HOUSE OF REPRESENTATIVES.

WEDNESDAY, *April* 8, 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.

BRIDGE AT PINE BLUFF, ARKANSAS.

Mr. NEGLEY, by unanimous consent, from the Committee on Commerce, reported back a bill (H. R. No. 2541) giving the consent of the United States to the erection of a bridge across the Arkansas River at Pine Bluff, Arkansas, with the recommendation that it do pass.

Mr. RANDALL. Let that bill be read.

The bill was read, as follows:

Be it enacted, &c., That the consent of the United States is hereby given to Henry B. Morse, Met L. Jones, James F. Vaughn, Richard A. Dawson, William H. Bush, James M. Holcombe, Gabriel Meyer, George W. Prigmore, John L. Buck, Ira McL. Barton, John M. Clayton, William N. Portis, Benjamin Twombly, Hugh H. Kenyon, and Richard H. Stanford, and their associates, first having obtained an act of incorporation by the State of Arkansas, to build a railroad-transit and wagon-bridge across the Arkansas River, at or near Pine Bluff, in Arkansas; and that the company or corporation herein authorized to construct said bridge shall give notice for one week in two newspapers having a wide circulation in cities situated on the river near the locality of the proposed bridge, and shall submit to the Secretary of War, for his examination, a design and drawings of the bridge and piers, and a map of the location, giving, for the space of at least one mile above and one mile below the proposed location, the topography of the banks of the river, the shore lines at high and low water, the direction of the current at all stages, and the soundings accurately showing the bed of the stream, the location of any other bridge or bridges, and shall furnish such other information as may be required for a full and satisfactory understanding of the subject by the Secretary of War; and if the Secretary of War is satisfied that the provisions of the law have been complied with in regard to location, the building of the piers may be at once commenced; but if it shall appear that the conditions prescribed by this act cannot be complied with at the location where it is desired to construct the bridge, the Secretary of War shall, after considering any remonstrances filed against the building of said bridge, and furnishing copies of such remonstrances to the board of engineers provided for in this act, detail a board composed of three experienced officers of the Corps of Engineers, to examine the case, and may, on their recommendation, authorize such modifications in the requirements of this act, as to location and piers, as will permit the construction of the bridge; not, however, diminishing the width of the spans contemplated by this act.

SEC. 2. That any bridge under the provisions of this act may, at the option of the company or association building the same, be built as a draw-bridge, with a pivot or other form of a draw, or with unbroken or continuous spans: *Provided*, That if the said bridge shall be made with continuous and unbroken spans, it shall not be, in any case, of less elevation than fifty feet above extreme high-water mark, as understood at the point of location, to the bottom chord of the bridge; nor shall the spans be of less than two hundred and fifty feet in the clear; and the piers of said bridge shall be parallel with the current of said river at that stage of the river which is most important for navigation; and that no ripraps or other outside protection for imperfect foundation will be permitted in the channel-way of the high span, or of the draw openings; and that the main span shall be over the main channel at low water: *And provided also*, That if the said bridge be constructed as a draw-bridge, the same shall have a pivot draw, giving two clear openings of one hundred and sixty feet each, measured at right angles to the current at the average stage of water in the river, and located in a part of the bridge that can be safely and conveniently reached at that stage; and that said draw shall be opened promptly, upon reasonable signal, for the passage of boats whose construction shall not be such as to admit of their passage under the stationary spans of said bridge, except when trains are passing over the same; but in no case shall unnecessary delay occur in opening the said draw before or after the passage of trains; and the next adjoining span to the draw shall not be less than two hundred and fifty feet, and said span shall not be less than thirty feet above low-water mark, measuring to the bottom chord of the bridge, and the piers of said bridge shall be parallel with the current of the river.

SEC. 3. That the said bridge, according to its limitations, shall be a lawful structure, and shall be recognized and known as a post-route, upon which no higher charge shall be made for the transmission over same of the mails, the troops, and munitions of war of the United States than the rate paid per mile for their transportation over the railroads or public highways leading to said bridge.

SEC. 4. That all railway companies desiring to use said bridge shall have and be entitled to equal rights and privileges in the passage of any State in which any portion of said obstruction or bridge touches.

SEC. 5. That the United States shall have the right of way for postal-telegraph purposes across said bridge.

SEC. 6. That all parties owning, occupying, or operating said bridge shall maintain, at their own expense, from sunset to sunrise throughout the year, such lights on said bridge as may be required by the Light-House Board for the security of navigation; and all persons owning, occupying, or operating said bridge shall, in any event, maintain all lights on said bridge that may be necessary for the security of navigation.

