIDDLE STATES.				
New York	\$58,386,213	\$60,976,006	\$2,589,793	.....
New Jersey	9,699,482	11,026,890	1,327,408	.....
Pennsylvania	38,593,217	42,055,781	3,462,564	.....
Delaware	1,140,273	1,296,615	156,342	.....
Maryland	7,372,451	9,252,847	1,880,396	.....
Total	115,191,636	124,608,139	9,416,503	.....
SOUTHERN AND SOUTHWESTERN STATES.				
District of Columbia	\$1,347,960	\$1,530,021	\$182,131	.....
Virginia	8,031,242	3,902,342	.....	\$4,128,900
West Virginia	3,144,141	2,360,307	.....	783,834
North Carolina	6,457,922	1,819,300	.....	4,638,622
South Carolina	4,460,345	2,319,500	.....	2,140,845
Georgia	7,010,887	2,365,605	.....	4,645,282
Florida	1,127,346	90,000	.....	1,037,346
Alabama	5,762,546	1,541,133	.....	4,221,413
Mississippi	5,039,529	5,876	.....	5,033,653
Louisiana	5,230,763	3,646,870	.....	1,583,893
Texas	4,605,740	930,960	.....	3,674,780
Arkansas	3,144,336	192,495	.....	2,951,841
Kentucky	9,621,727	7,637,900	.....	1,983,827
Tennessee	8,715,313	3,341,736	.....	5,373,577
Missouri	15,459,409	6,476,193	.....	8,983,216
Total	89,249,211	38,160,308	182,131	51,271,034
WESTERN STATES.				
Ohio	\$23,385,826	\$23,876,370	.....	\$1,509,546
Indiana	15,184,271	14,706,415	.....	477,856
Illinois	24,155,430	17,824,309	.....	6,331,121
Michigan	9,663,657	7,485,043	.....	2,178,614
Wisconsin	8,983,203	3,253,316	.....	5,729,887
Iowa	9,711,381	5,674,385	.....	4,036,996
Minnesota	3,363,645	3,330,414	.....	33,231
Kansas	2,787,854	1,825,496	.....	962,358
Nebraska	971,692	809,500	.....	162,192
Total	100,208,959	78,785,148	.....	21,423,811

It will be seen from this table that New England is entitled to \$39,799,920 and that it has \$110,489,966—an excess of \$70,690,046; almost three times as much as it is entitled to. The South is entitled to \$38,160,308, and only has \$38,160,308—a deficiency of \$51,271,034, and not half as much as is due. All must be impressed with the fact that the above table shows that *every* New England and Middle State has an *excess*, and *every* Southern and Western State a *deficiency*, of bank circulation.

Mr. Speaker, does the history of any government furnish a parallel for such inequality and injustice as the foregoing figures show? Why is this? The answer is easy.

New England has had the wisdom to keep in office her trained and able statesmen. New England presides over this House in the person of the distinguished and popular Speaker. New England has the oldest member on this floor, [Mr. DAWES,] who is chairman of the Committee on Ways and Means. New England has the chairman of the Committee on the Judiciary, [Mr. BUTLER,] New England has the chairman of the Committee on Revision of the Laws, [Mr. POLAND,] New England presides over the Senate of the United States. New England had the late Secretary of the Treasury, Mr. BOUTWELL, and has the present incumbent, Mr. Richardson.

New England, owing to the experience and ability of its members has given character to the legislation of this country for a number of years, which has all been in their favor and against the South and

West. It has been in the interest of monopolies, oppressive to the farming, mechanical, and all industrial interests of the South and West.

Wise administration of government would protect the people against money and monopolies. The latter are always able to take care of themselves. They need no protection at the hands of the Government, but the people need protection from their encroachments. The most detestable of all despotisms is the despotism of money.

The monarch knows that the perpetuation of his family depends largely upon the content of his people, and that to be contented they must be comparatively prosperous. His constant study, therefore, is to so conduct financial affairs that money shall be cheap and labor remunerative. Money knows no law but one of extortion; and whether its demands be wrung from the blood of the people, or filched from the contending factions of the rich, its merciless thirst for more is never quenched. Always on the alert for victims, the blood-stained battle-field is its paradise, and the moaning of the widow and the fatherless its consolation. *It needs no protection.* Yet the Government has reversed its duty, and instead of legislating for the people, and in their interest, it has legislated for capital and concentrated wealth; for railroads with watered stocks, who charge the people for transportation double the cost of construction; for organized rings to reduce the value of the products of the farmer; for stock-jobbers and gamblers who speculate on the miseries of the people.

By this system of protecting capital the East has over two-thirds of the entire bank circulation; own a large majority of the bonded debts of the States of the South and West and the counties of the West which issued bonds for railroad purposes. There is scarcely a county in the great State of Illinois which is not greatly in debt by bonds issued for railroads. Those bonds followed the money of the country, which being in the East found a market there, and the people of Illinois are not only paying to the eastern capitalist the interest on those bonds, but, with the people of the South, are paying to the national banks of the East 6 per cent. interest in gold on their United States bonds to the amount of \$235,000,000.

Well may the East, with one foot on the South, the other on the West, with one hand in the pocket of the South and the other in the pocket of the West, intrench themselves behind their money-bags, the bonds of Western States and counties, and their iron vaults, and exclaim "We want no more money." Well they may, sir, when they have two-thirds of all the money of the country and a mortgage upon the lands of both the other sections. More currency would enable the people to raise these mortgages and pay their debts without having their land sold under the marshal's hammer, and save their wives and children from being turned out of home to buffet the peltings of "the pitiless storm," dependent upon the support of a cold and uncharitable world. This, perchance, might render the money and stocks of the East less valuable to them; hence they oppose an increase of the currency, let the consequences be what they may to others.

Patent and glaring as is the injustice which I have pointed out, still more so will it appear in another aspect which I shall now present. I will, for illustration, run a parallel between my own State (Virginia) and New England:

Internal-revenue tax of New England:	
Maine.....	\$214,696 73
New Hampshire.....	325,453 36
Vermont.....	75,860 40
Massachusetts.....	3,761,004 95
Rhode Island.....	324,552 17
Connecticut.....	873,984 99
Total tax.....	5,575,554 60
Internal-revenue tax of Virginia.....	7,343,799 29
Thus Virginia pays in excess of all New England.....	1,778,244 69
Amount of bank circulation in New England.....	110,489,966 00
Amount in Virginia.....	3,902,342 00
Difference in favor of New England.....	106,587,624 00
Amount to which New England is entitled.....	39,799,920 00
Amount to which Virginia is entitled.....	8,031,242 00

New England has nearly three times as much currency as the law prescribes, and Virginia not half as much as is due her under the apportionment law. Virginia has to pay the General Government in revenue \$7,343,799, and has only \$3,902,342 circulation with which to pay it, while all the New England States only pay \$5,575,554, and have over \$110,000,000 with which to pay it. Virginia pays tax: United States, \$7,343,799; State, school, and county tax, \$4,435,088; total, \$11,829,887; her whole circulation being about one-fourth of the annual taxes she is required to pay.

Is this right; is it just; is it fair? Do gentlemen expect Virginia to remain quiet under such unjust and oppressive legislation as this? No, sir; if she can do no more she will at least through her Representatives enter her protest at the bar of this House, and thus publish to the world the oppressions, the wrongs, and injuries inflicted upon her by the legislation of her own country. Stripped by the war of every vestige of personal property, her territory unlawfully severed, her buildings, her timber, her fencing committed to the flames, she will have paid to the General Government after this year a sum sufficient to have discharged her own State debt—about \$50,000,000—

on which she is unable to pay the interest; still this Government exacts the uttermost farthing, and leaves her people and her creditors to suffer the consequences. Virginia, though poor, bends not "the pregnant hinges of the knee where thrift may follow fawning." She asks no alms, "no touch of pity;" she only demands justice, her rights under the Constitution, and "equal protection under the law." If these had been granted her the State debt would have been adjusted, and her people would now be marching on with steady step and buoyant heart to prosperity and happiness.

Sir, Virginia is the fifth tax-paying State in the Union. Most of this tax is unconstitutional because it is a tax on the products of her soil. It is as unconstitutional to tax tobacco as it is to tax cotton or any other agricultural product.

Mr. Speaker, let us examine for a moment the bill under consideration. It is not a bill for the benefit and relief of the people, but an amendment of an existing law. This brings us to the point of examination of the original banking system of which this is an amendment. Of all the schemes projected by capitalists while the country was at their mercy, the banking system is the most nefarious and indefensible.

Already had protection and exemption of a large portion of our wealth drifted the profits of legitimate pursuits toward centralizing influences, and made their holders and owners the recipients of the tolls exacted by the laws against the people. Not satisfied with these discriminations in favor of capital and against labor, it was demanded that the enormous gains proceeding from these systems should be provided for by submitting the control of the finances to a banking system that in its operations has not only destroyed private, but has as well threatened the public credit; that has diverted the control of public affairs from the representatives of the people and the other co-ordinate branches of the Government to the capitalist and the bankers; has made the whole machinery of the Government the instrument of money, to do its bidding and accomplish its ends, each day by its operations making its authority more absolute and its extortions more grievous.

Let us strip this so-called blessing to its native nakedness. In the first place, capitalists, either by association or alone, procure from the Secretary of the Treasury authority to establish a national bank with an issue of, say, \$450,000. To secure that issue it is required under the law to deposit \$500,000 of Government securities, upon which the Government of the United States pays 6 per cent. interest semi-annually in gold. Thus for \$500,000 of securities he receives first 6 per cent. per annum, payable semi-annually in gold; and \$450,000 of the circulating medium guaranteed by the Government, *without interest*, to loan to the people at rates governed by the locality in which the bank is established, and 6 per cent. in gold directly from the pockets of the people as interest upon the public debt.

Mr. Speaker, let us try it by another statement of its operations. A man comes to the city of Washington with \$100,000 in Government securities which at present market rates, cost him \$113,000. He takes back with him \$90,000 of national-bank notes, which he loans to the people, and draws \$5,000 in gold of the money of the people, on an investment of \$23,000 in greenbacks; thus making the people in the short period of four years pay back to him every dollar of investment, and in all after time, without one dollar advanced, making him a pensioner on the people to the tune of \$6,000 in gold per annum on every \$90,000 of issue of his bank.

Let us apply this to the present condition of affairs. There is assumed to be \$350,000,000 of national-bank issue; the average of which will put the whole in circulation for more than four years, adding 10 per cent. to which gives the amount of bonds in the Treasury for the security of the circulation, \$374,000,000; 6 per cent. on which shows the startling fact that the people of this country are paying a stipend of \$22,400,000 in gold annually to these crippled and wounded bankers, whose portentous front and fear-inspiring battle-cries scared rebellion to its kennel. Every dollar they have invested has been returned to them, and yet the country, its wood-choppers and its blacksmiths, its farmers and its merchants, its mechanics of all grades, and its professions, are called upon to vindicate their loyalty to the country and their appreciation of the vast services performed by these heroes for all time; to pay them a bonus of \$22,400,000 in gold, and that semi-annually.

Let us, Mr. Speaker, consider the operation of this system from another stand-point. I lay it down as an undeniable proposition that one of the highest duties of a government is to make money cheap to the people, for upon the labor of the people it is dependent for its greatness and prosperity. Let us apply this test to this war and capital begotten scheme.

It will not, I believe, be denied that the average rate of bankers' loans exceeds 10 per cent. per annum. The Government pays on the whole sum deposited as security 6 per cent. interest in gold, which, taking the five years last past, has equaled 7 per cent. in currency, making the aggregate rate of interest of this financial policy of the Government against the people 17 per cent. per annum, a rate denounced as usurious and unlawful by almost every civilized nation on earth; a rate which no people can carry and prosper; that rapidly centralizes the money in the few and makes poor the many.

Nor is this all. The national banks give occupation to three hundred and fifty millions of our circulation, taking it out of fair competition with our other moneyed wealth, thus tending to raise the rate

of interest on the whole circulation, and through the special privileges granted are enabled to usurp control of our finances, establish fictitious values, and ruinous policies.

I undertake to say that there can be no parallel found in the world for our present system of finance. The other moneyed wealth of the country in private hands is being lent to the people at from 6 to 10 per cent., while the Government, one of whose highest duties is to make money cheap, guarantees to a vast and overshadowing money combination near double that rate.

Mr. Speaker, the apologists and advocates of the national banking system claim that it affords more security for the circulation and more protection for the depositor than any system that could be devised. That the circulation is secure has been vindicated by its appreciation in value during the late crash. That appreciation, however, was not attributable to any inherent virtue in national banks, but because the Government was pledged for the redemption of the issue, and because the people of the United States have full faith in our ability to pay, and the genius of our people will compel strict conformity to their obligations.

But what is the necessity for establishing this combination of middle-men between the Government and the people, who plunder them from one channel alone of nearly \$25,000,000 currency annually?

To show that the people have full faith in the issue of the Government without security, except its written promise to pay, there are nearly \$400,000,000 of what are known as legal-tenders issued direct from the Treasury to the people, and which do not cost them one cent of interest, and which circulation stands superior to the circulation of the national banks. Then why not make our whole circulation legal-tenders by paying the bonds deposited for security of the national-bank circulation; thus saving this \$25,000,000 currency annually, and giving to the people a cheap, abundant, uniform, and stable currency, at the same time discharging the public debt and placing in lieu of it a non-interest-bearing circulation?

This system would enable the Government to dispense with the enormous and unjust internal tax.

But, sir, it is said that it affords more protection to the depositor than any other that could be adopted. Let us investigate upon what grounds, if any, this assertion rests, and let us test its truth by the light of recent events.

So long as an unhealthy condition of finance prevails, in addition to the 10 per cent. margin of securities deposited in excess of issue, just so long will there be an additional security afforded by the discrimination between gold and Government issue, which difference in value I shall attempt to show proceeds solely from the manipulations of the consolidated capital of the national banks. If a healthy state of the finances were possible under the present system, 10 per cent. of the securities deposited stand for the protection of the depositor. The stockholders are responsible for double the amount subscribed. In the country districts, where banks are organized largely for the benefit of legitimate business, protection is afforded the depositor to a limited amount. It is shown by recent experience that the stockholders of the country banks become themselves the victims of the system.

The rule applicable to country banks, which control but a small portion of the money assets, has no application to city banks. Recent experience has shown practically, what it has been the effort of philosophical minds to show, that consolidation and centralization of money can only result in ruin to the country oppressed by it. Its advocates proceed upon the fundamental error that to make a financial system secure there must be consolidation of money interest.

The Government by the national banks provided a speedy channel of communication with the money centers. At certain periods, when the demand for money in the agricultural districts was light, through this channel it gravitated toward the centers, and money there became redundant. With redundant money speculation in wild-cat schemes to make it productive was the inevitable result. The surplus of the farmers of the Southwest, derived from the sale of tobacco, cotton, and other agricultural products, deposited with their local banks, was by them in many instances shipped from the country to the metropolitan banks; and by them loaned to the stock broker and gambler on Wall street. The security for the loans were largely stocks that were without value, or whose values were so influenced by redundant money in the great centers, provided by this system, that the failure of a single bank crushed the rotten structure to the earth, and the country banks so investing, represented as they are by responsible stockholders, are compelled to pay, as far as the law provides, their depositors for money sent by them to the money centers to be swallowed up in stock-gambling.

It was my intention to elaborately argue the propositions involved in this discussion, but I am warned my time is about exhausted, and I shall withhold for a future occasion what further I intended to advance.

It has been my effort, Mr. Speaker, to show that all legislation for internal revenue looks to the protection of the capitalist and the consequent destruction of the prosperity of the producer—is in the interest of money which has no intrinsic value, and against labor which is the sole foundation of wealth.

It has been my effort to show that the national banking system has centralized the money of the country in the cities, and that distribution of its circulation has by unfair discrimination depleted and

impoverished the South and West and enriched and made despotic the New England States and the great commercial centers, and that the only remedy is to repeal all legislation that looks to the protection of money; that legal-tenders be substituted for national-bank currency in amounts sufficient to meet public demands, and that all unfair discrimination against labor and the products of the soil be abandoned.

I regret my time has expired, and return my thanks to the House for their kind attention.

Mr. BURCHARD addressed the House; but before concluding his remarks,

The SPEAKER *pro tempore*, (Mr. HAVENS in the chair.) The time of the gentleman from Illinois [Mr. BURCHARD] has expired.

Mr. PLATT, of Virginia, and Mr. RANDALL addressed the Chair.

Mr. BURCHARD. I hope I will be allowed a few minutes more.

Mr. HOLMAN. I hope the time of the gentleman will be extended.

Mr. PLATT, of Virginia. How much time does the gentleman want?

Mr. BURCHARD. I think fifteen minutes will be enough.

Mr. PLATT, of Virginia. I believe it was arranged that I should have the floor after the gentleman from Illinois [Mr. BURCHARD] had concluded his remarks.

Mr. RANDALL. My understanding was somewhat different. It was that I, as a member of the committee reporting this bill, should have the floor for one hour, and with that understanding I have arranged to give all but five minutes of my hour to four other members of the House. I am entirely willing that the gentleman from Virginia [Mr. PLATT] should address the House now, provided the gentleman from Indiana, [Mr. WILSON,] who is to speak first in my time, will consent thereto, and for that purpose I will ask the gentleman from Virginia how much time he wants?

Mr. PLATT, of Virginia. I am obliged to the gentleman from Pennsylvania [Mr. RANDALL] for his courtesy. I will get through as soon as I can. As I have not a written speech, it will be somewhat difficult for me to tell now how long I shall require. I wish to say that the arrangement indicated by the gentleman will be satisfactory to me. There will be at least half an hour left for the gentleman from Indiana [Mr. WILSON] when I have concluded my remarks. And allow me to suggest that the gentleman from Pennsylvania, [Mr. RANDALL,] being a member of the committee, has this advantage over me; if I go over to-day I may not be able to secure another chance to address the House, whereas he can obtain the floor at any time. I hope I will be permitted to follow the gentleman from Illinois [Mr. BURCHARD,] that being the arrangement for a long time, as the list on the Speaker's table will show.

Mr. HOLMAN. I hope there will be no objection to the gentleman from Illinois continuing his remarks.

Mr. RANDALL. If the gentleman from Illinois continues his remarks it will make it the worse for my hour.

Mr. PLATT, of Virginia. I must object to any extension of time being given until this matter is decided. If the floor is assigned to me, then I will yield to the gentleman from Illinois to proceed.

The SPEAKER *pro tempore*. The gentleman from Pennsylvania, [Mr. RANDALL,] being a member of the committee, is entitled to the floor if he claims it.

Mr. RANDALL. If the gentleman from Virginia will say that he will proceed now, and speak until ten minutes after four, and then let the gentleman from Indiana [Mr. WILSON] occupy the floor for the rest of the day, I will consent to that. I think that is a fair proposition.

Mr. WILSON, of Indiana. And I am to get what further time from the House I can.

Mr. RANDALL. That is for the gentleman to determine.

Mr. WILSON, of Indiana. I must take my chance for that.

Mr. PLATT, of Virginia. I must apologize for my persistency in trying to obtain the floor at this time according to the arrangement which was made after consultation with the chairman of the Committee on Banking and Currency [Mr. MAYNARD.] I believe it is unfair to me, as a member of this House, who have the same right as other gentlemen, to have a gentleman, whose name is to be found on the list away down below my name, to come in and take me from the floor now. For that reason I do what I have never done before since I have been a member of Congress, insist upon taking the floor at the time it was understood I should have it. I submit that it is no worse for the gentleman from Indiana [Mr. WILSON] that he proceed at the termination of my remarks, than it is for me to wait and permit him to proceed now. As I applied for the floor weeks before he did I think I am entitled to it.

Mr. MAYNARD. I am sorry that the "chairman of the Committee on Banking and Currency" has been brought into this matter; he had no authority over it. The gentleman spoke to the chairman, to be sure, and he recognized the courtesy which has always been extended by the Chair to members of the committee who have reported a measure of general importance. The gentleman from Pennsylvania [Mr. RANDALL] is the only member of the committee who has not spoken.

Mr. RANDALL. I do not complain of the chairman of the committee, [Mr. MAYNARD.] He has acted very properly in this matter.

Mr. MAYNARD. I stated to the gentleman here at my desk that the arrangement would be satisfactory to me.

Mr. G. F. HOAR. I suggest that the gentleman from Illinois [Mr. BURCHARD] be allowed to finish his speech; and meanwhile the gentlemen can arrange this matter among themselves.

Mr. RANDALL. I have been trying to do that; but it requires the patience of a saint.

Mr. PLATT, of Virginia. We have arranged it once, if gentlemen would abide by the arrangement which was made. That is the difficulty.

Mr. MAYNARD. The gentleman from Illinois [Mr. BURCHARD] indicates that ten minutes will suffice to enable him to finish his remarks.

Mr. PLATT, of Virginia. Very well; I withdraw my objection.

The SPEAKER *pro tempore*. Is there objection to allowing the gentleman from Illinois [Mr. BURCHARD] to proceed for ten minutes? There was no objection.

Mr. BURCHARD. Mr. Speaker, there is no subject agitating the public mind of greater or more absorbing interest than the one presented by this bill. Every producer in the nation is concerned in our legislation. Every disturbance of values and increase or diminution of the purchasing power of money is felt in every part of the continent. A change in the standard of value is a change in the nominal amount of thirty billions of national wealth and ten billions of annual productions, and many billions of debts and credits.

These considerations forbid hasty and precipitate action. But delay has been severely censured. It is asserted that business is paralyzed, that channels of trade are obstructed, the wheels of industry motionless and markets overstocked, and that enterprise is checked and commerce is idle. This is charged by some to result from insufficiency of the currency, by others from failure to establish or adhere to a settled policy, and the uncertainty in regard to congressional legislation.

The bill under consideration is a proposition to permit bankers to place themselves voluntarily under the provisions of the currency act, offering the inducement of the advantages of the name and the right to issue notes as circulation. This is the main scope and effect of the bill. The subject opens up a wide field for inquiry and discussion. Hardly any two Representatives or business men entertain similar views. Among the ablest financiers there is the widest diversity, both as to the evils of the present system and the remedies to be applied. Gentlemen who have preceded me in the debate within the last two or three days have presented, it seems to me, clearly the distinctions, the proper definitions and principles in regard to the functions of money and the measure of value. I shall content myself with a brief reference to that branch of the subject.

OFFICE OF MONEY.

Money performs important and distinct offices. It is used as a common measure of values, a means for facilitating exchanges, and as actual wealth in possession. These three uses of money, namely, as capital, means of exchange, and measure of values, often lead to confusion.

Exchanges made upon credit, such as charges upon the tradesman's books, make use of money only as a measure of value. It is not actually used to facilitate an exchange or as capital.

A merchant who has charged a customer ten dollars for goods sold and delivered has used no money to facilitate exchange. No circulation or currency has been required. By a credit equal in amount for services performed, or other goods received, no currency ever may be required. The account may be settled without the necessity of a dollar to facilitate the hundreds of exchanges made and consummated.

Each charge and transaction, each credit given and balanced, necessitates reference to a measure of value, although none is actually employed.

A measure must be portable, divisible, uniform, and have qualities belonging to that which is measured. The measure of distance must have length; of space, must have dimension; of weight, must have weight; of time, must be an interval of time; of value, must have value.

That the precious metals answer this purpose better than any other substance became evident to mankind at the dawn of civilization. Their use as money marked the first advance from barbarism. With the recognition of the right of separate property followed the desire and necessity for exchange of ownership and of a medium and a measure of value when some general equivalent for the article exchanged became necessary.