SEC. 7. That said corporation or association may execute a mortgage and issue bonds, payable principal and interest in gold or United States currency, and may at any time transfer their charter under the provisions of this act of association or incorporation.

SEC. 8. That the right to alter or amend this act so as to prevent or remove all material obstructions to the navigation of said river by the future construction of bridges is hereby expressly reserved, without any liability of the Government for damages on account of the alteration or amendment of this act, or on account of the prevention or requiring the removal of any such obstructions; and if any change be made in the plan of construction of any bridge constructed under this act, during the progress of the work thereon or before the completion of such bridge, such change shall be subject to the approval of the Secretary of War; and any change in the construction or any alteration of any such bridge that may be directed at any time by Congress shall be made at the cost and expense of the owners thereof.

Mr. SPEER. As I understand the first section, it provides for publication of notice of one week only. Should not that be one month?

Mr. NEGLEY. It requires notice to be published in two papers.

Mr. SPEER. But for only one week. Should not that be one month?

Mr. NEGLEY. I do not object to the amendment.

The amendment was agreed to.

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. NEGLEY 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.

SPECIFIC DUTIES ON TIN PLATES.

Mr. SWANN, by unanimous consent, presented memorials numerously signed by merchants, importers, dealers, and workers of tin plates in New York, Boston, Philadelphia, and Baltimore and other cities of Maryland, praying for the conversion of the present *ad valorem* duty on importation of tin plates into a corresponding and equivalent duty; which was referred to the Committee on Ways and Means, and ordered to be printed in the CONGRESSIONAL RECORD.

The petition is as follows:

To the honorable Finance Committees of the Senate and House of Representatives of the United States:

Your memorialists—merchants, importers, dealers, and workers of tin plates—respectfully request that you will consider the expediency and recommend to Congress the conversion of its present *ad valorem* duty on the import of tin plates into a corresponding and equivalent specific duty, as a measure calculated to simplify and increase the collection of the customs revenue, facilitate the transaction of business, give stability to prices, and at once and forever render disagreements between the importer and the Government a practical impossibility.

Tin plate was taxed for the first time in our tariff history in 1842, at the rate of 2½ per cent. *ad valorem*. In 1846 the duty was increased to 15 per cent., which in 1857 was reduced to 8 per cent. In 1862 the duty was raised to 25 per cent., and in 1872 it was reduced to 15 per cent., which is the present law.

As a raw material, constituting the basis of great branches of domestic industry; as an important element in the cost of a large class of articles, especially used by the very poorest of the people, as well as for its use in building, for machinery, and for the preparation of products largely exported, or which require domestic transportation in air-tight metal packages as a condition of sale and consumption, tin plate has a strong claim to be exempted from all direct taxation. Thus millions of dollars' worth of fruit, green corn and other vegetables, as well as oysters and other shellfish, are annually put up in tin cans for exportation or for domestic markets. Refined petroleum, also, is shipped to all parts of the world almost exclusively in tin cans, while the census of 1870 returns 30,524 persons whose occupation is that of working upon tin.

In the present financial condition of the country your memorialists, however, prefer no claim for any reduction or exemption of taxation in respect to this article; but they do claim, that so long as it is considered expedient to impose a duty upon its importation, the substitution of an equivalent specific for the existing *ad valorem* duty would be in the highest degree beneficial to both the Government and the merchants. That such a specific duty can, moreover, be easily substituted without loss to the Treasury, will be made evident from an examination of the following tables:

The importations of tin plates during the last two fiscal years were in value as follows:

1872—Amount in value imported	$12, 312, 428
1873—Amount in value imported	14, 993, 650
Total value	27, 306, 078

That with an *ad valorem* duty of 15 per cent. the accruing revenue would have amounted on this importation to $4,095,761.70.

But the actual weight imported during the above two years was:

	Pounds.
1872—Gross weight, including boxes	209, 671, 640
1873—Gross weight, including boxes	214, 069, 374
Total pounds	423, 741, 014

Which import, at a specific duty of one cent per pound gross weight, (or including the weight of the packages,) would have yielded a revenue of $4,237,410.14. The difference in two years' revenue receipts, therefore, between the present *ad valorem* and the recommended specific rate of duty would have been only $141,648.44, or about $70,000 per annum, and that $70,000 in favor of the revenue.

The assessment of a specific duty of one cent per pound on tin plates, including boxes, would do away forever with any uncertainty in respect to valuations, and the conflicting appraisements of market value and cost price; for it should be understood that tin plates are not kept in stock in England in large quantities, but have to be contracted for months ahead. Hence, it invariably happens that the actual cost of this article conflicts with the market value at the time of shipment. Thus, for example, A, who lives in New York or Boston, and contracts in Wales in January for tin plates, to be delivered in March at thirty shillings per box, is obliged to invoice them at thirty shillings, although the price in Liverpool in March has actually fallen to twenty-five shillings per box. If, on the other hand, the price in March in Liverpool is thirty-five shillings, A is by law bound to add five shillings to the actual cost, in order to make it market value at the time of shipment in Liverpool. B, on the other hand, living in England, and contracting in January for tin plates at thirty shillings per box, to be delivered in March, if he sends his tin plates on consignment to New York, can invoice them at twenty-five shillings, if that is the then market value in Liverpool, and pay only duty on twenty-five shillings. The present law, therefore, discriminates against the American importer and in favor of the foreign commission merchant.

Your memorialists would also recommend a provision of law in connection with the proposed substitution of duty, to the effect that all tin plates imported into the United States shall have the gross weight branded on the box. This would be an additional safeguard, and facilitate and expedite the passing of this very important product of our importation through the custom-house.

J. EARL AND T. W. DEXTER.

On motion of Mr. PAGE, by unanimous consent, the Committee on the Post-Office and Post-Roads was discharged from the further consideration of the bill (H. R. No. 3296) for the relief of J. Earl and T. W. Dexter; and the same was referred to the Committee on Commerce.

PUBLICATION OF LAWS IN THE DISTRICT OF COLUMBIA.

Mr. DONNAN, from the Committee on Printing, reported back adversely a bill (H. R. No. 1730) relative to the publication of laws in the District of Columbia; which was laid upon the table, and the report ordered to be printed.

PROMOTION OF NEW INVENTIONS.

Mr. BUTLER, of Massachusetts. I call for the regular order of business.

The SPEAKER. The regular order being called for, the morning hour begins at twenty-six minutes past twelve o'clock, and the House resumes the consideration of the bill (H. R. No. 2512) to promote new and useful inventions in the United States, which was reported back adversely from the Committee on Patents.

The bill was laid upon the table, and the adverse report ordered to be printed.

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

The latter motion was agreed to.

INVENTORS AND PATENTEES.

Mr. SMITH, of North Carolina, from the Committee on Patents, reported back adversely the bill (H. R. No. 872) for the encouragement and relief of inventors and patentees; which was laid upon the table, and the accompanying report ordered to be printed.

WARD'S IMPROVED BULLET-MACHINE.

Mr. PARKER, of New Hampshire, from the Committee on Patents, reported as a substitute for the bill H. R. No. 1605 a bill (H. R. No. 2880) for the extension of the patent known as Ward's improved bullet-machine; which was read a first and second time.

The bill provides that William H. Ward, of Auburn, in the State of New York, have leave to make application to the Commissioner of Patents for an extension of the letters-patent granted to him on the 10th day of November, 1857, for an improved bullet-machine for the term of seven years from and after the expiration of the original term of fourteen years for which said letters-patent are granted; such application to be made in the same manner and to have the same effect as if the same had been filed not less than ninety days before the expiration of the aforesaid original term of said patent. And upon such application so filed the Commissioner of Patents shall be authorized to consider and determine the same in the same manner, upon giving the same notice, and with the same effect, as if the application had been duly filed within the time prescribed by law, and as if the original term of said patent had not expired; provided no person shall be held liable for the infringement of said patent, if extended, for making use of said invention since the expiration of the original term of said patent and prior to the date of its extension.

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

Mr. PARKER, of New Hampshire, 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.

SUSPENSION OF WORK ON PUBLIC BUILDINGS.

Mr. PLATT, of Virginia, from the Committee on Public Buildings and Grounds, reported back, with the recommendation that it do pass, the bill (H. R. No. 2653) authorizing the Secretary of the Treasury to suspend work upon the public buildings.

The bill was read. It authorizes and directs the Secretary of the Treasury to defer operations on any public buildings that are authorized by existing laws but not actually commenced, or to proceed with the same, as may in his opinion be for the best interests of the public service; provided that all moneys heretofore appropriated for the construction of public buildings and now remaining to the credit of the same on the books of the Treasury Department, or which may hereafter be appropriated for such buildings, shall remain available until the completion of the work for which they are or may be appropriated; and upon the final completion of each or any of said buildings, and the payment of all outstanding liabilities therefor, the balance or balances remaining shall be immediately covered into the Treasury.