It has been well said:

Gold, silver, and copper possess certain properties which mark them out to be the cosmopolitan currency; it is not caprice frozen into convention, or the stamp of the mint, that has gained for them their present place; and Turgot says well, "Gold and silver are constituted, by the nature of things, money, and universal money, independently of all convention and law." They contain much value in small bulk; they are similar in quality wherever they are produced; they are indestructible; they are readily divisible, and yet do not suffer in beauty by division; and they are readily united. They are so scattered over the globe that the same expenditure of labor has, in the past at all events, generally produced about the same amount of metal, and being at once the most generally diffused and the rarest of metals, they are marked out by nature for coinage.

It is a very common fallacy that the mint gives the value to coin. It is said "The Government makes and stamps the specie dollar, and therefore gives the coined metal the dollar value. Why can it not stamp paper or other material and give it the dollar value?" The mint does not give the value. The Government but certifies the weight and fineness and gives the name. The exchangeable value of an ounce of gold-dust, a bar of gold, or the mint eagle, depends upon the rela-

tive quantity of pure gold it contains. The Government has evidently given no value, unless the added cost of coinage. The value of precious metals, like that of other things, is measured by the demand and cost of production. A promise to pay coin, though not itself capital, represents capital and an actual, tangible, divisible portion of the wealth of the country.

We are presented with the practical question, of what shall the currency, the circulating medium of the country, consist? No gentleman on this floor proposes at this time to return to an immediate resumption of specie payments. I have heard of no gentleman, and I do not know there is one in the land, who advocates a pure and exclusive metallic currency.

It seems to be admitted that it is for the interest of commerce and for the interest of business that the currency of the country should be mixed—that it should be paper and metallic circulation; at least that is the generally accepted opinion. There are, however, gentlemen here who insist that coin can be entirely dispensed with; that it is unnecessary there should be a metallic basis or a metallic measure of value.

STAMPED PAPER MONEY.

It has been proposed to dispense with coin as a measure of value. It is said, "Base your money not upon precious metals, part of the wealth of the country, but upon its whole wealth. Stamp upon paper 'United States, one dollar;' declare that it shall be a legal tender in payment of debts and be receivable for all taxes and dues of every kind." To the student of history and economic science the proposition seems too absurd to attempt a serious discussion of its effect. Great commercial nations having paper substitutes for coin have postponed or dispensed with their redemption, and have declared by legal enactment the bare promise or paper token equally valuable with coin bearing the same name and denomination. They have forbidden discrimination between them. It has been made a crime to refuse the paper or give a premium for the coin. Such offenses have not only been threatened but punished with fine, imprisonment, and even death. Yet it has been found impossible in any country, although often attempted, to prevent the depreciation of the government irredeemable paper money. The history of continental money, the paper currency of the United States, and the confederate money of the South during the rebellion are familiar illustrations:

All the devices I have seen, all the schemes proposed to dispense with coin and use paper tokens, are but modified imitations of various substitutes of the theories of the grand schemer who originated over one hundred and fifty years ago the great Mississippi Company, and plunged France into such a wild and frenzied state of speculation and involved its people in such wide-spread commercial disaster. One of the most earnest, and perhaps the ablest, advocates of the theory, was the celebrated John Law, whose work on that subject, printed in 1705, nearly one hundred and seventy years ago, I hold in my hand. In this treatise, published in Edinburgh, he endeavored to impress the idea upon the Scotch Parliament and upon the Scotch people. He told them they might dispense with coin, and that its place could be taken by paper—a cheaper and better currency.

I will read what he said of his scheme:

I will attempt to prove that there can be established another money, having all the qualities necessary for money in a higher degree than gold, containing other qualities that gold lacks, and preferable for use even if gold were a production of Scotland; that by means of this money the people will be employed, land cultivated, manufactures encouraged, foreign and domestic commerce sustained, and wealth and power established upon a solid foundation.

That theory is not new. It is amusing to see gentlemen struggling to be acknowledged as the authors of the theory and its earliest advocates here. Gentlemen, too, claim that it is their invention, and that they are entitled to the credit of having brought forth the idea as the production of their own brains. But, Mr. Speaker, that theory, that idea, goes back two hundred years at least. John Law promulgated this very doctrine—that gold and silver are but a part of the wealth of the country, variable in quantity, liable to exportation, unserviceable for currency, and unequal to a paper circulation based upon the credit of the nation, or the value of its lands or other property. In this memorial to the Scotch Parliament he advocated the issue of paper tokens in quantity limited only by the demand, based upon land or its rental as a measure of its value, and receivable in payment of taxes or debts in place of coin.

Unable to impress careful Scotch financiers and legislators with his scheme, he ultimately presented his views to the regent of France, whose empty treasury and past expenditure furnished an inviting field for an adventurer of Law's genius and fascinating address. The regent listened eagerly to the wonderful schemes for producing untold wealth, and Law was made comptroller-general of the finances of the country.

The Bank of France was established, and at first—each livre based upon and representing a gold livre of the realm—its notes not only were as good but better than gold—they commanded a premium. But this safe and prudent course was soon departed from, and unlimited amount of bank-notes was not only permitted but issued. The depreciation of the excessive volume of paper was remedied by debasing the coin. The paper livre, worth but half the coin livre, was made as valuable by making the livre of half the amount of gold. But these efforts were futile.

It is unnecessary, however, Mr. Speaker, that I should dwell for

any length of time upon the evil results and misery which were entailed upon France in consequence of the adoption of the theory of John Law.

INTERCONVERTIBLE PAPER CURRENCY.

But this idea of convertible currency—a currency which is never to be realized—where both principal and interest are to be payable in paper; it is like the offer made to the Saviour. It offers the holder all the kingdoms of the earth, of which it has not a foot in possession. It is a paper title never to ripen into enjoyment; shares upon which dividends are to be paid only in additional shares.

The gold-bonded debt is to be changed to this paper. Eighteen hundred million dollars are to be made payable only in paper, and to draw interest in paper. If such paper rests upon the solid wealth of the country, it rests upon it as the ocean lies upon the solid earth. He who sails upon this delusive sea to take possession of the patrimony promised finds no dry land to rest upon. The paper billows are between him and his inheritance. Like the ancient mariner, he finds water—water everywhere.

But, Mr. Speaker, others have largely gone over that branch of the subject. I wish to say, as between bank-note circulation and United States note circulation, if there were no limitation by act of Congress, it would be a mere question of cost to the nation.

FAITH OF THE NATION PLEDGED.

But, as has been most ably argued I think, and to which I have failed yet to hear any answer, the faith of the nation has been solemnly pledged, if an act of Congress can make that pledge, that the volume of the paper circulation shall never exceed \$400,000,000. We said it when we needed money to carry on the war. We at first said there may be a temporary excess of \$50,000,000, but after the \$50,000,000 were retired we again said there should never be more than \$400,000,000. As the chairman of the committee [Mr. MAYNARD] suggests, that \$50,000,000 was permitted only for a definite, specific purpose, which was fully accomplished, and its reissue was never authorized. Then, subsequently, we said there should be four hundred millions of legal-tender circulation. Now, then, with that limit, if the business of the country requires more than \$400,000,000 and more legal-tenders cannot be issued, banks must be permitted to supply additional needed currency, either under national auspices or through State-bank organizations.

I think the country is satisfied that the national-bank organization is better than State-bank organizations.

I have always doubted the power and questioned the necessity under which the Secretary of the Treasury has seen fit to issue, since September, twenty-six millions of additional United States notes. The power of Congress itself to declare and make such notes a legal-tender for payment of debts was denied by a majority of the judges of the Supreme Court and has never yet been affirmed by the court to exist in time of peace.

POWER TO MAKE PAPER LEGAL TENDER.

It was at first denied absolutely. In 1839 the Supreme Court held, by a majority of five to three, in the case of *Hepburn vs. Griswold*—

We are obliged to conclude that an act making mere promises to pay dollars a legal tender in payment of debts previously contracted is not a means appropriate, plainly adapted, really calculated, to carry into effect any express power vested in Congress; that such an act is inconsistent with the spirit of the Constitution, and that it is prohibited by the Constitution.

It was but an iteration of the opinion of Daniel Webster, the greatest constitutional lawyer and statesman this country ever produced, how in the Senate in 1837 said:

Most unquestionably there is no legal tender and there can be no legal tender in this country under the authority of this Government or any other but gold and silver, either the coinage of our own mints or foreign coins, at rates regulated by Congress. This is a constitutional principle perfectly plain and of the highest importance. The States are expressly prohibited from making anything but gold and silver a tender in payment of debts; and although no such express prohibition is applied to Congress, yet as Congress has no power granted to it in this respect but to coin money and regulate the value of foreign coins, it clearly has no power to substitute paper or anything else for coin as a tender in payment of debts and in discharge of contracts.

Subsequently, in the case reported in 12 Wallace, a majority of the court reversed the previous decision and sustained the legal-tender quality of these notes; but the court has not yet passed upon the question as to the power to make Treasury notes a legal tender in payment of debts in time of peace when no public exigency exists requiring the exercise of such power to preserve the Government. Upon that question we have the opinion of Mr. Spalding, of New York, member of the Committee on Ways and Means, who introduced the bill into Congress from the committee.

In speaking of this law, he said:

Introducing the legal-tender bill early in January, 1862, immediately after the suspension of specie payments, in this great crisis I advocated the bill as a war measure, a measure of temporary relief to the Treasury, and on the ground that it was an imperative necessity to preserve the life of the nation. I conceded that it was a forced loan, and could only be justified on grounds of necessity. As a war measure, passed during war, continuing during the war, and as long as the exigency lasted, I believe it was necessary and proper to successfully carry on the war, and was therefore constitutional. I am equally clear that as a peace measure it is unconstitutional. No one would now think of passing a legal-tender act making the promises of the Government (a mere form of credit) a legal tender in payment of all debts, public and private. Such a law, passed while the Government is on a peace footing, could not be sustained for one moment.

Two of the five judges constituting the majority sustaining the legal-tender clause of the law have indicated in their opinions the

distinction between the power to issue legal-tenders in time of war and in time of peace. Justice Miller, who maintained in *Hepburn vs. Griswold* that these notes are a legal tender for pre-existing debts, said:

The legal-tender clauses of the statutes under consideration were placed emphatically, by those who enacted them, upon their necessity to the further borrowing of money and maintaining the Army and Navy.

Justice Bradley, another of the five judges who decided the law constitutional, said:

The power to make Treasury notes a legal tender, while a mere incidental one to that of issuing the notes themselves, and to one of the forms of borrowing money, is nevertheless a power not to be resorted to except on extraordinary and pressing occasions, such as war or other public exigencies of great gravity and importance; and should be no longer exerted than all the circumstances of the case demand.

If Congress has such power, and is the sole judge of the necessity and propriety and of the times and modes in which it shall exercise powers confided to it for a particular emergency, constitutional liberty and the safeguards and limitations of the Constitution are worthless and at the caprice of popular and changing opinions. Although doubting the propriety or wisdom of issuing these notes, yet, as they are in circulation, I am unwilling to vote to take them up without some provision for supplying other circulation in their place. Indeed, their retirement at this time is impractical.

The exigencies of the Treasury have called them out. The Treasury has no surplus with which to redeem and retire them. I therefore voted against making the amount of the legal-tender circulation \$356,000,000. There is no reason in keeping just that figure, and when the Treasury is in condition to redeem legal tenders either in coin or with redeemable notes in their place I see no propriety in saying that just \$356,000,000 should be the limit.

On the other hand the four hundred millions is an actual authorization of increase of United States notes; a designed expansion of United States notes without any plan for their conversion or redemption. The increase of a depreciated irredeemable paper currency unavoidably results in a further depreciation. It has been the experience of every age. Every nation making the experiment has bitterly learned this lesson. During the rebellion it was not so much want of confidence by the people in the success and ultimate triumph of the Union cause, as the volume of the debt—the swelling volume of paper promises. When the war was over the legal-tenders still remained depreciated.

The Confederate States vainly attempted to make their money equal to gold. They made it a felony to discriminate between specie and confederate currency. Its refusal was declared by law to cancel a debt equally with its receipt and payment. But it was still refused. The more rigorous the law, the more severe its enforcement, the more rapidly its value fell.

VIOLATION OF FAITH.

The issue of more United States legal-tender notes without providing for their convertibility into coin at some early, practicable period violates the pledges made by Congress and the nation.

Thomas Jefferson laid down a maxim for the management of national finances that accords with sound statesmanship and national honesty. He says:

It is a wise rule, and should be fundamental in a government disposed to cherish its credit, and at the same time to restrain the use of it within the limits of its facilities, never to borrow a dollar without laying a tax in the same instant for paying the interest annually, and the principal within a given term; and to consider that tax as pledged to the creditors on the public faith. On such a pledge as this, sacredly observed, a government may always command, on a reasonable interest, all the lendable money of its citizens.

It is another of the ringing utterances of the author of the Declaration of Independence. In pursuance of this policy in the very act of February 25, 1862, first authorizing legal-tender notes, it was enacted that the coin received for dues on imports should be set apart as a special fund and applied—

First. To the payment in coin of the interest on the bonds and notes of the United States.

Secondly. To the purchase or payment of 1 per cent. of the entire debt of the United States, to be made within each fiscal year after the 1st day of July, 1862, which is to be set apart as a sinking fund, and the interest of which shall in like manner be applied to the purchase or payment of the public debt, as the Secretary of the Treasury shall from time to time direct.

Thirdly. The residue thereof to be paid into the Treasury of the United States.

In the act authorizing the issue of legal tenders in 1864 the quantity was expressly limited to \$400,000,000, and the sum of \$50,000,000 temporarily required. The language of the act making the limit is as follows:

Not shall the total amount of United States notes issued, or to be issued, ever exceed \$400,000,000, and such additional sum, not exceeding \$50,000,000, as may be temporarily required for the redemption of temporary loan.

After the \$50,000,000 had been withdrawn, Congress declared by act that the amount should never exceed \$400,000,000. Whatever question there is as to the right to issue that amount, we are most solemnly pledged that it shall not exceed that sum.

When Congress met five years ago, upon the inauguration of General Grant, it gave this pledge to the world. It said:

And the United States also solemnly pledges its faith to make provision, at the earliest practicable period, for the redemption of United States notes in coin.

The republican party had triumphantly elected its candidate upon the pledge it had presented in its platform. Five years have passed

away, and the national pledge is yet unfulfilled. We have neither made provision for the redemption of the legal-tender note nor attempted to devise any practical method by which it can be done. Worse than that, we have neither stayed the issue of United States notes at three hundred and fifty-six millions, where it stood in 1868, nor checked the Secretary when, under doubtful authority, he had increased it to three hundred and eighty-two millions. We have turned our faces from the coin redemption of the legal-tender currency promises in 1869 and let loose eighteen millions more to water and depreciate that already outstanding, and postponed indefinitely the day of ultimate redemption.

What good will or can this accomplish? Already gold, which before Monday, March 23, stood at 111½, has risen to 113½. The purchasing power of the seven hundred millions paper currency is to-day eighteen millions less.

The nominal value of all the wealth of the nation was estimated by the Census Bureau in 1870 at \$30,000,000,000, and of the millions of debts and credits probably as much more. Values have been unsettled by our legislation. The fifteen dollars weekly wages of the mechanic is worth thirty cents less, and the price of clothing and supplies and commodities must ultimately advance with the advance of gold, which is and remains the real standard of value.

VOLUME REQUIRED.

There are various circumstances that affect the amount of circulation demanded to accomplish the exchanges of the country. The habits of the people, their confidence or distrust, the facilities for using more convenient substitutes, enlarge or diminish circulation.

A stable government and honorable business community will inspire confidence. The trader gives credit to integrity and industry.

While dishonesty must pay cash, the responsible, punctual purchaser's note is accepted in place of gold. Our people feel that the government of their choice is the safest in the world. Contrast this stability for the last hundred years with that of France from Louis XIV to Napoleon III, of the commune and the French republic. Such convulsions as France has witnessed shake confidence, lessen credits, and increase the demand for actual cash in the business of the country. A greater *per capita* coin circulation is accordingly to be expected in France than in England, the United States, or in other stable government. The amount of circulation required will depend upon the frequency and amount of exchanges; and the latter will greatly depend upon the amount of wealth to be exchanged as well as upon the production, habits, business, and number of its people.

Now the wealth of the United States is not over half that of the United Kingdom of Great Britain and Ireland. The estimated wealth of Great Britain and Ireland is \$47,000,000,000; and our own, being estimated at \$30,000,000,000 in our paper currency does not exceed half that amount. Then Great Britain is one of the greatest commercial nations of the world. Her exchanges must exceed ours. So in France. The wealth of France is estimated at double that of the United States, being, according to Monsieur Bernard in the *Journal des Economistes* of March, 1871, 300,000,000,000 francs, (\$60,000,000,000,) while the census of 1870 gives the United States \$30,000,000,000. In comparing the circulation of France with that of the United States it must be recollected that no deduction is made for coin or notes held in any other banks than the Bank of France, while in the United States the amount of cash in the two thousand national banks is shown by their returns, and in most estimates deducted from the circulation.

	United Kingdom, December 31, 1873.	France, December 31, 1873.	North Germany, January, 1870. (a)	*United States, January, 1874.
Population	32,280,000	36,200,000	30,500,000	*41,800,000
Amount of coin or of coin and bullion in the country (b)	\$500,089,140 00	\$772,000,000 00	\$449,029,107 00	*\$143,000,000 00
Amount of coin or of coin and bullion held by the banks (b)	74,708,401 14	146,672,746 87	71,000,000 00	27,000,000 00
Amount of coin in the public Treasury				91,782,034 00
Amount of coin outside of banks	425,380,738 86	625,327,253 13	378,029,107 00	24,000,000 00
Amount of notes issued and not retired	267,722,620 74	541,884,097 62½	179,742,990 00	776,000,000 00
Amount of notes held by banks	95,210,607 60			152,000,000 00
Amount of notes in the public Treasury				43,852,504 55
Amount of notes outside of banks	172,512,013 14	541,884,097 62½	179,742,990 00	580,000,000 00
Amount of coin, or of coin and bullion and notes in the country (c)	767,811,760 74	1,313,884,097 62½	628,772,097 00	919,000,000 00
Amount of coin and notes outside of banks	597,892,752 00	1,167,211,350 75½	557,772,097 00	604,000,000 00
Amount of notes in the country <i>per capita</i>	8 29	14 97	5 89	18 60
Amount of coin and notes in the country <i>per capita</i>	23 78	36 29	20 61	21 98
Amount of coin and notes outside of banks, <i>per capita</i>	18 52	32 24	18 28	14 45
Total wealth of the country (d)	47,199,772,375 20	60,000,000,000 00		30,000,000,000 00

* Estimated.

(a) The data necessary to a complete statement of the coin and notes in circulation in Germany at a recent date are not attainable. The figures given in this column refer only to the North German Confederation, and the date selected is one that preceded the formation of the German Empire.

(b) The figures for the United Kingdom and Germany include coin alone. The bullion in the Bank of England, amounting to about £16,000,000, or \$77,760,000, is omitted both from the grand total and from the metallic reserve of the banks. The bullion in the German banks is estimated at \$7,909,968, their total metallic reserve, at the time in question having been \$107,909,968. In the case of France, bullion is included both in the bank reserves and in the figures giving the total metallic currency of the country.

(c) The figures referring to France include bullion. Those for the United Kingdom and Germany do not.

(d) The gross annual value of property and profits assessed to income tax in the United Kingdom, in 1871, was £465,594,366; which being capitalized at 5 per cent. and reduced to dollars, gives \$45,255,772,375.20, which, at the usual rate of increase, must have been augmented by the end of 1873 to about the sum given in the table. (See Statistical Abstract of the United Kingdom for the years 1858-72.) The wealth of France is given as estimated by T. N. Bernard, on page 139 of the *Journal des Economistes* for May, 1871. Owing to the payment of the indemnity to Germany, and the large extent to which the industrial energies of the country have been absorbed in the reorganization of the army, it is not likely that the wealth of France has materially increased during the past two years.

Then, again, it is not taken into account in those estimates that one million of the people of this country to-day are using coin as their medium of exchange; and all the estimates I have seen made of the amount of money in circulation in the country exclude the idea that our people are using coin; whereas it is used not only in the West and in some portions of the South, but it is used to facilitate exchanges to the amount of over \$1,000,000,000 in our commercial transactions with foreign countries. I only call attention to those criticisms because I shall not have time to enlarge upon them. I ask the attention of gentlemen to the estimates and table furnished me by the Bureau of Statistics, except as to the United States, which I present to show the comparison between the wealth and the paper and total circulation of our own country and that of foreign nations.

But there are two practical questions, the decision of which is based upon actual facts, that I desire at this time to discuss. One of these is the quantity of circulating medium in the country and in other countries as compared with our own; and the other, the panic of 1873, the causes and circumstances that produced it, and particularly the question, Was that panic caused by a preceding contraction of the currency?

CURRENCY IN THIS AND OTHER COUNTRIES.

I have taken the pains to ascertain as accurately as possible, at least for myself, through the officers of the Government, the amount of actual circulation at the present time in the country and since the year 1834; and I particularly call the attention of the House to the *per capita* circulation in the years 1834-'37-'43-'57-'61, and at the present time. (See tabular statement on next page.)

I call attention also to the amount of coin and paper money in circulation, commencing prior to 1837, down to the present time. The estimates from 1834 to 1870 are taken from a table I prepared and presented in the Forty-first Congress, showing the amount in the country in each year by adding to the quantity of the preceding year the annual production of our mines, the specie imported and assumed *per capita* brought by emigrants of twenty dollars each, and from the same deducting the specie exported and annual loss by destruction in the arts. Continuing the same estimates to the present time the amount of specie in the country in January, 1874, would be \$143,000,000. This coincides with the estimate of nearly every statistician and every financial author, being roughly stated as \$140,000,000.

The amount of bank-notes and other paper money was ascertained from reports made from time to time to the Secretary of the Treasury by the banks from accounts kept in the Secretary's office.

Gentlemen have argued that there has been a great contraction of the circulation; that there is much less circulation in this country now than heretofore, and than that of foreign nations. The gentleman who just preceded me spoke of the circulation of France and of Germany and of England, and compared the *per capita*, as he made the amounts in those countries with the *per capita* in this country at the present time. Some comparisons give larger estimated *per capita* for those countries than the Bureau of Statistics shows really exists. There are also considerations that should be taken into account in comparing the circulation of those countries with ours. Circulation is not needed merely for population. The people who are engaged in the primitive industries, fishing and hunting, need but very little circulation and use but very little.

Circulation of the United States from 1834 to 1874.

Year.	Population, millions.	Circulation, millions.			Banks and Treasury, millions.			In circulation outside of banks and Treasury, millions.	Per capita of total circulation.
		Paper.	Specie.	Total.	Paper.	Specie.	Total.		
1834	14.5	\$95	\$41	\$136	\$22	\$37	\$59	\$77	\$9.38
1835	15	104	57	161	21	44	65	86	10.73
1836	15.4	140	64	204	32	40	72	132	13.24
1837	15.8	149	73	222	37	38	75	147	14.05
1838	16.2	116	77	193	25	35	60	133	11.51
1839	16.6	135	92	227	27	45	72	153	13.70
1840	17	107	88	195	21	33	54	141	11.47
1841	17.6	107	89	196	27	35	62	134	11.14
1842	18.2	84	84	168	19	28	47	121	9.23
1843	18.7	50	83	133	13	34	47	95	7.59
1844	19	75	103	178	12	50	62	116	9.27
1845	19.8	90	102	192	12	44	56	136	9.70
1846	20.3	106	98	204	13	42	55	149	10.05
1847	20.8	106	98	204	13	38	51	153	9.81
1848	21.4	129	125	254	16	54	70	184	11.87
1849	22	115	120	235	13	50	63	172	10.69
1850	23.2	131	134	265	16	51	67	198	11.42
1851	23.9	155	172	327	17	60	77	250	13.68
1854	26	205	266	471	23	85	108	363	18.04
1855	26.9	197	205	402	23	81	104	378	18.29
1856	27.7	186	205	491	25	82	107	384	17.80
1857	28.5	215	315	530	28	78	106	420	18.60
1858	29.4	155	297	452	22	85	107	335	15.03
1859	30.3	193	307	500	19	110	129	371	16.50
1860	31.4	207	290	497	26	89	115	372	15.51
1861	32.2	202	248	450	22	90	112	338	13.19
1862	32.8	218	310	528	25	106	131	397	15.85
1863	33.4	539	341	880	58	101	159	481	26.04
1864	34.1	636	336	972					
1865	34.8	888	269	1,157					
1866	35.5	945	248	1,193	267	76	343	850	33.60
1867	36.3	858	216	1,074	250	116	366	708	29.55
1868	37	757	206	963	212	137	339	624	26.02
1869	37.8	732	156	888	188	129	317	591	24.02
1870	38.6	743	159	902	193	132	325	574	23.82
1871	39.4	746	169	915	174	135	309	606	23.22
1872	40.2	751	169	920	148	111	259	631	22.13
1873	41	753	132	885	177	93	270	615	21.58
1874	41.8	776	143	919	196	119	315	604	21.98

PANIC OF 1873.

Mr. Speaker, there are two theories in regard to the cause of the commercial crisis and panic of 1873. One ascribes it to an insufficiency of money to do the business of the country, resulting from the contraction of the circulation. The other asserts that the condition of the currency produced the panic; that its excess and depreciation were the original exciting cause. Upon this subject various gentlemen have addressed the House. Their arguments, when analyzed, amount to this: during the panic currency was wanted; it was not to be had; in 1865 and 1866 there was nearly three hundred millions of currency more than in 1873; there has been contraction, and contraction brought on the panic. My first answer is that there has been no contraction of the currency within the last five years; the only contraction that was made in the currency was made within the first three and a half years. Secondly, panics result from undue expansion of loans by bankers and unprofitable investments of the savings of the nation.

The total amount of currency in circulation, as reported to me this morning by the Treasury Department, including the 3 per cent. certificates and the national bank circulation, all the paper that is authorized to be issued as money, and not including the seven-thirties, which some gentlemen include in the amount in 1835 and which would make the amount much greater, was in 1865 \$345,000,000. In 1869 the amount of paper circulation was \$743,000,000, and on December 31, 1873, the amount was \$776,000,000, being an expansion of the paper circulation at this time above what existed in 1869; so that there has been actually an expansion of the currency since 1869 and within the last two years.

Dates.	Outstanding currency at close of calendar year.	Three per cent. certificates.	National bank circulation.	Grand total.
December 31, 1863	\$463,986,327 25		\$280,000 00	\$464,266,327 25
December 31, 1864	706,223,032 95		76,066,420 00	782,289,472 95
December 31, 1865	709,334,421 87		236,636,098 00	945,970,519 87
December 31, 1866	500,123,161 32		208,588,419 00	808,711,580 32
December 31, 1867	434,885,202 85	\$23,265,000	209,846,206 00	757,996,408 85
December 31, 1868	396,535,077 37	55,865,000	209,747,569 00	752,147,646 37
December 31, 1869	398,691,165 18	45,545,000	209,629,322 00	743,865,487 18
December 31, 1870	398,293,847 38	43,550,000	304,956,849 00	746,800,696 38
December 31, 1871	399,274,170 27	22,025,000	327,727,308 00	749,026,478 27
December 31, 1872	405,062,161 12	4,145,000	342,541,452 00	751,743,613 12
December 31, 1873	427,607,706 90	5,000	348,516,478 30	776,129,185 20

There are some circumstances which tend to require less currency at the present time than was needed in 1869. What are the causes

which lessen the necessity for the use of currency, either of paper or coin? First, an increase of banks; and that is one reason why I am in favor of this bill as a whole. I find that the private banks in the country have increased since 1869, as shown by returns to the Commissioner of Internal Revenue, from 2,500 to 4,200. In Illinois we had in 1869 134 private banks, and in 1873 we had 314. In 1869 our deposits in those private banks were only \$7,000,000, and were last June over \$33,000,000. The increase has been remarkable.

The Commissioner of Internal Revenue furnishes me the following:

Statement showing number of banks and bankers and amount of deposits held in each State and Territory in July, 1869, and June, 1873.

Number.	State or Territory.	Number in 1869.	Number in 1873.	Deposits held in July, 1869.	Deposits held in June, 1873.
1	Alabama	16	24	\$2,587,604 98	\$1,667,219
2	Arizona				
3	Arkansas	1	14	60,000 00	316,338
4	California	40	95	33,623,276 00	66,186,456
5	Colorado	3	19	237,000 00	305,922
6	Connecticut	41	102	9,352,760 00	66,124,918
7	Dakota		4		67,628
8	Delaware	8	10	558,749 00	1,543,785
9	District of Columbia	11	15	2,064,256 29	8,666,579
10	Florida		5		154,277
11	Georgia	27	70	1,824,998 98	3,204,509
12	Idaho		4		16,854
13	Illinois	134	314	7,379,481 98	33,544,797
14	Indiana	78	123	4,560,621 60	10,968,885
15	Iowa	75	181	2,302,967 31	6,446,114
16	Kansas	22	92	1,355,711 00	2,935,323
17	Kentucky	55	113	20,672,741 05	12,688,659
18	Louisiana	20	27	8,913,431 05	7,370,620
19	Maine	18	61	739,746 86	27,253,684
20	Maryland	31	50	2,779,596 00	21,567,758
21	Massachusetts	55	229	3,277,857 00	200,663,465
22	Michigan	82	145	3,637,675 33	11,004,407
23	Minnesota	34	55	883,398 00	1,675,182
24	Mississippi	7	21	398,791 66	1,473,019
25	Missouri	125	206	19,787,757 55	35,720,025
26	Montana		7		68,835
27	Nebraska	11	32	481,974 00	946,368
28	Nevada	8	12	1,290,787 00	1,178,148
29	New Hampshire	12	69	1,369,973 93	29,637,827
30	New Jersey	25	63	1,921,112 00	35,203,844
31	New Mexico		1		
32	New York	508	878	97,125,891 02	425,847,438
33	North Carolina	10	15	575,753 84	1,505,944
34	Ohio	176	291	15,803,687 86	36,623,163
35	Oregon	6	7	339,266 00	784,356
36	Pennsylvania	211	527	34,750,267 07	102,957,949
37	Rhode Island	41	60	2,631,575 00	11,904,489
38	South Carolina	9	17	281,708 00	1,171,628
39	Tennessee	32	35	2,580,873 52	3,127,673
40	Texas	9	82	958,627 72	2,869,837
41	Utah	4	8	397,638 03	493,224
42	Vermont	7	21	164,090 00	4,865,998
43	Virginia	45	86	1,984,024 41	8,088,175
44	Washington Territory		3		123,956
45	West Virginia	13	18	500,988 12	2,290,556
46	Wisconsin	52	80	2,147,564 49	8,306,392
47	Wyoming		6		42,371
Total		2,062	4,297	301,543,295 31	1,229,094,594

Increased facilities for doing business diminish the amount of circulation required to transact business. Such facilities have increased in the United States faster than wealth or population. Among these are the means and rapidity of transportation and communication to different parts of the United States. Where men have frequent and easy communication the amount of currency required to perform their business is greatly reduced. The same dollar bill will pay a dozen different debts in the city to one in the country. Railroads and telegraphs practically bring men closer together. Time and space are annihilated. The money remittances pass with greater rapidity as increased facilities are extended. The express and the fast-freight train push into new regions, following the new railroad lines. Even the postal accommodations are increased, and lessen the amount of currency. Let me call attention to the increase in telegraphs and postal and railroad facilities since 1869. These accommodations, with increase of number of banks in the country, make the United States like one great city.

In 1869 payments and remittances were oftener made with money itself. The number of private banks has increased from twenty-five hundred to over four thousand; the national banks from sixteen hundred to two thousand. The mails, the railroad passenger-trains, and even the express companies, send the bank check or draft where formerly cash was used to make purchases or pay debts. The capital and deposits of private banks and bankers have increased since July 1869, to July, 1872, as estimated from taxes paid by them, as follows:

	1869.	1870.	Increase.
Capital	\$89,014,200	\$195,211,400	\$106,197,200
Deposits	346,883,400	728,650,200	381,766,800

The Commissioner of Internal Revenue furnishes me the following information:

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, March 23, 1874.

SIR: In further reply to your inquiries relative to capital and deposits held by persons, bank associations, companies, or corporations, other than national banks, engaged in the business of banking, I have to submit the following statement, showing the amount of such capital and deposits taxable under the internal-revenue laws held, during the years 1869 and 1872, as follows:

Capital held in 1869	\$89,014,200
Capital held in 1872	195,211,400
Deposits in 1869	346,883,400
Deposits in 1872	728,650,200

Total average amount of deposits held during June, 1873, including deposits exempted from tax, \$1,229,004,594.

Very respectfully,

J. W. DOUGLASS,
Commissioner.

Hon. HORATIO C. BURCHARD,
House of Representatives, Washington, D. C.

Organization of new banks diminishes the amount of currency demanded to do the business of the country. Checks take the place of coin and notes.

Mr. Buell, the president of the Importers and Traders' Bank of New York, says, in his statement made February 9, 1874, before the Committee on Banking and Currency:

Mr. BUELL. The proportion of currency to checks, bills of exchange, &c., used in commerce, is so small that few people conceive of it. We use in New York about 5 per cent. currency. In smaller towns they use 10 per cent.; in still smaller places from 15 to 25; and when you get back to the agricultural districts, it requires 50 per cent. or more. The other 95 per cent. of the commercial transactions of New York City are moved by checks, bills of exchange, &c.

The CHAIRMAN. Does the 5 per cent. cover the shopping and money transactions, hotel bills, &c.?

Mr. BUELL. Yes; it all comes to a point in the banks through the clearing-house exchanges. Take your own experience, or that of a merchant who pays \$50,000 by checks in a day, and not more than \$100 for cash disbursements, personal expenses, &c.

NATIONAL TAXATION HAS DIMINISHED.

The receipts from internal revenue, which were \$309,226,813.42 in 1866, decreased in 1869 to \$158,356,460.88, and to \$113,729,314 in 1873. The Treasury receipts from 1865 to 1873 were as follows:

Year.	Internal revenue.	Public lands.	Net revenue.	Total receipts.
1865	\$200,464,215 25	\$996,533 31	\$323,092,785 92	\$1,805,933,250 89
1866	309,226,813 42	665,031 03	619,646,647 91	1,270,712,078 83
1867	266,027,537 43	1,163,575 76	489,912,182 34	1,130,339,092 62
1868	191,087,589 41	1,348,715 41	405,638,083 32	1,030,749,516 50
1869	158,356,460 88	4,020,344 34	370,945,817 94	609,623,899 02
1870	184,899,756 49	3,350,481 76	411,255,477 63	696,729,973 63
1871	143,098,153 63	2,388,646 68	383,323,944 89	652,092,468 36
1872	130,642,177 72	2,375,714 19	374,106,867 56	679,153,921 56
1873	113,729,314 14	2,882,312 38	333,738,204 67	548,669,221 67

WAS THE PANIC CAUSED BY CONTRACTION?

It has been represented, and actually believed, that the contraction of the circulating medium of the country has prostrated business and precipitated on us the panic of last summer. Gentlemen are constantly repeating the amount of contraction since 1865.

It is a mistake that this made a great money stringency and caused the panic of 1873. Facts fail to prove their conclusion. The contraction took place prior to 1869. There has been no contraction of the currency during the last five years; on the contrary, it has been slightly expanded.

A comparison of the amount of circulation in the country at the present time and the amount in the summer of 1869 will show a greater amount of paper in circulation to-day than at that time. The contraction is sought to be shown by comparing the present amount of currency with the amount in circulation in 1865 and 1866. To make the difference more glaring, the compound-interest notes, and seven-thirty notes, and other interest-bearing obligations made legal tender are included as part of the paper circulation in 1865, although really held as investments rather than currency, and owned or kept as special deposits uncounted by the banks by hundreds of millions.

The difficulty in making out a case is apparent from the necessity of going back eight years for a comparison.

The following, originating perhaps in some irresponsible journal, has had indorsers on this floor and is in circulation, supposed to be reliable:

Amount of currency in 1865	\$928,240,703
Amount of currency in 1873	767,072,919
Amount of contraction	181,778,784
Add the seven-thirties	829,725,000
Total contraction	1,018,167,784

The Treasurer of the United States, on pages 327 to 329 of the annual report of the Secretary of the Treasury for 1873, officially states the amount and kind of currency outstanding at the close of each fiscal year, and summarizes them as follows:

Comparative statement of total outstanding for the last twelve years.

Outstanding June 30, 1862	\$147,725,235 00
Outstanding June 30, 1863	411,223,045 00
Outstanding June 30, 1864	649,694,073 70

Outstanding June 30, 1865	\$698,918,800 25
Outstanding June 30, 1866	608,870,825 46
Outstanding June 30, 1867	536,567,523 02
Outstanding June 30, 1868	444,196,262 47
Outstanding June 30, 1869	391,649,558 61
Outstanding June 30, 1870	398,430,562 48
Outstanding June 30, 1871	397,699,652 06
Outstanding June 30, 1872	399,245,363 52
Outstanding June 30, 1873	401,527,267 94

Congress in February, 1868, passed an act forbidding the retiring and canceling of more legal-tender notes. Since June, 1869, there has been no contraction by the Government of this currency, but an actual increase of from \$391,649,558 to \$401,527,267—about \$10,000,000.

If contraction produced the panic, how slowly its effect developed! It is refreshing to read the glowing descriptions given in 1870 in this Hall upon the then prosperous condition of the country. While this contraction had been going on at the rate of \$45,000,000 a year for four years, or \$250,000,000 if the seven-thirties are to be counted as circulation—all but \$1,168,000 had been redeemed in 1869—the country had been prospering as never before.

PANICS.

There have been three great commercial crises in this country. Prominent above every other business convulsion or financial disturbance, that of 1837, twenty years later in 1857, and that of 1873, through which we have just emerged, and whose effects we still to some extent feel. A recurrence to the events immediately preceding and subsequent to the former crises cannot but aid in regard to the causes which produced those great convulsions and the measures to be adopted to prevent their evils. It is essential that the mere accidental circumstances, common to the periods, should be separated and distinguished from those which produce the changes. What relation had the currency to those panics?

Commercial panics are associated with banks. An extraordinary rush of depositors on the banks, demanding payment of amounts to their credit, is called a panic. It supposes a banker and a depositor. No intelligent analysis of the causes which produce panics without keeping in mind the nature of banking.

WHAT IS A BANK?

The real nature and office of a bank is far different from what is popularly supposed. It is a common idea that the bank is an institution simply for holding money, its own or that of other people. The creditor of the bank whose claims are payable on demand regards and treats his credit as cash, and every other depositor does the same. The bank is supposed to be the depository containing cash to the amount of all the deposits. But this is neither actually true nor is it essential to banking that any money should be used in the transactions in which banking is concerned.

The business of banking is receiving resources from one set of men and transferring them to another. It is the transfer of debts. It is a transfer only. The means transferred may be money, but in actual banking a very small per cent. of money is thus transferred.

The Bankers' Almanac, of 1874, page 239, gives the total of exchanges and cash balances paid for twenty years, and the cash balances have been only about 4 per cent.

The average daily exchanges for the year ending September, 1873, were \$111,022,370; and the total exchanges for the same period were \$33,972,773,942. The average daily cash balances were \$3,765,921, being a little over 3½ per cent. So that the daily use of an average sum of less than \$4,000,000 has effected exchanges during the year nine thousand times the amount, and more than the amount of the estimated value of the wealth of the nation. Ninety-seven per cent. of the business of the city banks consists in the transfer of credits, lending the representative of capital received from one customer, called the depositor, to another customer called the borrower.

The \$944,000,000 loans reported in September as resources by the national banks consisted of \$638,000,000 of resources received from or credited to depositors, to be returned upon demand.

Professor Bonamy Price, who was justly quoted by the gentleman from Pennsylvania [Mr. KELLEY] as the highest authority on banking, states most graphically the cause and course of a commercial panic.

He says in a late lecture:

The mischief commences with the destruction of capital; its investment in unproductive enterprises. Laborers are fed, tools and clothing are worn out, materials are made away with, and no return of new wealth created to repair the loss. Presently the fatal fact is discovered, goods advanced on credit are reclaimed; but the wealth has departed and has not returned in a new form; debts are not repaid, but characteristic symptoms of a bankers' panic come to light. The truth suddenly flashes on commercial minds that mean to pay debts; the economic truth is perceived that wealth has been destroyed and not replaced by new-made goods, but it is seen that the wherewithal does not exist; debtors are driven to throw their merchandise on a market at ruinous prices. Then comes the terrible feeling, Who is safe? Who has gone beyond his means? What great houses have launched over on the sea of speculation and are sound at the core?

In examining each of the periods of 1837, 1857, and 1873, it will be seen that there had been for several years a large increase in importations. In the year ending September 30, 1830, the imports were \$70,876,920; in 1833, over \$108,000,000; in 1836, about \$190,000,000, being \$52,000,000 above the exportations of that year.

The fiscal year ending September 30, 1837, the exportations were \$141,000,000, being \$24,000,000 in excess of the imports.

The imports did not again reach that figure but once until the close

of the year 1847, when they amounted to about \$141,000,000. This again gradually rose to \$315,000,000 in 1856, and \$361,000,000 in 1857.

The same increase in imports preceded the panic of 1873. The total imports rose from \$462,000,000 in 1870, to \$664,000,000 in 1873.

The total volume and *per capita* circulation of the currency was largely increased in the same periods.

There is another remarkable similarity between these periods preceding a panic. It was not lack of currency in 1837 nor 1857. It was, in the language the Democratic Review of 1838, page 397—

The enormous system of overtrading into which both banks and individuals throughout the United States were embarked had involved almost every one engaged in the active pursuits of life. The improvident accommodations granted by many of our banks were only surpassed in extravagance by the absurd manner in which a great portion of these loans were invested. Suddenly unlimited confidence unhealthily swollen gave place to universal distrust. * * * The average price of cotton here rose from thirteen cents in 1834 to sixteen and one-half in 1835, and "to eighteen per pound in 1836." There were vast sales of public lands and excessive importations of foreign commodities.

The historian of the panic of 1873 can now write—

It was the turn in the high prices of 1872, as it was in the high prices in 1836, that brought on the collapse of speculation, the closing period, the stoppage of credit, the demand for immediate payment. In each period there was a large expansion of loans, showing an extension of credits, a spending of borrowed resources.

The story of 1837, 1857, and 1873 is the same.

Commercial crises of 1837, 1857, and 1873 compared.

Year.	Miles of railroads built.	Sales of public lands.	Imports of merchandise.
1834	.....	\$4,857,600 69	\$103,208,521 00
1835	.....	14,757,600 75	129,391,247 00
1836	.....	24,877,179 86	168,233,675 00
1837	.....	6,776,236 52	119,134,255 00
1838	.....	3,081,939 47	101,264,609 00
1853	.....	1,667,084 99	250,420,187 00
1854	1,360	8,470,798 39	220,813,867 00
1855	1,654	11,497,049 07	233,020,227 00
1856	3,643	8,917,644 93	208,261,364 00
1857	2,491	3,829,486 64	336,914,524 00
1858	2,460	3,513,715 87	251,727,008 00
1868	2,979	.....	351,214,010 00
1869	5,118	.....	411,896,374 00
1870	5,525	.....	431,950,423 00
1871	7,779	.....	513,033,809 00
1872	6,427	.....	617,569,017 00
1873	4,190	.....	635,467,636 00

We find that there was not only a large increase of imports, but also, preceding the crisis of 1857 and 1873, large investments were made in railroads, increasing the number of miles built a year from 1,360 to 3,633. The expenditure for this purpose preceding 1856 was about \$100,000,000, and in 1873 it had risen to over 7,000 miles a year, involving an investment of about \$200,000,000 a year in railroad building, and some of them unprofitable roads. There was preceding all these crises an inflation of the currency, an excess of currency in the country, and an increase in this speculation and investment of money. There was also preceding them an investment of money in unprofitable enterprises. Prior to 1837 the investment was in lands, which rose from 3,000,000 acres purchased in 1831, to 24,000,000 acres purchased in 1837, and which rose in 1856 to \$11,000,000 from \$1,500,000 in 1852.

Mr. MAYNARD. We were then on a specie basis.

Mr. BURCHARD. Certainly we were on a specie basis, but the circulation of the country was inflated, and an excess of currency, even of a good currency, will produce overspeculation. My point is this: not that this irredeemable currency necessarily produces panics, but that commercial crises are not caused by an insufficiency of circulation in the country; that there are other causes which produce them, and that contraction could not account for it; for there has been no contraction for the last five years, and in 1869 and 1870 there was contraction by the retirement of the seven-thirty bonds.

Mr. BIERY. Will the gentleman allow me to ask him a question right there?

Mr. BURCHARD. If I can have my time extended, I have no objection.

Mr. BIERY. Were not the seven-thirties convertible on demand into currency; and, if so, were they not converted, and did they not furnish a part of the currency?

Mr. BURCHARD. I do not dispute that gentlemen are right when they say that the currency was contracted, but here is the point I make: This contraction was ended five years before the panic occurred; why did not the panic come on in 1869 or 1870, when we had contraction, instead of five years later, when there has been within the last year or two an expansion of the currency?

Mr. BIERY. I understood the gentleman to exclude the seven-thirties from the currency.

Mr. BURCHARD. We had in 1869 retired nearly all the seven-thirties.

Mr. BIERY. Did not their redemption lend an influence to the panic?

Mr. BURCHARD. If so it must have been very remote, for it took

a long time to make itself felt; it took five years to produce that effect.

Mr. MERRIAM. Has the increase of business and of population anything to do with the actual contraction of the currency?

Mr. BURCHARD. Increase of population would decrease the *per capita* amount of circulation in the country undoubtedly; but it would not be more than one or two dollars *per capita*, and that was no be offset to some extent, if not wholly, by other causes. The establishment in a community of a bank dispenses with the use of money, not to recapitulate what I have said and what others have often said. I do not claim that there has been any great difference since 1869, but that there was no contraction between 1869 and 1873.

But I want to say a word or two in regard to this bill, which I will say I favor in the main. Although I am opposed to an expansion of the currency not looking to its ultimate redemption and convertibility, I am in favor of removing the monopoly principle from the banking system. I do not anticipate for the West and South the benefits that are claimed; I will frankly say so. But if the private banks that I have spoken of in Illinois desire to avail themselves of the advantages, if there are any, in issuing national bank-note circulation they ought to be permitted to receive it in Illinois as other States have received it. I do not believe it will amount to very much, if any, inflation under this bill.

The object of those who ask for more currency has been stated by one of the ablest advocates as follows:

No one is here, Mr. President, asking the Government to set in motion her presses to grind out an unlimited quantity of "irredeemable paper." No one is here asking for an issue of currency which is not well secured, and by a gold bond backing it at that. The simple question in substance is this: Shall we increase to a moderate degree the present bank currency under the present banking law, especially in those States which have not received their proportion according to wealth and population?

To that proposition I heartily assent. The right to their just proportion of bank circulation should be accorded to every State.

I favor the removal of the restrictions on banking. Make it free to every part of the country where the securities can be advanced. Let the Government see to the performance of its own undertakings, and leave business and the wants and abilities of communities to fix the measure of circulation.