Mr. GARFIELD. I make the point of order that that bill should go to the Committee of the Whole on the state of the Union.

Mr. PLATT, of Virginia. I do not see how the point of order can be sustained. The bill makes no provision of money or of property.

Mr. GARFIELD. It makes provision in regard to unexpended balances of appropriations already made, and appropriates them in perpetuity.

Mr. PLATT, of Virginia. It makes no change in the law except so far as it provides for unexpended balances being covered into the Treasury.

The SPEAKER. The Chair thinks that the members of the House are a little rusty upon the new rule, and will direct it to be read again.

The Clerk read as follows:

All bills making appropriations of money or property, or requiring such appropriations to be made, or authorizing payments out of appropriations already made, shall be first discussed in Committee of the Whole.

The SPEAKER. The bill has this proviso:

Provided, That all moneys heretofore appropriated for the construction of public buildings and now remaining to the credit of the same on the books of the Treasury Department, or which may hereafter be appropriated for such buildings, shall remain available until the completion of the work for which they are, or may be, appropriated, &c.

The Chair thinks that the bill is very clearly liable to the point of order under the rule which has been read. The bill goes to the Committee of the Whole on the state of the Union.

ALLEGED VIOLATION OF THE EIGHT-HOUR LAW.

Mr. KILLINGER. I am instructed by the Committee on Public Buildings and Grounds to report back the following resolution:

Resolved, That the Committee on Public Buildings and Grounds be, and they are hereby, required to investigate the alleged violation of the eight-hour law in the work on the New York post-office, and to send for persons and papers if necessary.

The committee report back this resolution, accompanied by a report in writing and certain testimony, and ask to be discharged from the further consideration of the subject.

Mr. COX. I would like to hear the conclusions of the committee.

Mr. KILLINGER. Let the report be read.

The Clerk read as follows:

The Committee on Public Buildings and Grounds, to whom was referred the following resolution:

"*Resolved*, That the Committee on Public Buildings and Grounds be, and they are hereby, required to investigate the alleged violation of the eight-hour law in the work on the New York post-office, and to send for persons and papers if necessary,"

Respectfully report:

That they have carefully considered all the statements submitted and testimony produced before them bearing upon the subject-matter of the above resolution. The material question is one of fact, whether the eight-hour law, passed June 25, 1868, which declares that eight hours shall constitute a day's work for all laborers, workmen, and mechanics employed by or on behalf of the Government of the United States, has been violated in the work done on the New York post-office building. No time is designated when the alleged violation of the law took place, and we may assume that the complaint embraces all the work done from its commencement to the present time.

It will be observed that the inquiry does not involve the expediency or inexpediency of the law itself, and we do not propose to go beyond the instructions of the House in this regard. It appears that the law was not observed in all cases and at all times prior to May, 1872, so far at least as the work on the New York post-office building was concerned. It required a peremptory order from the Secretary of the Treasury to the superintendent of said building, directing its enforcement in all such work. From that time forward it does not appear that the superintendent of said building, or any one acting under his orders, employed any laborer, workman, or mechanic to do a day's work, otherwise than in accordance with the law referred to, and the direction of the Secretary of the Treasury. And it is but just to add that no laborer, workman, or mechanic employed on the building since the date specified has appeared before the committee to substantiate any alleged violation of the law.

The labor unions of New York, however, appeared in the persons of recognized representatives, and complained that the law was being violated by indirection. They allege, and the evidence sustains the allegation, that the Government agent, Mr. Mullett, has employed Marshall J. Davidson, a prominent machinist of New York City, to design and construct the heating and ventilating apparatus to be used in the said building. Under the contract thus assumed by him, Mr. Davidson employs his own workmen, and on his own terms, without consulting the United States authorities, and without a reference to the eight-hour law. Mr. Davidson says in his testimony that the Government reserves the right, and has the option, to pay him the contract price or the actual cost of the materials and labor, increased by a percentage. This reservation would seem to be a sufficient protection to the Government against excessive charges, but the question here is not so much the price to be paid by the Government, as the right of the Government agents to contract for the performance of work on Government buildings in the manner here specified.