There are some features of the bill that I heartily approve. But, as I have said, I do not think it will afford the advantages to the South and the West that are expected from it. It will not increase the amount of existing loanable capital in the West. But circulation based upon bonds allows capital to be loaned twice. It has already been loaned to the Government. The bond represents the debt, and is the promise to repay the capital loaned with interest. Upon that, as security, the Government authorizes its creditor to loan, not the capital which the Government owes, but his credit, and promise of payment. The utilization of bonds as a basis of banking gives additional power to the Government creditor to accommodate the private borrower. Thus banking in the West, so far as it uses the bonds held by its own people, increases the power of capitalists to accommodate the local demands of borrowers.

But if the bonds must be bought by the sale of products or with United States notes by the western banker, the local circulation and the power to accommodate borrowers are actually diminished.

Suppose the business men of a town start a national bank. If they have Government bonds to the amount of \$100,000 they receive \$90,000 in notes, of which they can again loan as money \$76,500. If there are no bonds owned in the town, they must be bought. They must collect and send away \$115,000 of United States notes, or property which will sell for \$115,000 of notes. The power of the capitalists of the town to accommodate borrowers will be diminished from \$115,000 to \$76,500, being about one-third less. Free banking would not increase local circulation or amount of capital to be loaned in a community unless bonds are actually held and used by the capitalists for banking. But a bank aids the community. It multiplies the substitutes for currency. It increases deposits and makes the check do the business of the note or coin. If the issue of circulation will be profitable, foreign capital will be invited to the locality for investment in banking. This will be a gain in loanable capital in the locality. More borrowers can be accommodated. The interest must be paid to the foreign capitalists, whether the loans are made through the bank or the borrower deals directly with the capitalist. If borrowers make wise use of the capital obtained, and the resulting product is more valuable than the principal and use paid, the community is enriched; if unprofitably employed, the locality is impoverished.

Will banks be organized under the act? Certainly, if the circulation will increase the banker's profits, and if capital is to be had. As I have shown, the banks now existing as private banks in the Western and Southern States have already or can obtain the capital. Will they take the circulation? Their action will be determined by the result of this inquiry. What greater return will a given sum of money expended in buying bonds and obtaining circulation yield than without doing so; that is, if they have not the bonds, as I think they have not to a large extent, in the South and West?

One hundred and fifteen thousand dollars will buy \$100,000 of 5 per cent. bonds. Upon that \$90,000 of circulation can be obtained, of which this bill will permit 95 per cent. to be loaned, amounting to \$85,000, giving—

Interest at 10 per cent.	\$8,500
United States tax on capital, $\frac{1}{2}$ per cent. on \$15,000 excess, not in	
United States bonds	\$75
United States tax on circulation, 1 per cent.	450
Local taxes increased 1 per cent.	1,150
	1,675

Add interest on bonds, at 112 premium on gold.....

The loan of capital would have yielded.....

Gain.....

Thus there would be realized \$935 over and above what would be realized if the amount was loaned directly without organizing as a national bank.

But it is to be taken into consideration that in ten or fifteen years, when these bonds are to be redeemed, the legal-tender notes may be on a par with them and with coin; so that \$115,000 put into banking now would yield, when the bonds are redeemed, only \$100,000. Thus there is a sinking of \$15,000. Under this calculation there would be an absolute loss. For this reason some men whom I personally know could have gone into banking in Illinois refused to do so because they said they could do better with their capital.

Now, make the exhibit for an Eastern State. Where they can loan money at 6 per cent., if the banker has the bonds already, and wants to get circulation upon them, he can clear \$3,455 on every \$115,000. It will be the interest of the banker in the East to take the circulation if he has the bonds to that extent. Computing the same depreciation of \$1,000 on the investment, he will still make \$2,455, or about 21 per cent.; or, if he has the bonds, he will make the whole \$3,455.

I make this calculation upon the idea that the banks are organized; that men are already doing banking business as private bankers. I do not take into account the cost of officers' salaries, &c., which would reduce the profit if the banks are not already existing; but if the banks are doing business as private bankers, it would only to a small extent increase their expense.

BANKING RESERVE.

The committee recommended a repeal of so much of the banking act as requires a reserve to be held by national-bank associations for their circulation. I doubted the wisdom of such a course. It is true that there is no necessity for banks to have at their command any money for their circulation.

Practically there is and has been no redemption since the national banks were organized. The bank-note subserves all the purposes for which the United States note can be used except when the technical tender of the latter is required for the payment of a debt. If the reserve is intended by the act to be kept to secure the certainty of immediate redemption of the bank-note, the provision is necessary.

The commercial crises of banks have never been precipitated by the inability of bankers to redeem their notes, and the run upon suspected or weakened banks has been made by their customers and not the bill-holders. The measure of the paper reserve to secure its creditors can to the best advantage be determined by comparing the circulation deposits and reserves of the banks during past years. We will find that in every case where the banks were unable to pay depositors, and were compelled to suspend, the reserve had become greatly diminished compared with circulation and deposits. We will find that when the banks have maintained a sufficient reserve compared with deposits the commercial revulsion is unable to affect them, and their credit has been maintained unimpaired.

I have prepared a table showing the percentage of bank reserves, both of specie and of money of all kinds to deposits and circulation.

Statement showing number of banks in the United States, their capital, circulation, cash, deposits, loans, and percentage of cash to deposits, and to circulation and deposits, for forty years prior to 1874.

Year.	Number.	Capital, millions.	Circulation, millions.	Cash in bank.			Deposits, millions.	Loans, millions.	Ratio of cash to—	
				Specie, mil- lions.	Paper, mil- lions.	Total, mil- lions.			Deposits.	Deposits and circulation.
1834.....	506	200	95	26	22	48	76	324	.63	.38
1835.....	704	231	104	44	21	65	83	365	.76	.34
1836.....	713	252	140	40	32	72	115	458	.62	.38
1837.....	758	291	149	38	37	75	127	525	.59	.37
1838.....	829	318	116	35	25	60	85	486	.70	.30
1839.....	840	327	135	45	27	72	90	492	.80	.32
1840.....	907	358	107	33	21	54	70	463	.71	.30
1841.....	784	314	107	35	27	61	65	386	.94	.35
1842.....	692	260	84	28	19	47	62	324	.76	.32
1843.....	692	229	59	34	13	47	56	255	.84	.41
1844.....	696	211	75	50	12	62	85	266	.73	.38
1845.....	707	206	90	44	12	56	83	259	.67	.32
1846.....	607	197	106	42	13	55	98	312	.56	.27
1847.....	715	203	106	35	13	48	92	310	.52	.24
1848.....	751	205	129	46	16	62	108	344	.57	.26
1849.....	782	207	115	44	13	57	91	332	.62	.27
1850.....	824	217	131	45	16	61	110	364	.55	.25

Statement showing number of banks in the United States, &c.—Continued.

Year.	Number.	Capital, millions.	Circulation, millions.	Cash in bank.			Deposits, millions.	Loans, millions.	Ratio of cash to—	
				Specie, mil- lions.	Paper, mil- lions.	Total, mil- lions.			Deposits.	Deposits and circulation.
1851.....	879	228	155	49	17	66	129	414	.51	.23
1854.....	1208	301	205	59	23	82	188	557	.44	.21
1855.....	1307	332	187	54	23	77	190	576	.44	.20
1856.....	1398	344	196	60	25	85	213	634	.40	.20
1857.....	1416	370	215	58	22	80	231	684	.34	.18
1858.....	1422	392	155	74	22	96	186	583	.52	.28
1859.....	1476	402	193	105	19	124	260	657	.48	.27
1860.....	1562	422	207	84	26	110	254	692	.47	.26
1861.....	1601	430	202	88	22	110	257	698	.43	.24
1862.....	1492	418	184	102	25	127	296	648	.43	.26
1863.....		405	239	101	58	159	394	649	.40	.24
1864.....			186							
1865.....			191							
1866.....	1582	403	259	17	208	225	550	501	.40	.27
1867.....	1648	420	298	17	206	223	585	608	.38	.25
1868.....	1642	420	298	18	181	199	559	617	.35	.23
1869.....	1628	419	297	30	158	188	585	645	.32	.21
1870.....	1615	426	294	20	175	195	557	689	.33	.20
1871.....	1648	435	298	26	141	167	518	726	.32	.20
1872.....	1790	460	320	30	130	160	617	819	.26	.17
1873.....	1940	483	338	19	141	160	611	887	.26	.17
Sept., 1873.	1976	491	340	20	131	151	638	944	.24	.15
1874.....	1976	490	342	27	152	179	553	857	.27	.20

The ratio of cash to deposits has hardly ever in the history of the Government fallen below 40 per cent., and the ratio of cash to deposits and circulation has fallen below 20 per cent. during only two periods in our financial history, the one during the period preceding the commercial crisis of 1857, the other before that of 1873. The latter ratio in 1850 was 25 per cent. It had fallen in 1854 to 21 per cent., in 1855-'56 to 20 per cent., and in January of 1857 to 18 per cent. The same marked decline occurs during the period ending in the panic of 1873, having fallen to 17 per cent. January, 1873, and the ratio of cash in bank to deposits was then 26 per cent.

From an examination of these tables one would say that a reserve of cash less than 20 per cent. on both circulation and deposits is unsafe and imprudent.

The amendment proposed by this section of the bill will require 15 per cent. in banks outside of redemption cities and 25 per cent. in those cities as reserve upon deposits and only 5 per cent. upon circulation. This objection would in my judgment be fatal to the bill if the banks, in accordance with the permission, allowed their reserves to run down to the lowest limit. The weak and reckless may do so, but the sound and prudent banker will not. Available cash has always been maintained to greater amount than the law required.

The reserve required to be kept by the country banker will, under the law, be as much as has been actually kept by him in his vaults, and the 5 per cent. reserve required to be kept at the Treasury, with the balances to meet drafts upon city banks, will keep up the available cash to about the same amount as now required. If the majority deem this provision advisable, I shall not on that account, though doubting its wisdom, vote against the bill because retained.

Mr. RANDALL. I now yield thirty minutes of my time to Mr. WILSON, of Indiana.

Mr. WILSON, of Indiana. Mr. Speaker, at an early day in this session I introduced and had referred to the Committee on Banking and Currency a bill on the subject now under consideration, and which at the proper time I propose to offer as a substitute for the bill reported by the committee.

In part it is substantially the same as the committee's bill, but it contains other provisions to which in the course of my remarks I will call the attention of the House if my time will allow.

But first I desire to urge upon the House the adoption of a feature common to both, namely, that which makes

FREE BANKING,

the adoption of which, in my judgment, will remedy a leading defect in our currency system, which is that the amount of currency is limited by law.

For years past we have had a limit fixed by law upon the amount of the circulating medium, and no matter what were the necessities of the country we could have just so much currency and no more. We could have four hundred millions of legal-tenders and three hundred and fifty-four millions of national-bank notes. We must now meet the question whether we will let it stand at that amount or whether we will increase or diminish it, or whether we will so change the system as to impart to the amount of our currency the quality of elasticity.

Currency is simply a means, a medium, an instrument used by the people in the exchanges incident to business; and the question is, shall the means be adapted to the end or the end to the means? Shall the business of the country be restricted to a fixed amount of currency, or shall the amount of currency be made commensurate with

the demands of legitimate business? I apprehend that there can be but one answer to this. I presume no one will be found here or elsewhere insisting that the business of the country shall be restricted, nor will any one be bold enough to maintain that the currency shall not be ample to supply the demands of the legitimate business of the country. But, sir, the business is constantly varying. It varies from year to year with the variations in our agricultural productions and the productions of our manufacturing industries. The amount of currency that may be amply sufficient for this year may be too much or too little for next year. The necessity for it increases with the increase of population. It might as well be said that the promissory notes necessary for a man to use when he is doing a business of \$1,000 per year is ample for his purposes when he does a business of \$100,000 per year, as to say that the currency necessary for thirty millions of people is adequate for forty millions of like individual thrift and energy; or it might almost as well be said that the food that is necessary to supply a nation of thirty millions is ample to satisfy the appetites of forty millions.

If the amount of currency is limited to a specific amount by law, and a season comes when that is too small, the people must suffer in their business until legislation can be had to increase it. It seems to me, therefore, that what is needed is a currency system that possesses the quality of flexibility or elasticity; making currency free to expand or contract according to the demands of legitimate business. To my mind this is not only a reasonable conclusion, but if the experience of others is of any value, it is supported by that also.

We know that in 1844 the English Parliament fixed a limit to the amount of notes that might be issued by the Bank of England; and yet we also know that, three times since, that law has had to be suspended and the bank permitted to overissue in order to prevent great financial disaster. What does this prove? It proves that the legislators of England were not wise enough to foresee the needs of the English people, nor sagacious enough to furnish them the means of avoiding financial ruin. The weakness, the imperfection of the act was demonstrated by the fact that three times it had to be violated to save the nation from bankruptcy.

Indeed, sir, it is not necessary that we shall go to England for forcible illustrations. We have them at home, and of so recent date that it is almost superfluous to allude to them. Prior to the 3d of December, 1872, the Assistant Secretary of the Treasury took the responsibility of issuing \$5,000,000 of the forty-four millions that had been retired by Secretary McCulloch. On the 3d of December, 1872, this House by resolution called upon the Secretary to know upon what authority and for what reason that five millions was again put in circulation. I have here his answer, an extract from which I will read. He says:

The object of the issue was the relief of the business of the country then suffering from the large demand for currency employed in moving the crops of the South and West. The condition of affairs then existing in the country seems to me to have warranted the issue upon grounds of public policy.

This is a forcible illustration of the absolute necessity for an elastic currency, and of the perniciousness of a rigid, cast-iron system. The business of the country was suffering, and but for the fact that it so happened that the Secretary had the means at hand to relieve it, it must have continued to suffer. But that means was not the result of any wisdom in our legislation. It was an accident. Congress had fixed a limit beyond which the currency should not go. A former Secretary thought the people had too much, and he retired forty-four millions, and thus it happened that, when business was suffering for want of the means "to move the crops of the South and West," there was a reserve which could be issued, there was a means of expansion, resort to which was had and relief was obtained.

And, sir, we have had a more recent experience. We all remember very well that when the recent panic came upon the country there was a locking up of currency, and a great clamor to have the Secretary of the Treasury relieve the stringency by issuing the forty-four million reserve which had been retired to reduce the circulation. I remember to have read an article in an influential newspaper, somewhat noted for its conservative views, urging the Secretary to issue this forty-four millions and give relief, law or no law. And I need hardly remind members of the pressure brought to bear upon the President in New York at the time I allude to, to avert the impending disaster by promptly causing this forty-four millions to be reissued. The logic of this certainly is that a currency system which rigidly limits the amount that can be issued is an unsafe one for the nation.

Sir, if we are going to adhere to this "cast-iron" system, who knows what the limit should be? I venture to say that there is no gentleman upon this floor who will have the courage to assert that he knows and is able to state how much currency will be needed this year or next year to meet the business wants of the country. If there is any gentleman who knows, I would be much pleased to have him name the amount. It is not possible to know the amount, and therefore there is no alternative left us but to devise a system, and it is our duty to devise one if possible, by which the supply of currency shall be regulated by the demand.

The great practical question, then, is, how shall this be done? What shall we do to make the currency elastic? Some gentlemen tell us that if we will get back to specie payment the problem will be solved; that that will bring the necessary elasticity. Now, sir, no one would be more rejoiced than myself over a return to a specie basis. There

are two modes of reaching that point. One is to let the country grow up to it, the other is to depress the business of the country down to it. Which of these modes shall we adopt? Shall we supply the necessary means to give play to the energies of the people, enabling them to develop the resources of the country, or shall we put out the furnace-fires, close manufactories, throw the laboring classes out of employment, restrain enterprise, and depreciate values? This latter course will bring us back to specie payment, but it will bring inevitable ruin upon thousands and thousands. It will bring a golden era indeed to the fortunate few who have money, but it will be a cruel wrong to the multitude.

Sir, we have no moral right to pursue a policy which will force business and prices down to a specie basis. The people are not responsible for the existing condition of our monetary affairs. There came upon the country a great calamity, and the result was a greatly increased volume of the currency. Gentlemen tell us that there is a redundancy of it and that it has inflated prices. Well, for the sake of the argument, let me grant it. Could the business of the country stop? Were the people to cease buying and selling? Could they fold their arms in idleness and wait for a change? No, sir; their energies would not allow them to do that, nor was it the interest of the nation that they should. They adapted themselves to this new state of affairs for which they were not responsible, they bought and sold at the inflated prices, they gave notes and mortgages, they felled forests, they built houses and barns and turnpike roads and railroads and incurred indebtedness in so doing, and now gentlemen who have their pockets full of money say to their less fortunate neighbors, "Your business must be broken up, your property must be depreciated in value, the mortgages upon it must be foreclosed, you laboring men must do without work, and your wives and children without bread, in order that we may get back to specie payment, *i. e.*, in order that the national-bank notes and the legal-tender notes we have may be increased in value until they are equal to gold dollar for dollar." Sir, it is a policy that must make the "rich richer, and the poor poorer." If it has any merit, it is in its conformity to that scriptural idea, that "to him that hath shall be given, and from him that hath not shall be taken even that which he hath."

That is one way to get to specie payment and to procure such elasticity as it would bring, but it would be cruel and unjust, and therefore not the right way. I prefer the other mode, *i. e.*, to have the country grow up to it, and to secure the necessary elasticity in some other way than by forcing specie payments now.

I have already argued that a fixed amount of currency is wrong in principle, and if I am right in that it necessarily follows that we must either take off the restrictions upon the issue of Government notes, or we must remove the limit upon the issue of national-bank bills. Which shall we do? If we do the latter, it obviously involves doing away with all other circulating notes.

There are manifest objections to the removal of the restrictions upon the issue of legal-tenders. Every legal tender is an evidence of Government indebtedness; it is a promise to pay, and the payment when made must be in gold. If, therefore, the restriction upon the issue of these notes is removed, it would place it necessarily in the power of the Secretary of the Treasury or some officer of the Government to indefinitely increase the national debt; it would place the amount of the indebtedness of the country practically under the control of one man. Besides this, it can hardly be good policy to make the mere evidence of the country's indebtedness the circulating medium of the country.

CAN LEGAL-TENDERS BE NOW ISSUED?

There is yet another reason why we should not resort to Government notes. They would be worthless as a circulating medium unless they had the quality of being a legal tender; and if we undertake now, in time of peace, to issue Government notes and make them a legal tender, we are confronted with the grave question, "Have we the constitutional power to do so under existing circumstances?"

It is well known that when it was first proposed to make the notes of the Government a legal tender for the payment of debts, although we were then in the throes of rebellion and pressed by the direst necessity, even under those circumstances many able men, with a multitude of adherents, insisted that there was no constitutional power to do so; even those who favored it did so with extreme reluctance, as the following quotations from the debates of the period will show:

Mr. Spaulding, of New York, introduced the first bill, and he said that he offered it as a war measure, to meet the most pressing demands upon the Treasury; a measure of necessity and not of choice, to sustain the Army and Navy. "These," said he, "are extraordinary times, and extraordinary measures must be resorted to in order to save our Government and preserve our nationality."

Mr. Campbell, of Pennsylvania, said:

The bill now before the committee is necessary to sustain the credit of the country and to carry on the war. It is with reluctance that I have come to this conclusion.

Mr. Stevens, of Pennsylvania, said:

This bill is a measure of necessity, not of choice. No one would willingly issue paper currency not redeemable on demand and make it a legal tender.

Mr. Fessenden said:

It has been defended simply and solely upon the ground that it is to be a single measure, standing by itself, and not to be repeated. It is put on the ground of absolute, overwhelming necessity, that the Government has now arrived at that point

where it must have funds, and those funds are not to be obtained from ordinary sources, or from any of the expedients to which we have heretofore had recourse; and therefore this new, anomalous, and remarkable provision must be resorted to in order to enable the Government to pay off the debt that it now owes, and afford circulation which will be available for other purposes.

Mr. SHERMAN said:

I agree that this measure can only be justified on the ground of necessity. If I did not feel its necessity I should vote against it on constitutional grounds.

Mr. Howard said:

It is undoubtedly a hard necessity to which we are driven.

I might quote much more to the same effect; but this is enough to show the extreme reluctance with which leading men at that time assented to such a policy. In addition to this I need hardly call the attention of the House to the fact that the judges of the Supreme Court of the United States have been divided in opinion on this question.

It is safe to say that if the power exists at all, it is to be found in that provision of the Constitution which authorizes Congress to pass all laws that may be "necessary and proper" to carry into effect the enumerated powers. Whatever is "necessary and proper" to "collect taxes," to "borrow money," to "regulate commerce," to "raise and support armies," to "provide and maintain a navy," and so on, Congress may undoubtedly do. And I admit that Congress is the judge of what is "necessary and proper" to be done for these purposes or either of them. But it is not a matter of simple discretion on the part of Congress, or mere will power, but of sound judgment. I understand the rule laid down by the Supreme Court to be this, that Congress is the judge of the necessity and propriety of the act, and therefore, when Congress enacts such a law, the enactment is a determination of the fact that it was necessary and proper to enact it, and that determination the Supreme Court will not review, but will treat that determination, so to speak, as *res adjudicata*, and therefore will hold the act to be constitutional. In the case of *McCulloch vs. Maryland*, (4 Wheaton,) Chief Justice Marshall said:

When the law is not prohibited, and is really calculated to effect any of the objects intrusted to the Government, to undertake here to inquire into the degree of its necessity would be to pass the line which circumscribes the judicial department, and to tread on legislative ground.

This is quoted with approbation by the Supreme Court in the *Legal-tender* cases, (12 Wallace, page 542.) In this case the court, after laying down the rule that Congress had the right to make a choice of means to secure a legitimate end, proceeds to use the language which I will read from page 542. It is as follows:

Is it our province to decide that the means selected—

That is, making the notes of the Government a legal tender—

were beyond the constitutional power of Congress, because we may think that the other means to the same ends would have been more appropriate and equally efficient? That would be to assume legislative power, and to disregard the accepted rules for construing the Constitution. The degree of the necessity for any congressional enactment or the relative degree of its appropriateness is for consideration in Congress, not here.

Here it will be perceived that the Supreme Court has expressly decided that what is necessary and proper to be done for the purpose of carrying into effect any power under the Constitution is a question for congressional determination, and not for the determination of the Supreme Court. We are not therefore to be governed and cannot be governed by what the Supreme Court would say with reference to such an act; for if we should pass it the Supreme Court would simply say, "By enacting it you adjudged that it was necessary and proper to do so, and we will not go behind that judgment." Hence the duty of judging in the first instance as to whether it is "necessary and proper" is upon us, and that judgment is practically conclusive.

As I said before, it is not a mere matter of arbitrary will power, but of sound judgment in view of the situation of the country and the end to be attained. The question then is, is there a state of facts or circumstances now existing which renders it "necessary and proper" to make an additional issue of Government notes and declare them a legal tender? For our determination on that subject we are responsible. Then, I put the question for the deliberate judgment of each member of this House, is there anything in the present condition of the country which makes it "necessary and proper" to issue additional Government notes and make them a legal tender? Is it necessary and proper that we should do so in order to "borrow money," or to "support armies," or to "provide and maintain a navy," or to "collect taxes?" Does any one of these, or do all of them combined, call upon us to exercise this power? If so, we may exercise it; if not, we cannot exercise it without transgressing against the Constitution. It may be argued that the States are prohibited from issuing bills of credit, and that therefore Congress alone has that power; and that to make these effective Congress may make them a legal tender. Let that be granted, and again I ask the question, are there any existing facts or circumstances which render it "necessary and proper" to resort to such an expedient? Is it necessary, to secure a safe and reliable circulating medium, that the debt of the nation shall be increased? I do not believe that there is anything that we are called upon to do under any or all of the enumerated powers of the Constitution which makes it "necessary and proper" that we should make a further issue of Government notes.

I cannot, therefore, give my assent to a resort to a mode of supplying any additional currency that the business of the country may

require which involves increasing the public debt, and which is, to say the very least, of such doubtful constitutionality.

How, then, are we to provide the needed currency, and make it elastic? My answer is, by means of our national banks, and the legal-tenders already issued.

Since we have experienced the recent panic—and no man has been the loser by reason of being a bill-holder—it is unnecessary to argue that these banks whose circulating notes are secured by Government bonds will give the people a safe circulating medium. Here we have a class of bank-notes absolutely safe to the holder, and of uniform value throughout the country; and to this system we may resort to supply the country with such a volume of currency as may be needed, and we may, if the rule that the demand will regulate the supply is a safe one, make it an important aid to giving it elasticity.

Having argued that a limited currency is not the sound doctrine, and against the issue of any more legal-tender notes, I am necessarily brought to the conclusion that the limit should be removed as to the issue of national-bank notes; or, in other words, that banking under this system should be free to all. Why should it not be free to all who can furnish the necessary security to the bill-holders? Why should a few men have the privilege of issuing circulating notes, to the exclusion of all others of equal means, facilities, and abilities? As the system now is it is a monopoly, and a monopoly cannot but be hurtful. It has the power to prey upon the people by reason of their necessities. It is contrary to the whole genius and spirit of our institutions to give special privileges to individuals or classes. If banking is made free, it not only furnishes the means of adapting the supply to the demand, but it produces competition, the tendency of which will be to cheapen money to the people.

But gentlemen tell us that if we make banking free the volume of the currency will be increased, and they say we do not want any more currency. I do not believe that it will increase the amount unless an increase is needed, and if it is needed it ought to be increased. I notice that this objection to an increase comes with striking unanimity from gentlemen representing New England. It is perhaps unfortunate for each of us that we judge of the whole country by our own particular locality instead of taking a survey of every part.

When recently I introduced some resolutions asserting that instead of imposing additional taxes to the extent of \$42,000,000, as we were called upon to do, the true policy was to afford the people increased facilities for business, and thereby increase the revenues, I was struck with the unanimity with which gentlemen from New England voted against that idea, and I looked into the statistics to see if I could find anything to account for the fact that while the West and South were voting for those resolutions, New England was voting the other way.

I found that New England, with a population of three and one-half millions of people and two and three-quarter billions of wealth, has one hundred and ten millions of circulation; while the Western States, with eleven and one-half millions of population and three and one-half billions of wealth, have seventy-five millions of circulation.

These gentlemen may well say that they do not want any more currency; that they do not want any more facilities than this circulation affords them. They have an average of thirty-one dollars *per capita*, while the Western States have an average of seven dollars *per capita* of population.

If thirty-one dollars *per capita* is a good thing for the constituents of gentlemen from New England, I think it would be hard to show why it would not be a good thing for mine. If they have a surfeit of circulation, why do not they get rid of it? They seem to hold fast to all that they have. Indeed there was an act passed to withdraw from that locality \$25,000,000 and distribute it to the West and South, but I have not heard of any haste to part with it. There are demands for more in the district I represent, but it cannot be had; and if New England has too much, some of my constituents are ready to take a part of it. I venture modestly to ask either that more shall be authorized or that you shall make a fair division of what is now authorized.

But, sir, they will not willingly give any of it up. They do not think they have any too much, and it is very evident that they do not think they can get along with any less than they have, and they know too well and cherish too highly the advantages of the business facilities it affords. A few days ago those who represent the national banks of the State of Rhode Island sent us a memorial protesting against the withdrawal of any circulation from that State, and giving it to the West and South, and asking that the existing law looking to the redistribution of \$25,000,000, for the purpose of equalizing the sections, should be repealed. Here is that memorial:

To the honorable the Senate and House of Representatives of the Congress of the United States:

The undersigned, citizens of the State of Rhode Island, representing the various national banking institutions of the State, respectfully represent:

That the provisions of the sixth section of the act to provide for the redemption of the 3 per cent. temporary loan certificates, and for an increase of national-bank notes, approved July 12, 1870, directing in effect the withdrawal from the banking associations which were the first to organize under the act to provide a national banking currency, &c., of their circulating notes to the amount of \$25,000,000, will operate, if enforced by any legislation providing for machinery to give effect to the section of the law referred to, very prejudicially to the interests of this State and of New England.

The national banking capital in the State amounts to \$20,500,000, and the amount of bonds pledged for circulation is about \$15,000,000.

All of the national banking associations organized promptly after the passage of

the act, and at the time when it was of vital importance to the preservation of the Government that the financial system by the act inaugurated should be accepted by the country.

The very large and varied manufacturing and mechanical industries in this State, the extent of which will be best appreciated from the fact that the first collection district paid a larger internal-revenue tax on manufactures for several years into the Treasury than any other in the country, require for their successful prosecution all the banking facilities which the State now has. To contract any part of the circulation would directly diminish the volume of money resources, enhance the value of currency necessarily required for the weekly payment of thousands of operatives, and create financial disturbance, all resulting in the end in an increase of burden upon the consumer.

The undersigned believe that the attempt to equalize the distribution of currency by withdrawals from the earlier organized banking associations of a percentage of their circulation, to be given to associations in States and Territories having less than their proportion, would be attended with greater loss to the industrial communities which would suffer thereby than could possibly result from equalizing the proportions of circulation by increasing the volume of currency to the extent of twenty-five millions for the benefit of associations in the States and Territories having less than their proportion.

The undersigned therefore pray that the sixth section of the act above referred to be repealed; and they respectfully protest against the passage of the bill just reported from the Finance Committee, to provide for carrying into effect the sixth section of said act.

It is signed by the officers of thirty-two banks in the State of Rhode Island.

Turning to the last report of the Comptroller of the Currency I find that Rhode Island has a circulation of \$61.59 for each man, woman, and child in the State; and then by the same report I find that Indiana has a circulation of \$8.75 for each man, woman, and child in that State.

It is very evident that these Rhode Island bankers find that this banking privilege is a desirable one to have, else they would not hold to it so pertinaciously. They tell us that no part of their circulating notes can be withdrawn from them and given to the West and South without operating "very prejudicially to the interests of the State and New England." They say that "their manufacturing and mechanical industries require for their successful prosecution all the banking facilities the State now has." And yet, sir, these very gentlemen seem to be unable to appreciate, and all New England seems to be unable to appreciate, that the banking facilities which they regard as so essential to their prosperity are equally essential to the prosperity of the West and South.

A few days since my friend from Massachusetts [Mr. BUTLER] had the pleasure of an interview with some of the "solid men" of Boston, in which he called their attention to this subject. He said:

There is also the question of withdrawing twenty-five millions from Boston and distributing it South and West. * * * In regard to the twenty-five million project, I shall not allow that to be withdrawn from Massachusetts if I can help it.

He was very anxious to have these solid men aid him in defeating that proposition. Why? Because he thought it would seriously affect the "material interests of Boston."

By the report of the Comptroller of the Currency I find that Massachusetts has a circulation of \$40.84 *per capita*.

If we talk about redistribution, so as to equalize these facilities between the various sections of the country, we are met by the declaration, "Money will always go where it is needed, no matter where the bank is situated." Well, let me grant that to be true. If it is true, then why should there be any opposition to letting us have our fair proportion of this circulation? According to this proposition, if we get \$25,000,000 more of this circulation in the West and South by withdrawing it from New England and it is needed in New England, it will go there; therefore New England would not be injured.

Sir, this proposition that money will go where it is needed, as applied to this question, is a delusion; it is an artful dodging of the real question involved.

If all the circulation of the country were issued from a bank on the top of Mount Washington it would be the same as now, so far as the mere matter of circulation is concerned; that circulation would ebb and flow backward and forward throughout all the veins and arteries of trade according to its inexorable demands, just as it does now, and just as it always will, but the capital essential to its issue would be all concentrated at that point. It is not the mere question of the places whence these bills shall be sent out on their mission, but it is the matter of the facilities for doing business, for making exchanges, for the concentration of capital, making it readily accessible to merchants, manufacturers, traders, mechanics, farmers, that is of consequence. It is of infinite importance to the people that the surplus capital shall be distributed about over the country, so that it may be easily accessible to the business men of every locality. If all the money of the country were issued from the district I represent, Rhode Island would have just as much money as she has to-day, perhaps, but she would not have her present business facilities.

The reason New England is so reluctant to yield up any of her circulation is that it would deprive her of the business facilities it affords, and the business facilities afforded by it is what the West and South want.

I take occasion now to say, lest I may forget it, that I do not believe in the redistribution policy. I am willing that New England shall have all the facilities for business she now has. I would not take a single one away from her; I am glad that she has them; I am proud of her prosperity. All that I ask is that we shall not be deprived of like facilities; that, having gotten what they want, they shall not close the door against us; that they shall help us to open

the door, to the end that we may avail ourselves of such facilities as the demands of our business, our industries require. To refuse this is both ungenerous and unjust.

I am afraid that some of our New England friends are disposed to be a little selfish on this subject, and if they find some of us of the West and South a little determined in looking after our interests they must not complain. We can control this Government if we choose; but if we do it will be, I trust, always upon principles of justice to all, equal rights and privileges to all. But I fear that is not the spirit of some of our friends. I have called attention to the spirit in Rhode Island; now let me attract the attention of the House to a colloquy that occurred a few days since between the gentleman from Connecticut [Mr. KELLOGG] and the gentleman from Ohio, [Mr. JEWETT.] That the moral of it may be seen, I call attention to the fact that the report of the Comptroller of the Currency shows that while Connecticut has a circulation of \$31.48 for each man, woman, and child in the State, Ohio has a circulation of \$8.96 for each man, woman, and child. That is the difference between the two States, each represented in part by the gentlemen I have named.

The gentleman from Connecticut [Mr. KELLOGG] said:

I have a few words more in regard to this complaint that I have heard several members make upon this floor, and which seems to be re-echoed by the press of the South and West, that we have more than our fair share of circulation, and that unless we will consent here and now to give up eighty or one hundred millions more of national currency or greenbacks, in a measure which we think most disastrous and ruinous to the whole country, to your interests and to ours, in some way or other you are going to take away the surplus over our share of circulation, as you call it.

Mr. JEWETT. Have you more circulation than you need?

Mr. KELLOGG. We have not in our section, and we cannot keep what we have got. There are from five to ten millions of our circulation to-day out in your Western States. We cannot keep enough for our business purposes at some seasons of the year, because men go to the West with it and get 10 and 12 per cent. interest upon it when they cannot get more than 6 or 7 per cent. with us.

Sir, that is a frank confession of the very thing of which we complain. Money is too dear with us; 10 and 12 per cent. is the lowest rate at which it can be obtained. Our New England friends who, according to my friend from Connecticut, can only get 6 and 7 per cent. at home with the large amount of circulation they have, (thirty-three dollars *per capita*), can go over into the valley of the Mississippi, with its boundless natural capacities for wealth and prosperity, but where there is less than eight dollars *per capita*, and lend for 10 and 12 per cent. Thus the industries of the West and South are taxed; thus they pay tribute at the rate of 4 to 6 per cent. My friend says that that money they are lending us they need at home for their own business at some seasons of the year. If so, how much the greater must be our necessities when we will pay for the use of it so great an interest! He confessed that they had not any more than they wanted, that at some seasons of the year they had not enough; he is unwilling to let go of any they have, and is also unwilling that we, who are not nearly so well supplied, and are in need of the facilities which they so highly prize, and which are afforded by the circulation they have, shall be provided for. And, sir, he was not content with informing us of our condition of dependence, which we had long ago learned by experience, but he went further and said:

I propose to ask my good friends of the South and West what they are going to do about it?

Well, sir, I cannot speak for others in answering this question; but I venture to call attention to the fact that the West and South have the power to control this matter. We who represent those sections can, if we will, correct the legislation which now makes us pay tribute to other sections. We can, if we will, give to our constituencies the same facilities that others possess; and I know that the time has come when they expect us to look after their interests, and when they will have men here who will do so. And answering the question for myself, I take this occasion to say that I shall not rest content until a law has been enacted that will give to every section of the country an equal chance; which will cut off the enormous tribute which we are now paying, according to the gentleman's statement, to our more fortunate neighbors in the East; which will give the country ample currency for the demands of business, and which will give to the West and South the banking facilities they need. This would be accomplished in my judgment by free banking; but if I cannot get that, then I shall vote for the next best proposition, *i. e.*, to take away from the States that have an excess of circulation and distribute that excess among those that have not a fair share, and thereby equalize the States in this regard.

Mr. DAWES. I have listened to the gentleman's argument in favor of free banking with great interest, as I have always listened to what he has had to say, but I do not understand what occasion he had to arraign New England. I do not speak for any one but myself, and I know I have never said anything, and do not know of any vote recorded by New England, which would justify that arraignment. I say what I believe to be the sentiment of New England, that she is in favor of free banking as much as the West if it can be properly guarded, and that the only desire on her part is that it shall have such limitations in regard to circulation and redemption as will be as much for the interest of the West as for the interest of New England. I have a bill, drawn by myself, which contains a section in regard to free banking, and I have taken pains in it that there shall be such guards thrown around the issue and redemption as will prevent any inflation or explosion which would injure the West just as much as the East. I do not know why it is, then, that the gentleman feels called upon to

arraign New England in reference to this question of free banking. I think New England is as much for it as the West, provided only that safe redemption can be secured; and this is as essential for the West as for the East.

Mr. MAYNARD. If the gentleman will allow me, I wish to explain a remark which fell from me in this connection when I proposed some weeks ago to make this bill a special order and asked for a suspension of the rules. I noticed with some degree of regret and surprise that with the exception of one gentleman from Massachusetts, who seems to have voted a little wildly on that subject, and one more from Maine, whom I do not now see in his seat, the entire vote of New England was solidly against me.

Mr. DAWES. Does the gentleman understand that to be because there was a section in his bill for free banking? I understand that it was for a very different reason. I was not here, however, and do not know. I venture to say if the gentleman will bring forward a bill for free banking alone, properly guarded—so guarded in respect to issue and redemption as to take care of the West just as much as of the East—he will not find New England voting against it.

Mr. MAYNARD. There is a section, the last section of the bill, which perhaps can hardly be called a free-banking section.

Mr. DAWES. When I reported the bill in reference to the four hundred million United States notes, I expressly said, representing the Committee on Ways and Means, that it was their intention to supplement that section with other sections, one of them containing among other things free banking; not like the one in this bill, but so guarded as to make free banking with redemption safe both East and West.

Mr. G. F. HOAR. I ask leave to utter just one sentence, to say that there has not been a period since the inauguration of this Government, or since the struggle for our independence began, in which gentlemen from the rest of the country have not been arraiging New England as selfish—since the time when Sam. Adams's life was not safe in Philadelphia because he was in favor of independence. And there has not been a single one of the policies she has maintained to which the rest of the country has not in time come round, confessing that her views were as much to their interest as their own. And I am very sorry if my colleague [Mr. DAWES] has to apologize for or flinch from any attitude we take on this question.

Mr. DAWES. I do not know what occasion my colleague has to say that I have apologized. I have made no apology. I am giving my idea of the sentiment of New England on the question of free banking. If I have done it in a manner that appeared to be apologizing or flinching, then I do not understand what is the nature of a fair and candid statement, before this House, of what I believe to be the tone of public sentiment in New England upon a question under discussion here. And I am not here watching any of my colleagues to see whether I can find in their words occasion to set myself up above them, as standing up for the rights of New England better than they.

Mr. HAWLEY, of Connecticut, and Mr. BUTLER, of Massachusetts, rose.

Mr. HAWLEY, of Connecticut. I want to say just a single word.

Mr. BUTLER, of Massachusetts. I will yield to the gentleman from Connecticut first.

Mr. WILSON, of Indiana. I do not think I can yield further.

Mr. HAWLEY, of Connecticut. I wish to say just one word.

Mr. WILSON, of Indiana. It is very evident that these gentlemen cannot harmoniously settle the attitude of New England among themselves.

Mr. BUTLER, of Massachusetts. Give us three minutes and we will let you have time enough to finish your speech.

Mr. WILSON, of Indiana. Then go ahead.

Mr. HAWLEY, of Connecticut. I desire to speak a word for one small section of New England. I do not care how much money there is in the country. The more the better, if it is good money. I do not care how much capital there is in the country. The more the better. It is capital that the gentleman wants in Indiana rather than money. In Connecticut, for two hundred years, we have saved almost every dollar we have earned, and put it away in savings-banks and otherwise. It is because we have done this that we have got something to send to the West.

Now, as to the matter of distributing the currency—

Mr. WILSON, of Indiana. I must really resume the floor.

Mr. HAWLEY, of Connecticut. I just want one minute to tell the gentleman what bill I will go for. If you wish more banking facilities rather than increase the volume of irredeemable paper, take this course: authorize new banks and retire circulation from the older sections of the country *pari passu* with the issue of the new circulation, so that the aggregate of the volume in the country will remain the same. I would be willing to vote for that. The gentleman from Massachusetts [Mr. BUTLER] and other gentlemen from New England may speak for themselves.

Mr. BUTLER, of Massachusetts. I think I am called upon to say a word here. And I desire simply to say that I have the advantage of never having to apologize to New England for any vote I have ever given. While representing her on this floor I have given votes for the country, thank God, the whole country. And I think I was doing my duty to New England when I abstained from arraying her and her interests for one moment against the interests of the whole country. Now, sir, I am not willing to flood the country with irredeemable

paper money issued by corporations, to make money for themselves, and withdraw from circulation the money of the people, the greenback, which alone is the basis upon which all the bank paper is sustained. The gentleman from Connecticut, [Mr. HAWLEY,] if he can have more bank paper in New England and elsewhere, out of which men can make money and have all the chance to grind the poor man, is quite willing to have that sort of irredeemable paper money; but he is against the people issuing their own money, without price, without anybody to tax it, without anybody to put it into the pockets of other people, and take toll on it as it goes along. All the property of the nation, all the wealth of the nation, all there is of this Government, was saved by the greenback; and behind the greenback is a pledge for its redemption in the taxes of the country, in the property of the country, and not alone in the gold of the country, which we of New England may have a little more of than some of the rest of the States of the Union.

Mr. GARFIELD. Will the gentleman please point out the link that fastens his greenback to the security which he says gives it its value? How may the holder of it realize the security?

Mr. BUTLER, of Massachusetts. It is fastened by the votes of honest Congressmen that do not vote for banks.

Mr. WILSON, of Indiana. So far from making any attack upon New England, I have already said in the course of my remarks that I am proud of her prosperity; that I would not withdraw from her a single facility in the business which she has—not one. On the contrary, I desire that she shall have every facility that is in our power to give her. What I did do was to criticize the manner in which this matter has been discussed upon the floor of this House during this debate. I do not now know exactly the attitude which New England occupies upon this floor upon this free-banking question; but if my friend from Massachusetts [Mr. DAWES] says that he has never opposed free banking, if that is the attitude of New England, then, of course, we are hand in hand together upon this question. It is but natural that we should differ in opinions upon this subject. My friend from Massachusetts [Mr. BUTLER] has just announced himself in favor of a greenback currency. I have been arguing against that on grounds which I think are sound. He and I differ on that question, and other gentlemen differ with me like him on that question. There is a diversity of opinion with reference to it. All that I am contending for is that this thing shall be so adjusted that every section of the country shall have equal facilities for the transaction of business, and I believe that that will be accomplished by free banking.

HAVE WE TOO MUCH CURRENCY NOW?

But gentlemen tell us that if we make banking free we will increase the currency, and that we have too much already. I want to consider that for a moment.

I do not place very great reliance upon comparisons between different periods, or comparisons between different countries in settling a question like this. But if there is any virtue in such comparisons, it would indicate very strongly that we have not enough.

In the United Kingdom the circulation is about twenty-three dollars *per capita*. In the United States, taking the country all over, it is sixteen dollars *per capita*. But in the former case the people are compressed into a comparatively small territory. They have banking facilities at their very doors. The means of making their exchanges are abundant, and consequently a comparatively small amount of circulation is essential. A little money will go a great way under such circumstances. Our population is scattered over a vast area, and in the West especially facilities are limited. Hence the people are compelled to keep the money necessary for their business in their pockets, and to that extent it is not in active circulation. This would indicate that we need more *per capita* than our neighbors across the Atlantic; yet they have seven dollars *per capita* more than we have. Unless you can prove that they have too much, this proves that we have too little. And there is yet another consideration. Their country is already developed. They have made their improvements; we are just developing ours. We are building our dwellings, our shops and manufactories, and bringing wildernesses and waste places under cultivation. This comparison would indicate that we have not enough.

If we make a comparison by periods in our own country the result will be found the same.

In 1860 we had thirty-one millions population; in 1870 we had thirty-eight millions. In 1860 our wealth was \$16,000,000,000, while in 1870 it was \$30,000,000,000. In 1860 we had an active circulation of \$300,000,000, while now we have an active circulation of less than \$600,000,000. It is impossible to ascertain with accuracy the amount. It is probably not over five hundred millions. The chairman of the committee, [Mr. MAYNARD,] who has no doubt examined the matter with care, places the amount much lower than that. When we consider the vast increase of our business between those two dates, and the extent to which the people have scattered themselves abroad over a vast expanse of country that in 1860 was totally uninhabited, thereby placing themselves remote from business centers, and compelling them to have actual money for want of the usual devices of trade, it is apparent that the increase has not kept pace with our needs. Besides this, we now have a use for money that we did not have in 1860 to the same extent. Then we had three hundred millions of circulation, and we used eighty millions in the way of revenues paid to the Government. Less than one-fourth of the amount of circulation passed through the

Treasury. Now we have less than six hundred millions of active circulation, and we use three hundred and thirty millions in paying revenues to the Government, or more than one-half of the circulation passes through the Treasury per annum. I do not pretend that the amount collected as revenues is withdrawn from circulation, but I refer to this to show that here is a use for money that has enormously increased since 1860, and that use or demand for money has grown in equal proportion with reference to local taxes.

The increase of the circulating medium has by no means kept pace with the increase of the necessities for it; the increase and spread of population, the increase of business, the increase in the needs of the Government, national and local.

HOW IMMEDIATE RELIEF MAY BE OBTAINED.

Something is necessary to be done to revive business. Many productions have stopped; many, many men and women are out of employment; there can be no question about that. The country is the loser every day for the want of their labor, and they are the sufferers for the want of the comforts that labor would bring. When the panic came the money was locked up and business stopped; and it is idle to deny that it is the want of money in the usual avenues of business that has stopped it. There is an easy mode of relieving the country from this difficulty. There is now a large amount locked up in the banks as reserves on circulation. It is wholly unnecessary to keep it there. The circulation is amply secured by the bonds on deposit in the Treasury. This reserve can be set free without endangering the safety of the circulating notes. I propose that we shall do this by repealing that portion of the existing law which requires the banks to hold this reserve. This would give immediate relief, and to all sections of the country at the same time; for at every point where there is a bank there would be additional money ready for use upon the instant that the act was passed.

MONEY PANICS AND A RESERVE.

But, sir, I am far from believing that to make banking free is all that is necessary to be done.

A money panic is ruinous to the people, and if there is any device by which such calamities can be avoided in the future, its adoption would be a blessing to the nation.

Every one knows that the recent panic grew out of a want of confidence, not in the circulating medium, for everybody had confidence in that, but in the banks of the country. A great banking house failed because of the character of the business it had been doing, the kind of securities it had taken for its loans or its investments in corporation stocks and bonds; and when that house failed it created universal apprehension as to all others, and those who had money on deposit demanded it, because they knew it was good, that it would not become worthless in their own hands, and they were afraid to trust it longer with the banks. Thus it went out of circulation, the banks could not discount, and business came to a stand-still, with the most disastrous consequences.