It is claimed that such percentage contracts are subversive of the eight-hour law in its true intent and meaning. And, on the other hand, it is asserted that machinery like that referred to cannot be manufactured outside of machine-shops, and by other than scientific men with the aid of skilled labor. In addition to this consideration it appears that the question raised here has been considered by the Attorney-General of the United States, and his opinion is regarded by the Treasury Department, as expressed by Mr. Mullett, as conclusive upon it. In the opinion of the Attorney-General, filed May 2, 1872, in the case of certain stone-cutters employed near Richmond, Virginia, in getting out granite for the building in course of erection for the State Department, the following language occurs:

"The letter of the act of Congress limits its operations to laborers, workmen, and mechanics employed by or on behalf of the Government of the United States, and I am aware of no reason to suppose that the act was intended to have operation beyond the immediate employés of the Government."

In that case, as in the present case, the contractor employed the men, and the Attorney-General was of opinion that he, the contractor, "would have just cause of complaint if the Government should undertake to interfere between him and his employés by prescribing regulations for their labor."

We simply cite this opinion of the Attorney-General, which seems to rule the action of the Treasury Department and its Supervising Architect, and not with a view to discuss its terms. Until reviewed or reversed by higher authority it must be admitted to have force and effect upon those who are bound by it. Its conclusions are understood to be of binding force by the Government agents; and it is manifest that if Congress desires to bring within the eight-hour law such cases of alleged infraction as we have been considering, some means must be found to overcome the difficulty suggested. The friends of that law will have to secure a judicial construction of the law as it now stands in the statute-book or additional legislation. Until one or the other remedy is sought and applied, the Secretary of the Treasury will probably feel himself justified in following the instructions of the highest law-officer of the Government in this regard. The committee offer the following resolution.

Resolved, That the committee be discharged from the further consideration of the subject.

Mr. KILLINGER. I move the previous question on the adoption of the resolution reported by the committee.

Mr. COX. I desire to say just one word. I introduced the resolution with reference to this investigation. I believed that the eight-hour law ought to be carried out or repealed, and that an investigation ought to be made as to its effect. It has not been carried out either in New York or in other works on public buildings. The report of the committee of course tells the truth, so far as that committee could understand it; but there is jugglery toward workmen on that and on all other public buildings, and I say to this House and to my friend from Pennsylvania that the eight-hour law ought to be repealed or enforced. And now let this House take action on the subject. I have brought it to the attention of the House, and that is all I can do in the presence of this adverse report.

Mr. KILLINGER. I wish to state that the committee do not think it necessary that the testimony submitted with the report should be printed. It is of course in the power of the House to order the printing if they see fit.

Mr. COX. I would like to have it printed.

Mr. KILLINGER. I have no objection, and I think the committee have none.

Mr. PLATT, of Virginia. I think it necessary for me to notice for a moment the statement of the gentleman from New York that the eight-hour law is being habitually violated in the construction of public buildings. I state here that it is not being violated on any public buildings in the United States, and that the gentleman can bring forward no evidence to substantiate the broad statement he has made. I assert on the contrary that the eight-hour law is being enforced on every public work in the United States under the express orders of the Secretary of the Treasury, and there is not now nor has there been any violation of it since 1872.

The previous question was seconded and the main question ordered; and under the operation thereof the resolution reported by the committee was agreed to, and the report and accompanying testimony ordered to be printed.

BUREAU OF ARCHITECTURE.

Mr. PIERCE, from the Committee on Public Buildings and Grounds, reported back, with the recommendation that it do not pass, the bill (H. R. No. 1682) to provide for a Bureau of Architecture; and the same was laid on the table, and the accompanying report ordered to be printed.

MARINE HOSPITAL AT PITTSBURGH.

Mr. SESSIONS, from the Committee on Public Buildings and Grounds, reported back, with the recommendation that it do pass, the bill (H. R. No. 2787) to provide for the sale of the present United States marine hospital and site and the purchase of a new site and erection thereon of a new marine hospital in the city of Pittsburgh, Pennsylvania.

The bill authorizes and directs the Secretary of the Treasury to dispose of at public sale, to the highest bidder, the United States marine hospital building, and grounds pertaining thereto, in the city of Pittsburgh, Pennsylvania; and to procure by purchase a site in or convenient to the said city of Pittsburgh, which shall be eligibly and healthfully located and shall be ceded to the United States Government by the State of Pennsylvania, and erect thereon a suitable building for use as a United States marine hospital, the same to be of such dimensions as shall be sufficient to accommodate all such mariners as would be likely to seek asylum at that point. The cost of site and construction of the new building are not to exceed the sum realized from the sale of the present building and site, and the new site is not to be purchased or the construction of the building commenced until the sale of the present building and site is concluded. The Secretary of the Treasury is further authorized to provide for the care and maintenance in private hospitals of such patients as are entitled to admission to a United States marine hospital during the construction of the new building, provided the terms of sale of the present building will not admit of their remaining therein until the new building is ready for occupancy.