It is pretty generally, I believe, conceded, that the remedy for this is a strong reserve, to which resort can be had in cases such as this. The Bank of England wards off panics by freely issuing from its reserve; and when the reserve is not strong enough it is permitted to overissue, as I have before stated. I propose to remedy this defect in our system by creating a strong reserve in our national Treasury. I propose that as fast as circulation is issued to newly organized banks, and when the revenues of the Government are in excess of current demands, the Secretary of the Treasury shall retire legal-tender notes into a reserve fund to the amount of \$100,000,000, to be held for the sole purpose of issuing to those who may desire any portion of it upon a deposit of United States bonds, the interest on the bonds to cease while they are deposited in the Treasury. That is to say, if A has \$10,000 or any other sum in Government bonds, and desires a like amount in notes for the purpose of his business, he may deposit the bonds with the Secretary and receive notes to a like amount; but there shall be no interest on the bonds while they are thus deposited. This would cost the Government nothing; it does not involve any increase of the Government debt; but it creates what is now so much needed—a reserve fund, safe, reliable, permanent, which would give confidence to the people. It would not only give relief if a panic came, but would tend strongly to prevent panics altogether. The very fact that there was such a fund would give confidence to the people, and the existence of such a reserve would tend strongly to prevent that pernicious practice of those most pestilent of all gamblers, the stock-gamblers—the practice of cornering the money market. When they set themselves to work to corner the money market, they would consider the fact that here was a reserve of \$100,000,000 that they must corner also; the maddest "bull" and the hungriest "bear" would hesitate long before venturing upon a speculation that involved so great an undertaking.

But, sir, I propose by a portion of this substitute to do something to protect the country against the evils arising out of this practice of

GAMBLING IN STOCKS.

Depositors expect the banks to lend the money deposited, but they have a right to expect that the banker in whom they confide shall make his loans upon reliable security. But, sir, one source of financial misfortune grows out of the practice of lending upon the security of corporation stocks and bonds. When a crisis comes

many of these cannot be converted into money; the bank that has made loans upon such security fails, and carries other banks and business men down with it into a common ruin. Against this peril depositors have a right to be protected, and I propose to protect them by requiring the bank examiner to ascertain whether the bank is lending upon such security, and if so, to publish the fact in the newspapers where the bank does business. I take it for granted that no prudent business man would keep his deposit account with a bank that was lending his money upon doubtful corporation stocks or bonds, and therefore I apprehend that no bank that desired to receive deposits would make such loans. The managers would know that so soon as such a report was published, every prudent banker would withdraw his balances from that bank, and every prudent business man would withdraw his deposits.

Such a provision certainly could do no harm, and it seems to me would furnish a great deal of protection to the business men of the country. It would tend to confine banking to legitimate channels.

Mr. KELLEY. I desire to ask the gentleman whether it is not true that a bank examiner is now under prosecution for having received bribes to the amount of \$76,000 from banks to make false reports under your present system?

Mr. WILSON, of Indiana. I am not apprised of that fact.

Mr. G. F. HOAR. Has not the experience of mankind shown that the motives to which you have adverted are insufficient to secure the public and depositors and to control the banks against the dangers which you have described? Will it not be necessary to have the Government interfere and stop the operations of the bank when such abuses exist?

Mr. WILSON, of Indiana. I think I have provided in the bill which I have introduced to meet the very point which the gentleman from Massachusetts suggests.

With reference to the point made by the gentleman from Pennsylvania, [Mr. KELLEY,] the fact that a bank examiner has turned out to be a scoundrel is no reason why there should not be some restrictions placed on the banks.

Mr. KELLEY. I would ask the gentleman whether the failures of the banks here and elsewhere have not disclosed the fact that the bank examiners had either been false to their trust or incapable of discovering the frauds of the banks?

Mr. WILSON, of Indiana. All that may be true. It is an argument against the weakness and corruptibility of our human nature, and not an argument against trying to devise some system by which honest men can be protected against the practices of these banks.

Mr. MERRIAM. In eleven years only eleven of the national banks have failed, a condition of things unprecedented under any other system.

Mr. KELLEY. That does not answer my question about the dereliction on the part of the bank examiners. I think it a better plan to keep temptation from poor, weak, human nature, than to place it largely before men and then trust to some one man to prevent fraud.

Mr. WILSON, of Indiana. I take it for granted that when we undertake to legislate on a subject of this kind we must do the best we can. It certainly is our duty to protect the depositors as far as we possibly can. At present this matter of depositing money in banks is a mere matter of faith, and it is a faith that is predicated upon no knowledge whatever as to what the bank is doing. The depositor has a right to know what the bank is doing with his money, and if we can devise any means by which he shall not simply live by faith but shall have something upon which he can predicate that faith, we ought in my judgment to do it.

PAYING INTEREST ON DEPOSITS.

There is still another restriction that it seems now to be generally conceded should be placed upon the banks. I refer to the practice of paying interest on deposits, and I have proposed to prohibit this by the amendment forbidding it so far as the banks themselves are concerned. For obvious reasons it is not proposed to prevent the payment of interest to individual depositors. If Congress had the power to prevent all banks from paying interest on deposits, it would be well to do so, but it has no power over private banks or State institutions, and cannot prohibit them. If, therefore, we should prohibit the national banks from paying interest to individual depositors, all the deposits would flow into the others. But it is so universally conceded that the practice of paying or receiving interest to and from each other is an exceedingly pernicious one, that I will not discuss it. I take it for granted that the House will prohibit it in the future.

Mr. MAYNARD. What difference will there be if you prohibit the national banks from depositing with each other and permit them to make their deposits with private bankers?

Mr. WILSON, of Indiana. I think if the gentleman will look at the phraseology of my bill he will find that I have met that difficulty.

There is one other matter to which I desire to call attention in this connection. As I said before, we are told that money will go where it is wanted, and as furnishing an evidence of this I notice that the newspapers are laying stress upon the fact that when the Secretary of the Treasury recently issued largely out of the forty-four million reserve, a very large part of it found its way into the banks of New York. That is proof of an evil I am seeking to correct. Our banks in the West, instead of keeping the money received from depositors at home, keep balances in New York, on which they can draw at any

time and on which they get interest. This all works well enough until trouble comes, but when the New York banks get into trouble it brings all that have balances there into trouble also. It is the demand made by the stock-gambling operations in New York that entices these balances there. It is an unnatural, an immoral, and should be an illegal demand. If we prevent the payment of interest on balances and virtually prevent loans on stock securities, the result will be that these balances will be kept at home where the depositors have a right to expect them to be. If they are where they should be, in the bank where the depositor places them, then a corner in New York would not disturb the financial affairs of the whole country. But I need not enlarge upon this.

Mr. Speaker, with free banking coupled with the restrictions I have adverted to, and a strong reserve, I cannot see why we would not have a healthy and reliable circulating medium, and be reasonably secure against panics in the future. And I am unable to see why it would seriously interfere with a return to specie payments in the future. I do not believe that free banking will increase the circulation beyond the actual needs of the country. Whenever the Government can return to specie payment, the banks and people will be ready. By creating the reserve of which I have spoken, and by the additional use for legal-tenders by newly organized banks, they would soon come to be regarded as the basis of our currency system, and their value would be appreciated. I believe it would tend to hasten rather than retard specie payments. But whatever might be the effect in that regard, it would give the people all the currency they actually need, of undoubted reliability, and would give to every section of the country the opportunity to supply itself with business facilities which are indispensable to prosperity.

Mr. PLATT, of Virginia, obtained the floor.

Mr. RANDALL. With the permission of the gentleman, I ask leave to have printed an amendment which I propose to offer in lieu of the first proviso to the third section of the bill of the committee.

There was no objection, and it was so ordered.

Mr. WILLIAMS, of Michigan. I ask unanimous consent to have printed an amendment which I propose to offer.

There was no objection, and it was so ordered.

Mr. PENDLETON. If the gentleman from Virginia [Mr. PLATT] will yield to me, I will move that the House adjourn.

Mr. PLATT, of Virginia. I yield for that purpose.

Mr. KELLEY. Before the motion to adjourn is put, I desire to give notice to the House that at the proper time I shall move to substitute for the bill of the committee the bill No. 539, which is known as the three sixty-five bill.

Mr. WILSON, of Indiana. I desire to say that I shall offer a substitute for the bill of the committee at the proper time.

Mr. MAYNARD. It has been suggested to me that there should be a session for debate to-night, and gentlemen have expressed a willingness to come here and take part in the discussion. I ask that there may be a session to-night for the purpose of debate only, no other business to be transacted.

Mr. BECK. I must object. I am to have fifteen minutes in which to speak, and I do not care to come here to-night and speak to the Clerk alone.

The SPEAKER. The Chair does not understand that the fifteen minutes of the gentleman will come in to-night.

Mr. KELLEY. I take it there has been no more important subject than this before the House, and I think that there should be full time expended in a generous discussion of it before the members of the House.

Mr. HOLMAN. I trust there will be an agreement that the speeches hereafter shall be limited to something less than an hour each.

Mr. PLATT, of Virginia. I do not think I can yield further.

Mr. MAYNARD. I have thought it proper to submit a proposition for an evening session to the House, and to state that gentlemen have assured me that they desire to come here and speak to-night. If that proposition is not acceptable—

Mr. KELLEY. If gentlemen desire to come here and speak to-night, I will vote for a recess; but I do not want to force gentlemen to speak at night who really want to get the attention of members of the House to what they may say.

Mr. HOLMAN. I again ask that by unanimous consent, after the gentleman from Virginia [Mr. PLATT] has concluded his remarks, speeches shall be limited to twenty minutes each.

Mr. COX. I object.

Mr. HOLMAN. Otherwise there will be great injustice done to a large number of members who will not have an opportunity to be heard.

Mr. RANDALL. The gentleman has taken hold of the wrong end. Nearly all the time occupied on this bill up to the present has been occupied by members of the committee reporting this bill. I think the members of the House generally should have an opportunity to speak upon it without any further limitation than that applied to members of the committee.

Mr. PENDLETON. I have an amendment which I wish to offer if I get the opportunity, and I ask that it may be printed.

No objection was made, and it was ordered accordingly.

The SPEAKER. The Chair will again submit to the House the proposition of the gentleman from Tennessee, [Mr. MAYNARD,] that

there be a session to-night for debate only upon the pending bill, no business whatever to be transacted.

Mr. PLATT, of Virginia. I do not like to object to that proposition, and would not but for the effect it may have upon my right to the floor.

The SPEAKER. It will not affect that right; the gentleman will be entitled to the floor the next time the consideration of this bill is resumed in a day session of the House.

Mr. PLATT, of Virginia. Then I will not object.

No objection was made, and it was so ordered.

The SPEAKER. The gentleman from Wisconsin, Mr. McDILL, will occupy the chair to-night as Speaker *pro tempore*.

JOHN B. CHAPMAN.

Mr. RAINEY, by unanimous consent, from the Committee on Indian Affairs, reported a bill (H. R. No. 2786) for the relief of John B. Chapman; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

Mr. MAYNARD. I move that the House now take a recess.

The motion was agreed to; and accordingly (at five o'clock and five minutes p. m.) the House took a recess until half-past seven o'clock p. m.

EVENING SESSION.

The recess having expired, the House reassembled at half-past seven o'clock p. m., Mr. McDILL, of Wisconsin, in the chair as Speaker *pro tempore*.

CURRENCY—FREE BANKING.

The SPEAKER *pro tempore*. By order of the House the session this evening will be for debate only upon the bill to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from Missouri [Mr. HAVENS] is entitled to the floor.

Mr. HAVENS. Mr. Speaker, for many months the country has been impatiently waiting for action by this Congress upon the subject of the finances. It is the question above all others before us in magnitude and importance, and engages the profound attention and deep solicitude of all classes and conditions of our population.

In the midst of ample opportunities and unbounded providential favors the mistakes of the Government in its financial policies have scattered suffering and distress among the people. Those mistakes have clogged the channels of trade, thrown laborers out of employment, filled honest debtors with apprehension and alarm, and cast a withering blight over all the industries of the people. Whether the causes which have produced the existing stagnation and disorder are to remain, whether the mistakes that are robbing capital of its opportunities and labor of its just rewards are to continue, are questions that we are urged to answer by prompt and decisive action.

Wide and irreconcilable differences, however, as to the causes of the prevailing evils, and as to the measures necessary to remove them, embarrass us at every step and delay the success of measures designed to meet the monetary wants of the country. Expansion of the paper currency on the one hand, and contraction and specie payments on the other, are supported by their respective advocates with a zeal and ability worthy of the great interests involved, and the conflict between them will only terminate when every advantage has been tried and every argument exhausted.

SPECIE PAYMENTS NOT PRACTICABLE.

Mr. Speaker, I am firmly convinced that the only substantial relief that can be secured to the country at this time must come through an increase of the paper currency, and what I shall say will be intended to maintain the correctness of this view of our financial necessities. I do not believe that a resumption of specie payments is either practicable or possible at this time or in the immediate future. The premium which gold commands is occasioned by other causes than a redundancy of paper currency. Its scarcity in our markets and the foreign demand for it are the chief causes of its present price. Our national debt is largely held in Europe; large amounts of railroad and other corporation bonds are also in the hands of European capitalists, and the interest upon these obligations, amounting to about \$65,000,000 per annum, is required to be paid in gold. The balance of trade is also heavily against us, requiring many millions more to make our annual settlements abroad. The result is that the quantity of gold in the country has for several years been steadily decreasing, so that it is not here in sufficient volume to redeem greenbacks and become a circulating medium among the people. For all practical uses it long ago ceased to circulate as money, and became simply an article of merchandise. Its value is regulated by the supply and demand precisely as the price of the breadstuffs we export is regulated. We are practically in the market buying it to meet our obligations abroad, at values regulated by the supply at hand and the degree of our necessities, just as we would buy any other article of merchandise we had promised to deliver. Our greenbacks do not lack public faith and confidence, but so long as all the gold that can be obtained at high premiums must be sent to Europe to pay an indebtedness there, we cannot redeem our paper with it nor supply it as a currency for practical use among the people. Our entire supply of gold flows

continuously out of the country, in obedience to demands upon us that we cannot evade, and any legislation to stop it and compel a resumption of specie payments would be as ineffectual as a legislative enactment to compel water to run up hill.

The true road to specie payments does not lie in the direction of violent measures to compel resumption. It is to be found in legislation that will aid in the discharge of foreign indebtedness and the development of our industries so that foreign commerce shall not annually show a balance against us. Legislation that will develop the resources of the country, improve the prosperity of the people, and correct our business relations with foreign countries is the best that can be done to hasten the return of specie payments. Let this be the direction of our efforts, and our foreign obligations will be discharged or transferred to our own citizens and the balance of trade turned in our favor. We can then resume specie payments, for our gold will not be owned abroad and be called for and carried away by remorseless creditors as fast as we can obtain it.

The assumption that our paper is less valuable than gold because there is too much of it is a most grievous error, and is the source of many evils that are afflicting the people. Those who entertain this opinion do not recognize that there can be any other cause for what they call the depreciation of our paper, and stubbornly refuse to look further. I maintain, sir, that no country having the usual and proper paper circulation can maintain specie payments while being drained of its gold by foreign demands and the operations of an unfavorable commerce. The history of the suspension of the Bank of England, which began in 1797 and continued during twenty-five years, is proof of this assertion. At the time that suspension began the paper circulation of the bank was less than it had been at any time during the preceding ten years. There had been no overissue of paper. Why was it depreciated? It was because the political and commercial relations of England with the nations of the Continent had carried her gold there and left her without the means of payment. The gold in the vaults of the bank had sunk to about one-sixth of its usual volume. There was no redundancy of paper, but its redemption became impossible; and though its volume was contracted within its usual limits, there could still be no payment, for there was no gold with which to pay, and suspension became inevitable. Repeated efforts to force resumption proved disastrous failures, leaving no other effects behind than wrecks of business and universal suffering and distress among the people. And it was not until the end of twenty-five years, and when England had recovered from the effects of her continental wars and restored her commerce to a healthful condition, that the flow of gold returned to her vaults. Then, and not till then, did the most extraordinary and determined efforts to effect resumption prove successful. It came in its natural time, and all measures to force it before merely exhibited the folly of attempting to make impossibilities possible by legislative decree.

The proposition I have made is also shown to be true by the present financial condition of the countries of Europe. In four or five of the most prominent of them specie payments have long been suspended. The debts of these countries are held abroad and their gold goes abroad to pay interest. On the contrary, every country whose debt is held by its own citizens has an abundance of gold and maintains specie payments. There is no mystery about it; and those who travel beyond the plain common-sense rules of every-day business life in search of some profound and mysterious principle which governs the movements of specie will only become bewildered and lost. The farmer who may have contracted away his whole crop of wheat will have none left for his own use; and so the Government that has contracted to pay its whole supply of gold abroad will have none left for use at home. And this is exactly our condition now. The unwillingness to recognize this fact, and persistence in the idea that a return to specie payments is a matter of mere discretion and not dependent on the conditions which ordinarily determine the capacity of the debtor, have led to a great deal of folly and to serious mistakes in the discussion and direction of the financial measures of the Government.

A distinguished financier, and one who holds a responsible and influential position in shaping legislation upon this subject, recently stated that the premium upon gold was "conclusive" evidence that there was too much paper. And he stated that there was "no mode of testing how much money is needed to do the business of a country except that amount which can be maintained at par in gold." This is an assumption that the gold market always remains the same, and that it is never affected by the influences which advance and depress the values of all other commodities. Wheat, cotton, and corn advance when the supply is small and demand for exportation great; but according to this theory the same conditions would not affect the local value of gold. No matter how small the quantity may be, nor how inevitable its flow out of the country, its value will remain the same. No matter how small its volume may be, the true test of "how much money is needed to do the business of the country is still the amount that can be maintained at par with it." Of course it follows that when the supply of gold is small, and foreign creditors are demanding it and taking it abroad, it would maintain at par the same volume of currency that it would if the supply were great, and the flow into the country instead of out. And, finally, I suppose that if we were so far bankrupted as to possess but a solitary eagle, that nimble piece would be sufficient at all times and places for the redemption of all the currency necessary to do the business of this great country;

it would still be the true medium for testing the financial requirement of the people.

Mr. Speaker, if this opinion had not been uttered by one so distinguished for ability, and if I did not know that it is entertained and urged by very many other able men, I should think I might safely pronounce it absurd and ridiculous.

I do not question that resumption can be effected by contraction; but I do say that contraction to a sufficient extent to produce this result would silence our factories, destroy trade, and impoverish half the people. If the so-called depreciation of the paper currency were due entirely to its redundancy, the degree of contraction necessary to bring about resumption would not be very great and the consequences not very serious. But as it is, to say the least, largely on account of the deficiency of specie and the foreign demand for it, contraction would be required to a sufficient extent to force gold into use in spite of its scarcity and of its flow abroad. The redeemable paper currency that might be maintained under ordinary circumstances could not be maintained in the present condition of our gold supply. The ability to redeem depends upon the means at hand for redemption. The limited amount of gold that we are able to keep in the country at this time would be sufficient to redeem only a small volume of paper—far smaller than might be maintained at a specie basis if we were not required to send our gold abroad to discharge foreign obligations. Contraction, therefore, sufficient to force the people to transact their business with the little specie we might be able to hold and the small quantity of paper it would maintain at a specie basis, would be very great. Its effect would be disastrous. It would involve a shrinkage of values that would produce a general collapse of business. Thousands of our best citizens would be brought face to face with ruin, while thousands more—laborers of every class thrown out of employment—would become supplicants for charity to save their wives and children from suffering and starvation.

Who can demonstrate that if under existing circumstances our paper were reduced to one-half its present amount the Government could resume and maintain specie payments? The supply of gold would not be increased thereby, nor would the necessity for sending it abroad be reduced a single dollar. Individuals who are without money do not pay their obligations, and this is just as true of Governments. And those who are so clamorous for specie payments should inform us where the Government could obtain the gold to redeem its greenbacks, even though they were contracted largely within their present volume. It can only pay what it owes abroad by buying gold with its promises at high premiums; how could it also redeem those promises at home with gold at par with its greenbacks? It might do so at some possible point in the course of contraction, but it would be when the country was involved in universal disaster. No such contraction would be tolerated, and to talk of it is a waste of time. To experiment in that direction would be to unnecessarily oppress the people.

THE PRESENT CIRCULATION TOO SMALL.

If, then, resumption is impossible, or if it is at this time impracticable, what is our duty? Is it not clearly to supply the people with a sufficient amount of paper currency for the transaction of business? We should carefully consider whether the assumption that the circulation is now too large, and that any addition to it would be followed by an unnatural inflation of prices, is true or false. A comparison of our present circulation with that of former periods and of other countries may aid us in determining this question. On the 1st of January, 1860, the bank circulation, as shown by the Secretary of the Treasury, Mr. Chase, in his report of 1861-'62, was \$207,000,000. In the same report he estimated the total amount of gold in the country on the 1st of October, 1861, at between \$275,000,000 and \$300,000,000. It is therefore reasonable to estimate the gold in 1860 at \$285,000,000, as the volume certainly did not increase during the following year. Thus we find that there was a total circulation of \$492,000,000; this does not include silver, of which there must have been several millions. Omitting the slave population, which then occupied only a property relation to the business of the country, and there was a circulation *per capita* of \$17.90. And this was less than it had been at any time during the preceding eight years. In 1854, according to the most reliable estimates as to the amount of gold in the country, the circulation *per capita* was about \$20; in 1856, \$19.75; in 1857, \$20.50; and in 1859, \$18.50. In these estimates I have included the gold in the banks and in the Treasury, and have omitted the slave population.

On the 1st of October last the total circulation was \$752,000,000. If the increase of population since the enumeration of 1870 has kept pace with the average rate during the previous twenty years, it is now considerably in excess of forty-two millions. Estimating it at that amount we find that the circulation *per capita* was at that date \$17.90. This includes the national-bank reserves. If we deduct those reserves and take only the amount actually in circulation among the people, which, as stated by the Comptroller of the Currency in his late report, was on the 1st of November last \$631,000,000, there was then an actual circulation *per capita* of \$15.02.

It will be observed that the circulation *per capita* for several years previous to the war was considerably larger than it is at this time. But there are other facts to be considered, also, which demonstrate still more forcibly the insufficiency of the present volume of currency. In 1860 our wealth was \$16,159,616,068; the ratio of circulation to

wealth was 3.05 per cent. In 1870 the wealth of the people had advanced to \$30,068,918,507; and if the rate of increase maintained during the twenty years preceding the census of 1870 has been maintained since that time the wealth of the country now exceeds \$40,000,000,000. But for safety let us estimate it at only \$35,000,000,000; and at this estimate the ratio of circulation is only 2.12 per cent., or nearly one-third less than in 1860. If we omit the reserves and take the actual circulation as stated by the Comptroller, we find the ratio to be only 1.80 per cent.

A comparison of our circulation with that of other countries shows the insufficiency of ours in a still more glaring light. Let us take the three leading countries of Europe—England, Germany, and France. Authorities recognized as correct, which I believe are not questioned at all, show the total circulation of England to be \$855,230,550, and the *per capita* circulation \$26.87; that of Germany is \$1,091,000,000, and the *per capita* circulation \$26.60. Authorities do not agree as to the circulation of France, but the lowest estimate from creditable sources is \$1,250,000,000, showing a *per capita* circulation of \$34.62. In each case the reserves have been omitted, and these statements show the actual circulation. The *per capita* circulation in this country, omitting the reserves, I have shown to be only \$15.02—less than half that of France, and only a little more than half that of either England or Germany.

I have not the means of ascertaining correctly the amount of circulation in the other nations of Europe, but it is undoubtedly correct to say that our people are supplied with less money for the transaction of their business than any other civilized people on the globe.