Mr. WILLARD, of Vermont. I make the point of order that that bill requires an appropriation of money, and must have its first consideration in Committee of the Whole.

Mr. SPEER. Is that point of order good? The bill provides simply that the money arising from the sale of the present building shall be reinvested in a new one. It provides that the building of a new hospital shall not cost a dollar more than is realized from the sale of the present building.

The SPEAKER. Suppose the gentleman should move to knock out that provision by way of amendment; the Chair could not rule it out.

Mr. SPEER. The House might not knock it out.

The SPEAKER. Still such an amendment would be in order. *Non constat* that the House might not agree to it. The rule is so very strict that the Chair advises the House that it is very difficult in any way to get an appropriation of money or of public property through except in Committee of the Whole. If the gentleman from Vermont insists on the point of order, the Chair must sustain it.

Mr. WILLARD, of Vermont. I have no objection to the bill being considered in the House as in Committee of the Whole.

Mr. SPEER. Did the gentleman from Vermont hear the proviso to the bill?

Mr. RANDALL. I find that the restrictions that you put upon the cost of public buildings are never adhered to.

Mr. SPEER. That is the fault of succeeding Congresses and not of the one that passes the bill.

The SPEAKER. The gentleman from Vermont does not object to the bill being considered in the House as in Committee of the Whole under the five-minute rule. The bill has been read twice and the question now is upon ordering it to be engrossed and read a third time.

Mr. WILLARD, of Vermont. I would like to hear some explanation of the bill.

Mr. SESSIONS. It is ascertained that the old marine hospital at Pittsburgh, Pennsylvania, is entirely inadequate for the accommodation of the inmates of that hospital. This bill provides that the present hospital, which is old and insufficient for the purposes for which it was constructed, shall be sold to the highest bidder at public auction, and that the avails of it shall be invested in new grounds and in the construction of a new hospital, and that no money shall be expended for the purpose of purchasing grounds and the construction of a new building beyond what shall be realized from the sale of the old building and grounds. The bill simply authorizes the Secretary of the Treasury to cause a new building to be constructed out of the proceeds of the sale of the old one suitable for the purposes for which it is to be built.

Mr. GARFIELD. I desire to ask the gentleman from New York whether the committee have considered a proposition that has been a good deal discussed in the Treasury Department and elsewhere as to the propriety of selling these hospitals and providing by arrangements with the city authorities for the keeping of such persons as the United States would otherwise keep, without any building. In the case of the Cleveland marine hospital, we are in favor of selling or leasing perpetually that building and making arrangements with the city authorities to keep such persons as would otherwise go to the marine hospital. It has seemed to me, from what study I have given to the subject, that a general policy applicable to nearly all cases where we have marine hospitals would be a wise one; a policy that would make arrangements with the city authorities, by paying a reasonable sum, for the keeping of such persons.

Of course I have no special knowledge as to the situation in Pittsburgh; but it seems to me that a city so far remote from the sea-coast and having to do only with the river marine could very easily make an arrangement, the United States paying a reasonable sum, for keeping and caring for such persons as ought to go into the marine hospital, which would be a very economical and wise arrangement for both parties. It would help the city in the maintenance of such persons as they needed to keep, and it would help the United States by avoiding the necessity of buying more property and building a new building. I have had some conversation with the gentleman in charge of the marine hospitals, a very intelligent gentleman indeed, especially in relation to our Cleveland hospital, and I understood him to say that he believed this arrangement could be made in most if not all of the cities of the United States. I desire to ask the gentleman from the Pittsburgh district [Mr. NEGLEY] whether, in his judgment, such a modification of the system might not be especially wise in the case of the marine hospital in his city?

Mr. NEGLEY. I have no doubt that it could be made to apply to the marine hospital at Pittsburgh, if the plan should be applied to all the marine hospitals under the control of the Government. I object to a trial of an experiment at the expense and inconvenience of the patients in the hospital at Pittsburgh. The United States Government owns a very valuable tract of land, upon which is located an old and expensive building; but being in the vicinity of railroads and manufacturing establishments it has become unsuitable for hospital purposes. By disposing of this land at the market value the Government can obtain the requisite means to purchase another piece of land and erect upon it a suitable building, with all the modern improvements, at a less cost than the amount the Government will receive for this piece of property. I will state that it is not intended to erect an expensive building, but to construct one under the rules and regulations suggested by experience and adopted latterly by the officials in charge of this service.