It will scarcely be claimed that our people do not require more money than those of either France, England, or Germany, though we supply them with materially less. There the great mass of the people are poorly paid for their labor and use but little money. Here our entire population are actively engaged in pursuits requiring the constant use of money. Our laborers are better paid. They wear better and more expensive clothing and eat better and more expensive food. They spend more in the education of their children and for all the comforts and enjoyments of life. The volume of money necessary to pay, clothe, and feed a thousand laborers in either France or England would not be half sufficient here. The great mass of our people—our agriculturists and mechanics—stand upon a higher plane of humanity than the poverty-doomed masses of those countries, and have a thousand wants unknown to them. The price of labor and the cost of living are more than 100 per cent. greater here than there, and yet our people are supplied with less money with which to meet their varied necessities and carry on the pursuits of their lives than those populations.

Again, we are developing new country, opening mines, building railroads, erecting factories, and in unnumbered directions have demands for money which are not felt in the old and finished countries of Europe. There the territorial extent is small and the populations very dense. The convenience of making exchanges is thereby greatly facilitated. Almost every man in England lives within sight of a bank, while our vast territorial extent and the sparseness of population in most of the States render these facilities impossible, and the use of actual money necessary for the transaction of the local business of the people. An ambitious and vigorous population like ours, with untold opportunities about them, may prosper in spite of great hindrances; but that they require greater financial facilities for the proper transaction of business than the quiet, sleepy population of the older countries, will hardly be questioned.

I have shown that our present circulation is less in proportion to either wealth or population than that of 1860; yet is it not evident that we require more? The South then had but one great industry, and that was controlled by a small class whose system of business was such as to require the use of but little actual money. Now small operators are taking their places, and multiplied demands for money for daily uses are everywhere felt. Her interests are becoming more diversified; factories are springing into existence, railroads are being built, and new commercial interests being developed. Where there was before but a single great industry, there are to-day a thousand channels into which money, the life-blood of trade and commerce, must flow, to give strength and vitality to varied industries and commercial pursuits. The volume of currency that was sufficient for the South of 1860 would be utterly insufficient for the South of to-day. The development of manufacturing, mining, and other industries throughout the North and West have also increased the general necessities in the same direction. Examine the marvelous growth of manufactures from 1860 to 1870, and explain, if you can, how industries that have doubled in their extent can be conducted with a currency that stands to-day near where it stood when that growth began. With the diversification of new pursuits and the extraordinary growth of old ones, multiplying the necessities for increased facilities for rapid exchanges, the volume of circulation is now less *per capita* than in 1860, and in proportion to wealth is one-third less.

Testing the amount of money necessary for the uses of our people as I have done, we find a very material deficiency. But before our eyes everywhere is evidence of the same fact that cannot be mistaken. The building of railroads has ceased, cities no longer maintain their accustomed growth, farms are not being improved, factories are not springing into life, emigration is checked in its march to the West,

clouds are lowering over honest debtors, and all material growth and progress are arrested. The scant supplies of currency are scarcely sufficient for the uses of the great money centers and are, of course, held and controlled by them, while the ordinary industries of the people are in sickly stages and pleading for nourishment. The necessary operations of trade go on; but that enterprise which develops the resources of the country, creates its wealth, and leads the advance in material progress, is utterly repressed and inactive. These facts are before our very eyes, and no veil of flattering theories can obscure them.

THE CHARACTER OF OUR CURRENCY.

But, Mr. Speaker, our paper is sneeringly termed an "irredeemable currency," and history is continually invoked to show the danger of tolerating an "irredeemable currency." Writers upon political economy are quoted to show that an "irredeemable currency" encourages speculation, inflates prices, and finally leads to collapse and ruin. The results of stamping paper and base metals and calling them money are triumphantly presented as a warning against the toleration of our "irredeemable currency." Experiments where floods of paper issued, with no purpose or ability to redeem, have resulted in financial disasters are appealed to as proof that certain disaster lurks in the "irredeemable" greenback. Sir, those who hope to influence our action in this way ought to see that there are two material facts wanting to make their argument applicable to the present case. In every case so referred to, and in every case that can be referred to, the money so issued was issued in redundant quantities, and there was neither the purpose nor the ability to redeem it; in some instances there was not even a worthless promise to redeem. The public had no confidence in it, and it depreciated and became worthless as an inevitable consequence. It depreciated not because it was not to be redeemed at a particular time, but because it was not to be redeemed at all, and the people knew it, and because it existed in redundant quantities. It had no intrinsic value and no ultimate prospect of redemption, and hence it was utterly worthless. There was nothing in it nor behind it to give it value. That unsteady and fluctuating values, reckless gambling and speculation, and final collapse and ruin, should result from such a currency was most natural.

But to compare our paper currency with this sort of stuff is unjust and inexcusable. It seems like a frantic attempt to degrade and dishonor the money of the country, for which there is no justification whatever.

What is the "irredeemable stuff" that is so much sneered at, and which the people are so earnestly cautioned to beware of by the advocates of certain theories? Did the people of this country ever have any other paper currency in which they had so much faith and confidence? Does anybody doubt it, or the Government that stands behind it? In the midst of panic and disaster that would have prostrated the old State banks and made their notes worthless, spreading disaster wider and farther, our paper was almost the only thing in which confidence remained unshaken. It was sought after and hoarded as something which, in the midst of general uncertainty and wreck, would remain unaffected and sound. Why was this so? Were our wisest business men as well as the common people so grievously misled by what certain theorists have suddenly discovered to be "irredeemable stuff," or may it not be that the theorists have mistaken the facts? The money of China, to which prominent reference has been made in connection with this subject, was practically repudiated. It was not even received for dues to the government that issued it. The French *assignats* were used as "wall-paper for the cottages of the peasants." The money of John Law was equally as worthless. The confederate paper depreciated as the fortunes of the confederate government waned and the hope of redemption was destroyed. In all these, and in every other case that has been cited to depreciate and disgrace our paper, there was scarcely a pretense of redemption, and the people knew that there could be no redemption. There was nothing to give the notes credit, and they sank to the value of waste paper. Such is not the condition of our currency. The Government stands behind it, and although it cannot redeem its notes at this time, everybody has faith in its ultimate ability and in its good purposes. Every dollar of property in the country is pledged for its redemption. No other credit is so good as that of the Government to-day, and hence in the test of a severe panic the currency suffered no shock amid the general depreciation of credit values. When the people lose confidence in the ability of the Government, or in its intention to redeem its promises we shall begin to suffer from the evils of an "irredeemable currency," and not before. In no just or proper sense can the currency of the country at this time be called irredeemable. Certainly it is not irredeemable in the sense in which the worthless issues to which we are so frequently referred were irredeemable; for they were without the prospect of redemption at any time, and their worthlessness resulted from this fact.

A condition of specie payments is something that always exists a great deal more in theory than in fact. The banks of this country maintained specie payments before the days of greenbacks so long as specie was not demanded and no longer. Everybody knew that it was impossible for the banks to redeem all of their notes in specie at any particular time, and that demand for payment involved suspension. But confidence in their ability ultimately to redeem their obligations upheld the credit of their notes and made them useful for all purposes of business. It is in a great degree the same with our

paper currency now. The Government may not approach as near to actual specie payments as the banks then did, but confidence in its ultimate ability to redeem its promises and faith in its integrity give value to its notes and make them desirable as a circulating medium.

Again, the uniformity of our currency, the difficulty of counterfeiting it, as well as its undoubted safety, have rendered it exceedingly popular with the people. Their appreciation of it is also strengthened by the painful recollections of the times when under the irregular and inconsistent banking laws of nearly forty States constant vigilance was necessary in order to avoid being imposed upon by counterfeits and the issues of broken banks, and when the current money of a given State would often be refused for the price of a breakfast in another. The familiar color of the greenback disarms suspicion as to its value, and the money of Wall street circulates also without question among the humblest citizens of the remotest parts of our extended territory. It cannot truthfully be said that the value of such a currency is fluctuating and unstable. Gold may command a premium, but it is not on account of any defect in the currency itself. Gold is not a circulating medium, but is a commodity bought and sold in our markets for specific purposes, and the value of which is regulated by the law of supply and demand, while our paper is almost the only thing which remains fixed and stable. The fluctuating premiums upon gold only indicate the fluctuations in the supply and demand, just as the ever-varying price of wheat indicates the condition of the market rather than the value of the money with which it is purchased; and it would be just as unfair to say that the paper currency is depreciated and unstable because at one time it will not purchase as much wheat or corn as at another, as it is to say that it is depreciated because at one time it will not purchase as much gold as at another. When gold becomes more plentiful and the demand for it abroad is not so great, it will become cheaper, just as any other article of merchandise would under the same circumstances.

Mr. Speaker, are the doleful theories of those who speak with so much contempt of our "irredeemable" currency sustained by the experience of the country? During the last twelve years we have had no other. Have we realized any of the baleful consequences that are paraded before us as a solemn warning against its continuance? Has our paper proved to be no better than the unsecured issues of irresponsible and dishonest authority with which it is compared? Sir, during this period the country has prospered and grown in an unparalleled degree. In all that indicates material progress and development the history of the world shows nothing to compare with it. The products of our factories have doubled in their extent, railroads have been pushed wherever civilization has gone, vast territory has been peopled and cities built, marvelous mineral riches have been developed, trade and commerce have expanded, and all the industries of the people have multiplied and flourished beyond anything ever before known. And, sir, this has not been fictitious and speculative prosperity, but substantial and enduring growth. The figures of the census of 1870 tell a story that upsets all the theories that can be advanced to teach that a people cannot prosper except under the delusion of what is termed specie payments.

It should be remembered, also, that during a portion of the period to which I am referring eleven States were being wasted by war, and the whole people subjected to burdens of taxation to which they had before been strangers. It was shown the other day by the figures presented by the gentleman from Pennsylvania [Mr. KELLEY] that the amount of taxes collected from 1862 to 1872 in customs duties, internal revenue, and direct taxes exceeded largely all the collections from the same sources during all the previous years from the foundation of the Government. And yet, sir, the people sustained this burden and prospered in all their enterprises and industries as they had never before done. And all this was accomplished with a currency that is now termed "irredeemable," dangerous, and disgraceful.

Mr. Speaker, it has been demonstrated that the people may prosper in the use of this currency. It is not its character from which they are now suffering, but from the mistaken policy of contraction which has deprived them of a sufficient volume of it to carry on the business of the country; and the only relief that can be afforded is by an increase of its volume until specie circulation becomes possible.

THE INFLATION SCARE CROW.

But, Mr. Speaker, when we advocate an increase of currency we are met with the accusation that we are inflationists; and labored efforts are made to enlighten us as to the consequences of too large a volume of currency. History is paraded before us and the authority of learned writers is brought into requisition to teach us that inflation is a dangerous thing. But a great deal of research and hard labor expended in this generous work might be saved. I am sure that there are others besides the advocates of contraction who know what a redundancy of currency involves, and that they are just as far from inviting its evil influences. The issue is not upon this point, and the attempt to force it there is a confession of weakness upon the real issue.

What is inflation? That is the question to which gentlemen should direct their attention, rather than to the preparation of learned essays upon an evil which nobody would encourage. Show us that what we advocate is in fact inflation, and the victory will be yours. I have already shown that the volume of circulation is far less in proportion to wealth and population than at former periods, when it is not pre-

tended that we had too much. I have also shown that it is materially less in the same proportion than that of other civilized countries where inflation is not dreamed of; and I have also shown that the necessities of our people require more money than those of other countries. With what propriety, then, are we charged with favoring inflation, when all that we ask would not supply our people with as much money as is supplied to the people of France or England, or in fact to the people of any of the leading civilized nations of the earth?

But it is not insisted that a larger aggregate volume might not properly be issued if the paper currency were redeemable, but because it is "irredeemable" it is dangerous to issue it in the volume that would otherwise be proper. Those who hold this view do so upon the theory that our currency is of the same character as the worthless issues which I have before spoken of—issues that nobody was responsible for and that everybody knew were not to be redeemed. This is the great error of their argument, for there is no ground for comparison between the two as I think I have shown. A currency only temporarily irredeemable, and in the value of which the people have full confidence, does not necessarily inflate prices and stimulate reckless speculation and gambling. It can only do so when issued in superfluous quantities; and these consequences will follow too great a supply of gold just as certainly as they will follow too great a supply of sound paper. This we lately witnessed in Germany, where wild speculation followed the accumulation of an unusual amount of gold. Too much money, whether it be paper or gold, will advance prices and excite unhealthful speculation. The irredeemability of our currency is therefore no argument against the issuing of as great a volume of it as the experience of mankind and our own judgments teach us is necessary to do the business of the country. Until we should go beyond the amount required for healthful business prosperity there would be no other depreciation of the paper than that occasioned by the scarcity of gold, and which is apparent rather than real. Neither fluctuating values nor reckless speculation would follow any more than if the same volume of gold were in circulation. Beyond that point nobody desires to go. In fact, taking the experience of our own and other countries as the test of how much money is needed, the advocates of an increase of the present volume are willing to stop far short of that point.

THE VALUE OF MONEY.

It has been earnestly insisted that any increase of the volume of currency necessarily decreases its value. If the amount of our currency were \$300,000,000, and we should increase it to \$600,000,000, we are told that the inevitable laws of finance would render each dollar worth only half of its previous value. If this is true it applies just as completely to an increase of gold as to an increase of paper, and it is just as forcible an argument in favor of limiting the volume of gold as it is in favor of limiting the amount of sound paper. And if it

proves the point which it is intended to establish, it proves that the amount of money in circulation is a matter of no consequence—a small volume by its greater value being equivalent to any larger volume—the purchasing power increasing as the volume diminishes. But the proposition is inaccurate and unsafe as a basis for practical legislation.

It is undoubtedly true that the values of many kinds of property depend greatly upon the amount of money in circulation. But a very small increase beyond the amount necessary for legitimate uses may excite the wildest speculation, and carry fictitious and fluctuating values far beyond the limits of the rule that is quoted as infallible. And this is admitted by those who rely upon it when they paint the bottomless ruin of a redundant currency. And so a slight contraction within the volume necessary for healthful business may clog up the channels of trade and produce such disorder as to unsettle business and depreciate the value of property far out of the proportion indicated by the rule. Again, the values of many kinds of property—especially that in which the commerce of the world is carried on—are regulated by the markets of the world; they are dependent upon the general monetary condition of commercial countries rather than upon that of the particular place where such property may be offered for sale. It is, therefore, plain that the rule so confidently asserted cannot operate without the concurrence of many conditions that are practically impossible.

AN INSUFFICIENT CURRENCY MAKES THE RICH RICHER AND THE POOR POORER.

Mr. Speaker, in every country there is somewhere a point beyond which the volume of money cannot safely pass, and below which it cannot go without materially affecting the business interests of the people. And it is the duty of those who control financial measures to ascertain that point and approach it as near as possible. In my judgment the true point is the highest one that can be reached without stimulating reckless speculation, stock-gambling, and fictitious values. The reduction of the volume of money below that point is unjust to the masses of the people and injurious to the best interests of any country. Reduce the volume, and you reduce the price of labor and also the values of many species of property in at least equal proportion. I believe that in consequence of the crippling of the machinery for business operations the price of labor would be reduced in a much greater degree, and so of many kinds of property; and unfortunately it would be the property of the common people. The notes and bonds

of the capitalist would not shrink one dollar in amount, but would in fact be increased in value. The little possessions of the people, the productions of the mechanic and the agriculturist, however, would not escape.

Under such conditions the distinctions between the rich and poor are made more distinct and significant; the rich are made richer and the poor poorer. The little money that circulates is only sufficient for the wants of wealthy operators, and is so controlled by them that the poor see but little of it. The business of the country is subjected to the payment of ruinous rates of interest to the money-lenders, and is crippled and embarrassed by their exactions. A small volume of money is emphatically the rich man's money. It increases his power and destroys the independence and prosperity of the masses. Labor poorly compensated and deprived of its opportunities is humiliated and degraded, while wealth, never merciful, rejoices in its exaltation, and laughs at the misery upon which it fattens. Thus the aristocracy of wealth becomes more clearly defined, and the weakness of poverty more glaring and helpless.

Sir, no sophistry can disguise the fact that this is an issue between the moneyed aristocracy of the country on the one hand and the people on the other. Contraction or an insufficient volume of money means that the business of the country shall be forced to supplicate the banks and other money-lenders for loans at exorbitant rates of interest made possible by their necessities. It means that the industries upon which the laboring classes are dependent for employment and just remuneration shall only move at the will of the capitalist, and upon the oppressive terms that he may dictate. It means cheap labor, self-denial, and destitution among the people, and absolute power in the hands of the money-lenders over all the interests of the country.

Sir Archibald Alison, in his "England in 1815 and 1845, or a Sufficient and a Contracted Currency," shows that an insufficient currency, by the depression of prices and the diminution of profits, breaks down small dealers, and gives a monopoly of the markets to the large capitalists. He says:

The period of a contraction of the currency and consequent fall in the money prices of all the articles of human consumption is one in which great profits are sure to be realized by the larger capitalists, and great losses sustained by the smaller. The former prosper because the magnitude of their transactions enables them to realize a handsome income upon the whole from a declining and at length almost inconceivably small amount of profit from each transaction; and they gradually get the monopoly of the market in their own line of business by the extinction of the lesser capitalists whom the fall in the price of commodities has ruined or the diminished profits have repelled from entering into competition with them. * * * Small traders, therefore, and farmers without capital are speedily ruined in such a state of things, and the laboring or destitute condition is only rendered the more distressing by the contrast which it affords to the wealth and splendor with which the holders of large capital in the same line of business are surrounded. * * * A period of contracted currency is one of embarrassment, difficulty, and generally in the end of insolvency to the small farmer and moderate land-holder.

If a supply proportioned to the increase of men and the wants of their commercial intercourse is not afforded, the circulating medium will become scarce; it will rise in price from that scarcity, and become accessible only to the more rich and affluent classes. The industrious poor, or those engaged in business but possessed of small capital, will be the first to suffer.

The same author says that, "the contraction of the currency which was unnecessarily made to accompany the resumption of cash payments by the bill of 1819" was the cause of incalculable evil. The agricultural and laboring classes were ruined. Wages sank "so low that they barely sufficed with the great bulk of workers, especially females, for the support of existence." "From 1826 to 1835," he says, "the table of the House of Commons literally groaned under the load of petitions praying for relief to agricultural distress." At the same time the wealthy classes were unusually prosperous. The "co-existence of so much suffering in one portion of the people with so much prosperity in another," he says, "was unparalleled in the history of the world." And this was the result of an insufficient currency—of contraction, which Alison says was "unnecessarily made to accompany the resumption of specie payments."

But those who advocate a reduction of the currency insist that no injury would result to the laboring classes; that if the price of their labor is reduced the prices of what they must purchase are correspondingly reduced, so that their condition is not affected. This is an old argument, and has been used to justify many wrongs. Those who use it, however, can but know that it is utterly false and unwarranted. The prices of the necessities which the laborer must purchase would not be reduced in the proportion that his compensation might be reduced. Such was never the case in any country, and never can be. In the purchase of what his wants require he comes in competition with the wealthy classes, and must submit to prices largely regulated in their interests; the prices of much that he must buy are controlled by the markets of the world, and not by the markets in the particular locality where he may live, nor by the circumstances that degrade his labor. If the rewards of labor were reduced one-half in this country at this time, through contraction, does any sane man suppose that tea and coffee would or could be sold at one-half their present prices, or that any other article imported from abroad, or that we now export, would be so reduced? No reasonable man will assert such a thing. The operation of the law of supply and demand is also constantly affecting the prices of his necessities and rendering uncertain the cost of living, while no corresponding fluctuations in the price of his labor protect him against this

disadvantage—a disadvantage, too, which his meager wages furnish him no margin to meet.

The advocates of cheap labor are very careful not to direct the attention of those whom they would delude to the condition of the laboring classes of Europe, but prefer to rely solely upon their theories. There we have a practical illustration of the effects of cheap labor which puts all their false theories and plausible arguments to utter rout. It is there demonstrated that the necessities of life do not cheapen with the price of labor, and that the condition of the laboring classes is degraded and miserable just in the proportion that the price of their labor is reduced. In nearly every country of Europe the laboring classes live in the most stinted manner, and yet there is absolutely no margin between the cost of living and the price of their labor out of which they can hope to save anything with which to acquire homes and independence. The broad line which separates them from the wealthy classes is never crossed, and they live out their lives without even the hope of rising above the condition in which they were born. This is cheap labor, compensated by the cheap necessities of life that we are assured of.

Mr. Speaker, I trust that no legislation will characterize Congress now or hereafter which looks to the cheapening of the rewards of labor. The condition of the working people of this country is that which most distinguishes it from all other countries and is its highest glory; and any measure designed to cheapen labor would be most unfortunate and mistaken. All arguments and theories used to convince the laboring classes that a reduction of the price of their labor can be compensated for by cheaper necessities of life are delusive and fraudulent. They have their origin in that spirit which, since the world began, has ever prompted wealth to encroach upon the rights of labor, and to magnify its splendor and power by degrading everything below it.

Sir, I am opposed to any increase of the currency that would unsettle values and inflate prices; but within that limit I am in favor of such a volume of circulation as will enable the poor to share it with the rich. It is the common people who are suffering to-day and not the wealthy classes, just as they must always be the sufferers when the volume of money is too small. They are dependent upon the prosperity of the industries that give them employment for their daily support, while the wealthy can enjoy their accumulations in spite of the causes that deprive the working classes of their reliance. The demand for more currency is therefore most important to the common people, and should only be resisted by those who are resolved to regard the interests of the few rather than the welfare of the many.

MORE PAPER THE ONLY REMEDY.

Mr. Speaker, the evils which have been depicted as resulting from an "irredeemable currency" cannot result from such a currency as ours; and it is the duty of the Government while assuming to control the volume of circulation to authorize the issue of as much as the legitimate business of the country would require if every dollar of it were gold. It is all that we have and all that we can have. Many years are likely to elapse before we shall reach the solid ground of specie payments. In the mean time shall the business of the country be crippled and all growth and progress retarded by abortive and futile attempts to accomplish something which all experience and reason show us to be at this time impossible? Under similar circumstances England was a quarter of a century in getting back to specie payments, though she resorted to more extreme measures to force resumption than are urged in this country now; and many more years are likely to elapse than some of us have fondly hoped before we shall be able to do so. And during the uncertain period that is to intervene there can be no wisdom in refusing to put in circulation the best currency at our command in sufficient volume to meet the legitimate demands of business. Because we cannot have just such currency as we most desire, we should not stubbornly refuse the best that is within our reach. The time to talk of reducing the paper currency will be when we have replenished our supply of gold and so improved our relations with foreign countries that we can keep it at home to supply the place of paper currency. In advance of that time the withholding of a proper volume of currency would only oppress and embarrass the people without effecting any good results whatever.

But it is said that the Government is breaking its pledges, that it is acting in bad faith in not redeeming its greenbacks. And we are daily given solemn moral lessons upon the subject of broken promises, which would be exceedingly impressive but for the use sought to be made of them. What are these broken promises and acts of bad faith about which men are so much concerned? The Government promised to redeem when it could, and the people so understood its promises when they accepted them.

Mr. MELLISH. Will the gentleman allow me to ask him a question right here in the line of his argument?

Mr. HAVENS. I will.

Mr. MELLISH. I would ask the gentleman, if the Government receive legal-tenders at par value for taxes and custom dues, a large portion every year, is it not proper to consider that a virtual redemption, and indeed a better redemption than was in operation under the old so-called specie-basis system?

Mr. HAVENS. I would call that redemption. It is taking up the obligations of the Government; and, certainly, to that extent it is a redemption of them.

Mr. MELLISH. It takes them up dollar for dollar.

Mr. HAVENS. The Government promised to redeem when it could, and the people so understood its promises when they accepted them. They recognize that it is not able to redeem them now, and they are not urging payment. On the contrary, they are protesting against any attempt at immediate payment. They are rather eager to accept more of the so-called broken promises. The people are responsible for the Government; it is theirs, and the consequences of its errors fall upon them. They understand that redemption can only be effected at this time by disastrous contraction; and if they do not clamor for payment at such a sacrifice, who ought to complain? If they desire to offer an extension, is it dishonorable for the Government to avail itself of the opportunity? Promises extended by such agreement and for mutual interests ought certainly not to be regarded as broken or dishonored, and the moral stigma sought to be cast upon them is simply absurd and unreasonable.

THE NECESSITIES OF THE WEST.

Mr. Speaker, I speak what I believe to be the judgment of four-fifths of the people of the West when I urge the expediency of measures to effect an increase of the paper circulation. The people of the West are heavily in debt. They have pushed forward civilization into new regions, have built cities, constructed railroads, improved farms, developed mines, and inaugurated all the great enterprises characteristic of an ambitious and energetic population. Their progress in material growth is the marvel of the age, and has no parallel in history. But they have operated with limited means, and largely upon credits. They are struggling to discharge obligations incurred in building an empire out of a wilderness. You can easily crush them. You can give their farms to merciless creditors, and destroy the hopes of tens of thousands built up by years of honest industry and toil. The policy of contraction will do it. Stand still and refuse to supply the volume of currency which the experience of our own and of other countries shows to be necessary, and great suffering will follow all over the West. Standing still is contraction, for the growth of population and the demand of increased business are constantly absorbing the circulation we have.

You of the East, who feel secure in the accumulated wealth of a century, who have inherited ancestral estates, and who have succeeded to the well-built business of your fathers and to the farms and shops made ready for you by the labors of other hands than your own, may not fully appreciate the situation of those who have pushed out from your midst with no capital but their own courage and energy to carve out their fortunes in a new and undeveloped country. And before you refuse your assent to measures which they deem expedient, which they believe essential to protect them from business prostration and bankruptcy, you should carefully consider whether their appeal is not reasonable, and whether all that you hope to gain by your policy will compensate for the injury you will inflict upon them. You might possibly force specie payment before its natural time, but the shock would be disastrous to honest debtors all over the country; and in the West, especially, they constitute a very large class. I will not undertake to speak as to all parts of the West; but wherever I have been able to learn it I know that during the past three years, outside of the cities, all the money that could be obtained has been eagerly sought for at from 10 to 25 per cent. upon the best of securities. And this demand has not come from speculators and adventurers, but from men whose legitimate necessities have compelled them to borrow. And the situation has constantly been growing worse. The want of money is now severely and dangerously affecting all classes; and without the co-operation of the Government, by which relief can be obtained through the operation of wholesome and prudent legislation, a great deal of sore experience is in store for us.

WHO ARE ADVOCATES OF IMMEDIATE RESUMPTION.

Mr. Speaker, in times of financial suffering and distress those who happen to be fortunate enough to have money at their command can loan it at exorbitant rates of interest, and buy up the property of unfortunate debtors being sacrificed at the demands of inexorable creditors. These men are now advocates of contraction and resumption. Every bank seeking borrowers, every man with large deposits, and every money-shark waiting for opportunities to speculate out of the distress of others, is an advocate of the same policy. Go where you will, East or West, and every man watching about the court-houses for opportunities to buy his neighbor's property at sheriff's sales at a fraction of its value, firmly believes that an immediate return to specie payments is the remedy for all financial evils. It is the men engaged in legitimate business who ask for more currency. The industrial and commercial classes everywhere feel the want of it; and neither vague apprehensions nor doubtful theories should stand in the way of legislation that will supply their necessities.

FREE BANKING NOT THE BEST REMEDY.

Mr. Speaker, the proposition for free banking contained in the pending bill does not seem to be the measure best calculated to remedy the existing evils. In my judgment the country is suffering from the unjust and unequal distribution of the national banking capital even more than from the insufficiency of the volume of circulation. Massachusetts, according to her wealth and population, is entitled to \$19,239,000, and actually has \$58,000,000; while Missouri should have \$15,459,000, and actually has only \$6,835,000. The first has more than three times her share, while the latter has less than half the amount

to which she is entitled. Rhode Island, entitled to \$2,750,000, has over \$13,000,000, more than five times her share; while Texas, entitled to \$4,695,000, has only \$849,000. Connecticut has more than double her apportionment, while Arkansas has only one-tenth of hers. It is unnecessary, however, to specify further. Every Eastern and New England State has largely more than her just proportion of the national-bank circulation, while every Western and Southern State has less. Without taking from any State that which they already have, those States that are deficient should be allowed that to which they are fairly entitled. No more than simple justice would thus be done, and the country would be benefited by a material increase of the general circulation.

But we are told also that the location of more banks in the West would not benefit us; that the supply of currency would not thereby be increased in the Western States, because the notes of the banks would flow away and seek their level in the East where they are needed, and with those who are able to hold them. This proposition is entirely erroneous. The banks of the West would loan their money to customers in the West, by whom it would be repaid at short intervals. Necessity as well as convenience would compel the banks to use their money at home, and it could not to any great extent be permanently transferred to the East. Besides, the conversion of capital now otherwise employed into banking capital would increase the amount of loanable money, so that loans would be more readily obtained and exchanges more easily effected. The idle money in the hands of individuals, and which they do not desire to loan, gathers into the banks in the shape of deposits, and is by them loaned to the people for active uses. The amount of money thus thrown into active circulation through the agency of the banks is everywhere very great.

Again, money is attracted by the banks. Its tendency is to gather near them; so that the localities favored with abundant banks are often plethoric while the localities remote from them are destitute. And as the banks are now chiefly located in the East, and held there by law, the natural and inevitable tendency of money is to flow in that direction. And this is one of the greatest evils from which the West is now suffering. It has frequently happened that while the West has been destitute of money for legitimate uses there has been a superabundance of it in New York. The establishment of more banks in the West would have the effect to counteract this tendency. Every additional bank in the West would not only supply more money, but it would become a powerful influence in holding the money of the West at home where it belongs. The evils which we are told would operate to deprive us of the benefit of any increase of circulation can be most effectually destroyed by increasing the strength and power of the local money centers of the West through the establishment of additional banks. The influences which at this time cause money to flow eastward are not altogether legitimate and natural, but are largely speculative and artificial; and they are encouraged and fostered by the preponderating power of the banks in that locality. They gather up the money of the country as the hen gathers her chickens under her wings, and they do not permit it to stray beyond their motherly influence. Distribute the banks justly among the people and you will equalize the financial relations between the sections so as to check the tendency of money to accumulate in a particular locality. The Eastern States are now suffering from the prevailing distress far less than the West, not only because the law has given them a larger circulation of currency, but because the natural and necessary operations of the banks hold that circulation where it belongs.

It is not true that money necessarily flows where it is needed for legitimate uses. As water will rise above its level to fill an artificial vacuum so money may be forced out of its proper channels by artificial causes. The undue concentration of facilities for financial operations in any particular locality stimulates trade and speculation in that locality, and creates an unhealthful and artificial demand for money, which draws it away from the legitimate uses of farmers, mechanics, and small traders in the rural districts. Speculation is expected to return larger profits than are realized by the ordinary industries of the people, and it attracts with controlling influence the active money of the country. It is therefore the duty of the Government, in so far as it assumes to control the financial affairs of the country, to avoid the giving of undue facilities for financial operations to any particular locality. It should avoid the creation of artificial influences by which a portion of the people are to be made rich and the remainder deprived of the means of transacting their legitimate and necessary business. This it does not do while it gives to some of the States four or five times the amount of banking capital, upon the basis of wealth and population, that it gives to others. It is practically the robbery of one section for the benefit of another.

I have said that the country is suffering more from the inequality of circulation among the States than from the insufficiency of the aggregate volume. And I do not believe that free banking will correct this inequality. The capital of the East is in a shape to be invested in banking with greater facility than that of the West, and if the way is opened more new banks will be organized in the East than in the West, so that the present preponderance of banking facilities will be preserved. The tendency of banking operations, from speculative and other influences, is to concentrate in the East in undue proportion, and free banking opens the way for the unrestricted operation of this tendency. I shall therefore favor an amendment to this bill, if I can

have the opportunity to do so, which will limit the increase of banking circulation and restrict it to the States that have less than their proportion. I would not ask the States that now have a surplus to surrender any portion of it; but in justice to the people of the West and South, and to the whole country, I would not permit them to increase what they have until the other States have approached something near the standard of equality with them.

I would favor the withdrawal of the national-bank circulation entirely, and the substitution of greenbacks. But this proposition receives little favor, and the bank circulation is certain to continue; I am therefore in favor of its equalization upon a just basis among the States.

Gentlemen from the East are unwilling to surrender any portion of the banking capital they have, and insist that they need it all. Doubtless they do; and if so why should they persist in denying the West that which they claim to be necessary for their own business prosperity? They tell us the West is too poor to require more than she now has. If this is so she will not get more, whatever the law may permit. We only ask the amount which our wealth and population entitle us to. Upon this basis we ask equality; nothing more. Equalize the amount of capital authorized among the States upon a just basis. Do this, and if the West has no surplus capital to invest in banking there will be plenty of it in the East eager to go West to embrace the opportunities presented there for the profitable use of money in banking operations.

This measure, together with the legalization of the issue of the \$44,000,000 reserve, making the total greenback circulation \$400,000,000, would relieve the country from financial distress and restore business prosperity. And nothing less will meet the expectations of the people.

PARTY RESPONSIBILITY.

The party in power will be held responsible for mistakes and neglect in legislation, and it should heed the popular demand upon this subject if it would maintain its hold upon the public confidence. The suffering and distress occasioned by financial embarrassments is manifesting itself in a spirit of complaint against those who might have provided against the existing evils. The elections of last fall gave forth but the first faint indications of the discontent that is gathering. And we are sufficiently warned that in some way the people mean to be relieved from the evils under which they suffer—if not through the instrumentality of the republican party, then otherwise. You who look with apprehension upon the organization that has grown to be a power in the Western States, and is spreading its branches even into the heart of New England, and who believe that its tendency is to extremes, dangerous alike to those who composed it and to the whole country, must remember that the West has much to complain of; and that a people goaded to resentment are not always careful of the rights of those who have wronged them, and are liable to mix a spirit of revenge with their demands for justice.

Legislation that will remove the just causes of complaint and restore the people to business prosperity will also restore contentment and confidence in those in power. Without this the prevailing restlessness will continue to grow and gather force until in their just anger the people will sweep out of power the men who have refused to regard their distress or to harken to their appeals. Bankers, capitalists, money speculators of all kinds, are bringing to bear all their influence to mislead the public mind and to defeat legislation upon this subject. They are here in your committee-rooms, the resolutions of their meetings and caucuses are placed before us daily, and their petitions are flooding upon us; but let us not forget that behind them, and more potent than they, are the laboring classes and those engaged in the legitimate business of trade and commerce. They are not here. They have not the facilities for reaching us that are possessed by the representatives of money; but we know their wishes and should be careful that we are not diverted from regarding them by the unceasing appeals that are continually ringing in our ears. Let us not mistake the loud clamor of the money-changers for the voice of the people.

Mr. MAYNARD. Before the gentleman from Missouri [Mr. HAVENS] takes his seat I would like to ask him a question. He has broached a theory which has been suggested in another place in the form of a bill, that instead of unlimited banking we should have the present restrictions upon those parts of the country that are supposed to have a sufficiency of banking capital, and to take off the limitations as to the South and the West. I would ask the gentleman what objection there can possibly be to allowing the Eastern and Middle States to have increased banking capital if they want it, and if their capitalists can use their capital advantageously in that form? How can that interfere with the prosperity of his part of the country or that which I represent, of the West or of the South?

Mr. HAVENS. Well, Mr. Speaker, as I endeavored to show, the money of the country will flow where the banks are—where the great banking transactions are carried on; and if you concentrate in any particular locality of the country an undue proportion of banks, an undue proportion of the currency will tend to that center. If you give to the Eastern States more than their proportion of the banks, you will concentrate banking transactions in New York City or in New England, and the money will inevitably flow there.

These large banking facilities also have the effect to encourage speculation. Speculative enterprises attract money to the centers where they are carried on. The evil which to-day is affecting the

West more than anything else is the fact that an undue proportion of banking facilities of the country is concentrated in one particular locality, to which all the money of the country constantly tends. Hence we have heard since the late panic that money was plentiful in New York City and in the East, while it is scarce in the West. Why is it plentiful in New York City? Because the banks are there, because the banking facilities are there to attract it and to hold it when it gets there.

Just so long as any particular section of the country is permitted to maintain a preponderance of banking facilities, just so long the money of the country will tend to that particular locality. Free banking, as I believe, would present the opportunity for the Eastern States to establish more banks than the West, because they have more capital in shape to invest in that way; and in my judgment, under free banking, there would be a greater increase of banking facilities in the East than in the West. The present preponderance of banking facilities which draws money away from the West would remain; and we should continue to complain that our money flows away to the East.

Wherever there may be an undue concentration of banking capital speculative and artificial demands for money will exist, that will attract it and gather it up to the injury of legitimate business in remote localities.

[Mr. HOLMAN addressed the House. His remarks will appear in the Appendix.]

Mr. MAYNARD. If no other gentleman desires to take the floor, I move that the House now adjourn.

The motion was agreed to; and accordingly (at ten o'clock and five minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. BUNDY: The petition of citizens of Vinton County, Ohio, for the establishment of a certain post-route in said county, to the Committee on the Post-Office and Post-Roads.

By Mr. FREEMAN CLARKE: The petition of merchants, manufacturers, bankers, and citizens of Rochester, New York, deprecating the issue of any more currency, and asking that the United States notes already issued out of the so-called reserve shall be permanently withdrawn as soon as possible, to Committee on Banking and Currency.

By Mr. CLAYTON: Resolutions of the Legislature of California, relative to the appointment of a commission to ascertain and report the amount of property destroyed by Captain Jack's band of Modocs, and to whom it belonged, to the Committee on Military Affairs.

By Mr. FIELD: The memorial of citizens and business men of Detroit, Michigan, in favor of an increase of currency, to the Committee on Banking and Currency.

By Mr. GOOCH: Papers relating to the claim of Charles F. Carr, of Boston, Massachusetts, to the Committee on Claims.

By Mr. HAWLEY, of Illinois: The petition of Joseph L. Neeley, for a pension, to the Committee on Invalid Pensions.

By Mr. HERSEY: The petition of James Johnston, of Amity, Aroostook County, Maine, for a pension, to the Committee on Invalid Pensions.

By Mr. HOLMAN: Papers relating to the claim of J. J. Hayden, for compensation for extra clerical services in the office of the provost-marshal-general of Indiana, to the Committee on War Claims.

By Mr. HOUGHTON: The petition of settlers in Kern County, California, for extension of time to pay for their lands, to the Committee on the Public Lands.

By Mr. PIERCE: The petition of Blake Brothers & Co. and others, of Boston, bankers and merchants, that the manufacture of Government issues hereafter be made to conform to the plan recommended by the Joint Select Committee on Retrenchment under date of March 3, 1869, to the Committee on Banking and Currency.

By Mr. PLATT, of Virginia: The petition of Emile de Goulard, that his invention of an apparatus for preserving life and property on sea-going vessels may be examined and adopted by Congress, to the Committee on Naval Affairs.

By Mr. RANDALL: The petition of sundry citizens of Philadelphia, asking for greater security in the engraving and printing of Government bonds and United States notes, to the Committee on Banking and Currency.

By Mr. SCHUMAKER, of New York: Resolutions of the common council of the city of Brooklyn, New York, against any alienation by the General Government to any persons or corporations other than to the city of Brooklyn of the lands lying in the Wallabout, to the Committee on Naval Affairs.

By Mr. SENNER: Resolution of the Publishers and Editors' Association of the State of Virginia, asking for a fairer distribution of bankrupt advertising, to the Committee on the Judiciary.

By Mr. WELLS: Resolutions of the General Assembly of the State of Missouri, in relation to the improvement of the mouth of the Mississippi River, to the Committee on Railways and Canals.

Also, resolutions of the General Assembly of the State of Missouri, requesting the establishment of a daily mail each way over the Cairo, Arkansas and Texas Railroad, between Cairo, Illinois, and Poplar Bluff, Missouri, to the Committee on the Post-Office and Post-Roads.

By Mr. WHITEHEAD: The petition of citizens of Fincastle township, Virginia, for the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on certain imports, to the Committee on Ways and Means.

By Mr. —: A paper for a post-route from Madison, via Saint Magdalene and New Marion, to Holton, in Ripley County, Indiana, to the Committee on the Post-Office and Post-Roads.

IN SENATE.

FRIDAY, April 3, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.
The Journal of yesterday's proceedings was read and approved.

PROPOSED ADJOURNMENT TO MONDAY.

Mr. ANTHONY. Mr. President, as the good faith of the motion I made yesterday to adjourn over Good Friday was questioned by some Senators very broadly, I have taken the pains to look at the precedents. Last year, 1873, we were not in session on Good Friday. March 28, 1872, we adjourned over Good Friday until Monday, on motion of the Senator from Vermont, [Mr. EDMUNDS,] who is now absent on account of his health. March 29, 1866, we adjourned over Good Friday until Monday. In 1868 the impeachment trial was pending, and on that account there was no adjournment over on Good Friday. I think until the war we always adjourned over on Good Friday, although I am not certain. Now, Mr. President, I move that the Senate adjourn until Monday.

Mr. MORTON. Is that motion in order?

The PRESIDENT *pro tempore*. It is.

Mr. MORTON. The Senator moves that the Senate adjourn until Monday.

Mr. HAMLIN. No; that when the Senate adjourns.

Mr. FERRY, of Michigan. That motion is debatable, I think.

The PRESIDENT *pro tempore*. The Chair on consultation is advised that the motion is not in order in the morning hour, if objected to.

Mr. ANTHONY. Then I move that we proceed to the consideration of the motion that was pending when we adjourned last evening.

The PRESIDENT *pro tempore*. The Senator must move to suspend the morning hour business in order to get the floor for this purpose.

Mr. ANTHONY. That can only be done by unanimous consent, I suppose.

The PRESIDENT *pro tempore*. The Senator can move to suspend the pending order, the morning hour business, in order to submit his motion; or he can submit it by unanimous consent.

Mr. ANTHONY. Then I move to suspend the business of the morning hour with a view to enable me to submit a motion to adjourn over.

Mr. SHERMAN. The Senator will observe that the unfinished business at one o'clock will be the very motion that he now desires to call up. Why not suspend it, then, during the morning hour? We shall not be very much damaged if we spend an hour in the transaction of the ordinary morning business.

Mr. ANTHONY. I have no conscientious scruples about sitting on Good Friday. There are members of this body who have conscientious scruples; there are members of this body to whom it is painful to be here on this day; and I believe in religious freedom; and on their account, as well as in accordance with the general custom, I have made this motion. I should prefer to have the motion acted upon now, but if it is to be debated until one o'clock, we might as well go on with the morning business. Therefore, I will wait until the motion comes up in its order. If the question can be taken without debate, I should prefer it; but if it is to be debated, we might as well debate more profitable business and wait until it comes up in its regular order.

The PRESIDENT *pro tempore*. The Senator withdraws the motion. Petitions and memorials are in order.

PETITIONS AND MEMORIALS.

The PRESIDENT *pro tempore* presented a memorial of the Legislature of the Territory of New Mexico, in relation to the construction of a military telegraph from Santa Fé to the various military posts in that Territory; which was referred to the Committee on Military Affairs.

Mr. SCOTT presented the petition of James B. Thompson, late captain of Company F, One hundred and ninetieth Pennsylvania Volunteers, praying that he be paid the pay and allowances of a first lieutenant of infantry from June 6, 1864, to September 19, 1864, and of a captain of infantry from September 19, 1864, to March 1, 1865; which was referred to the Committee on Military Affairs.

Mr. HARVEY presented a petition of citizens of Cowley County, Kansas, asking protection against outrages by the Osage Indians; which was referred to the Committee on Indian Affairs.

Mr. LEWIS presented the petition of R. S. Allen, praying to be reimbursed for the amount of certain gold coin purchased by him at the sale of the assets of the Exchange Bank of Virginia; which was referred to the Committee on Claims.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. BAYARD, it was

Ordered, That the petition and papers of Niel Nielsson be taken from the files and referred to the Committee on Pensions.

On motion of Mr. WRIGHT, it was

Ordered, That the petition and papers in the case of William H. Manning, asking compensation for timber taken by the United States, be taken from the files and referred to the Committee on Military Affairs.

On motion of Mr. HARVEY, it was

Ordered, That the petition and papers of John Birkett be taken from the files and referred to the Committee on Claims.

REPORTS OF COMMITTEES.

Mr. GOLDTHWAITE, from the Committee on Claims, to whom was referred the bill (S. No. 60) for the relief of P. O'Donnell, submitted an adverse report thereon; which was ordered to be printed, and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the petition of George W. Stuart, praying compensation for services rendered as messenger to R. H. Rousseau, while minister to Honduras, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of John J. Anderson, surviving copartner of Anderson & White, praying compensation for the loss of cotton during the late war, submitted a report accompanied by a bill (S. No. 657) for the relief of John J. Anderson, surviving copartner of Anderson & White.

The bill was read and passed to a second reading; and the report was ordered to be printed.

Mr. KELLY, from the Committee on Public Lands, to whom was referred the bill (S. No. 624) to authorize the issuance of patents for lands granted to the State of Oregon in certain cases, reported it with an amendment.

Mr. WADLEIGH, from the Committee on Military Affairs, to whom was referred the bill (S. No. 28) to set apart a certain portion of the Island of Mackinac, in the Straits of Mackinac, within the State of Michigan, as a national park, reported it with an amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 764) for the relief of John Dold, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 1936) for the relief of Dwight Desilva, of Deposit, New York, reported it without amendment.

Mr. HAMILTON, of Texas, from the Committee on Pensions, to whom was referred the bill (H. R. No. 2455) granting an allowance to soldiers who have lost an eye, reported adversely thereon; and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the petition of Martin V. Jackson, of Kansas, praying for a pension, submitted a report accompanied by a bill (S. No. 655) granting a pension to Martin V. Jackson. The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. SPENCER, from the Committee on the District of Columbia, to whom was referred the bill (H. R. No. 2550) making an appropriation for the payment of teachers in the public schools in the District of Columbia, and providing for the levy of a tax to reimburse the same, reported it without amendment.

BILLS INTRODUCED.

Mr. BAYARD asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 659) for the relief of Niel Nielsson; which was read twice by its title, and referred to the Committee on Pensions.

Mr. LEWIS asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 660) for the relief of Richard S. Allen, of Richmond, Virginia; which was read twice by its title, and referred to the Committee on Claims.

ASBURY DICKINS.

The PRESIDENT *pro tempore*. If there be no further morning business, the Secretary will report the first bill on the Calendar.

The CHIEF CLERK. The first bill on the Calendar is the bill (H. R. No. 1580) for the relief of the heirs of Asbury Dickins.

The Senate, as in Committee of the Whole, resumed the consideration of the bill.

Mr. PRATT. Mr. President, the Senate has listened to the report of the committee. The minority presented their views to the Senate, which have never been read. If those views had been read and listened to attentively, it would not have been necessary for me, belonging to that minority, to say a word in advocacy of the bill. The minority do not differ from the majority in the facts in this case, which are few and simple; they only differ in the construction to be given to the act of Congress of 1792 and the act of 1818, which I will refer to before I sit down.

The facts in the case briefly are as follows, and, as I said before, about these there is no disagreement whatever in the committee: Mr. Dickins, while acting as chief clerk of the Treasury Department, served in the capacity of Secretary *ad interim* of the Department for a period of one hundred and thirty-three days at different times, under the appointment of the President of the United States, that appointment being conferred in conformity with the act of 1792. For