Mr. GARFIELD. I desire to move to amend, so that the Secretary of the Treasury may in his discretion either build a hospital, as provided by this bill, or make arrangements with the authorities of Pittsburgh for keeping the patients in the hospital.

Mr. RANDALL. That will make another hospital in Cleveland; I can see through that.

The SPEAKER. The gentleman from Ohio [Mr. GARFIELD] will reduce his amendment to writing.

Mr. SESSIONS. I now yield to the gentleman from Michigan, [Mr. CONGER.]

Mr. CONGER. I desire to call the attention of the House to this fact in regard to marine hospitals, which should not be overlooked in the consideration of this question. By the revised law of 1870 and 1871 the tax which was formerly twenty cents per month upon every sailor employed in the mercantile marine of the United States was increased to forty cents per month, or doubled, solely that mariners might have hospitals in the United States where they could be taken care of when sick, or when they had received injuries. The fund from that source is enough to build hospitals of the modern pavilion style, not the old-fashioned castle hospitals with battlements reaching up to heaven and of no use here below, but the modern style of plain, simple, airy, pavilion hospitals—to build such hospitals in every sea-port in the United States where they are needed to take care of every sick, wounded, or injured sailor in our marine service.

This is a self-sustaining institution. It is not a question for the economy of gentlemen here whether the money which the sailors give, forty cents a month from their own wages, shall be appropriated to their comfort and for their support and relief. The question is for Congress to devise a proper way and the proper means in which the sailors' own money shall be expended for their own benefit. I make these remarks because, judging from other motions which have been made in relation to marine hospitals, it has been looked upon as a drain upon the Treasury.

Mr. G. F. HOAR asked a question which was not audible to the reporter.

Mr. CONGER. I cannot tell how it is about this hospital. But since the reorganization of the marine service, three or four years ago, the amount of tax upon the sailors, as I have said, was increased from twenty to forty cents per month for every month of service of every sailor employed in our mercantile marine. Under the new system which has been adopted there have been and are being made these pavilion hospitals, under the direction of the Secretary of the Treasury, and especially under the direction of the very efficient officer who has charge of this marine service. Wherever there are but a small number of patients they are provided for by contracts with private physicians or at private boarding-houses, as that seems to be the better way. But in the large centers, where many vessels arrive, it is thought desirable to have permanent hospitals.

The House will perhaps remember that by one resolution or bill and another, for some two or three years past, we have given away for educational purposes and for other purposes these old useless castle hospitals as they are called. They are utterly useless for the benefit of sailors; and the Government may as well give them away at one time as another, and build cheap, plain, airy hospitals, such as our experience during the war suggested as best adapted for the wounded and sick. That is the system now adopted, and it is working admirably. I hear of no complaint made to the Committee on Commerce or to myself, or to any one who has heretofore had charge of these matters, that that system is not performing its work well.

In my judgment it is very desirable that this old building should be given away or sold or disposed of in some way, and its place supplied by a proper pavilion hospital. Not only should this be done in Pittsburgh, but wherever these old bastile structures have been erected, nominally for the benefit of sailors, but really more like dark, gloomy prisons—they should be disposed of in some way and other hospitals erected in their stead. In that connection I advocate the passage of this bill as I would of any other bill which shall remove these old structures from actual service and build in their stead cheap, airy hospitals which are so desirable.

Mr. NEGLEY. I would state again to the House that it is not the intention to ask any appropriation from the Government. The proposition is merely to sell so much of this land as will enable the authorities to locate and build a suitable hospital elsewhere. It is merely a change of location from a low and unsuitable piece of ground to another and better.

Mr. GARFIELD. I move to amend the bill by adding to it the following:

Provided, That the Secretary of the Treasury, if in his judgment the public interest would be better subserved, may, instead of building a hospital, contract with the authorities of the city of Pittsburgh to care for such persons as are now cared for in the marine hospitals of the United States.

Mr. SESSIONS. I hope that amendment will not be adopted.

Mr. GARFIELD. That will enable the Secretary of the Treasury, if he finds the facts to be as I think them to be, to avoid the necessity of building a new hospital.

Mr. SPEER. If it is the intention of Congress to adopt that policy, then let a general bill for that purpose be introduced and passed. But why should Congress attempt to ingraft general legislation upon a bill providing for the erection of a single hospital in a single city?

Mr. CONGER. The power contemplated by the amendment now exists by law in regard to every hospital.

Mr. SPEER. This bill does not provide for the expenditure of a single dollar of public money in addition to what shall be received from the sale of the old property. By reason of the improvement and development of the city of Pittsburgh, the ground upon which the present hospital is located can be sold for a great deal more money than will suffice for the purchase of suitable grounds elsewhere for a new building; and the difference between the price of the present grounds and the sum necessary to purchase new ground can be devoted to the erection of a more suitable building, better fitted for the use to which the Government intends to devote it. This is a bill which appeals to the humanity and justice of this House, and I am surprised that any gentleman, especially one who does not live in the city of Pittsburgh or the State of Pennsylvania, should attempt for any reason to thwart the passage of a measure so laudable in its objects.

The amendment of Mr. GARFIELD was not agreed to.

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

Mr. COX. In the confusion prevailing in the Hall, I doubt whether the bill just passed was properly understood. I move to reconsider the vote by which it was passed.

Mr. SPEER. Did the gentleman vote with the majority?

The SPEAKER. The Chair does not know whether he did or not; the vote was *viva voce*, and any member has the right to make the motion to reconsider.

Mr. COX. Is it in order to have the bill read?

The SPEAKER. It has been read twice; but if the gentleman so desires it can be read again.

The bill was again read.

Mr. COX. May I say one word on this subject?

Mr. NEGLEY. I move to lay the motion to reconsider on the table.

Mr. PLATT, of Virginia. Is not that the motion of the gentleman from New York, [Mr. COX?]

The SPEAKER. No, sir; the gentleman from New York has moved to reconsider the vote by which the bill was passed, and he intimated, as the Chair thought, that it had not been understood by the House. The bill was very fully debated, and gentlemen should not make their own inattention to business a matter of reproach upon the House.

Mr. NEGLEY. The gentleman was in his seat when the bill was passed.

The SPEAKER. The bill was quite fully discussed; and the Chair never relishes an intimation of that kind.

Mr. COX. The Chair is always very just to me—more so than I deserve. I wish to say one thing upon this subject. Secretary McCulloch once said that the maintenance of these marine hospitals cost more than it would cost to board each of the inmates at the Fifth Avenue Hotel, New York. If we had time to examine the matter, we might abandon our policy in respect to these hospitals. I have been through some of them myself, and I know what they are.

Mr. NEGLEY. Was the gentleman in the hospitals during the war?

Mr. RANDALL. I want to direct attention to the fact that the funds by which these hospitals are supported come from the sailors themselves, not from the Government.

The question being taken on the motion of Mr. NEGLEY to lay on the table the motion to reconsider, it was agreed to.

TERRITORIAL PENITENTIARIES.

Mr. WELLS, from the Committee on Public Buildings and Grounds, reported back with a favorable recommendation the bill (H. R. No. 440) to amend the act entitled "An act transferring the control of certain territorial penitentiaries to the several Territories in which the same are located," approved January 24, 1873.

The bill was read. It provides in the first section that the act entitled "An act transferring the control of certain territorial penitentiaries to the several Territories in which the same are located," approved January 24, 1873, be amended by striking out the words Montana, Idaho, and Wyoming wherever the same occur in said act, and the said act shall hereafter have no applicability to the Territories of Montana, Idaho, and Wyoming. The second section provides that the penitentiaries in the Territories of Montana, Idaho, and Wyoming shall continue under the care and control of the marshal of the United States for said Territories, under and pursuant to the provisions of the act entitled "An act in relation to certain territorial penitentiaries," approved January 10, 1871; which said last-mentioned act is thereby revived and re-enacted so far as the same applies to the Territories of Montana, Idaho, and Wyoming.

Mr. HOLMAN. If there is a report accompanying this bill I should like to hear it.

The report was read. It states that the facts in reference to this bill are that on the 10th day of January, 1871, an act of Congress was approved whereby the United States penitentiaries of Montana, Idaho, and Wyoming were placed under the charge of the United States marshals who were charged with the care and control of persons convicted of offenses against the laws of the United States; and which act further authorized the Attorney-General to contract with the several authorities of the Territories to maintain therein all persons convicted of offenses against territorial laws, at the cost of keeping and maintaining the same. The Territories thereupon, repealing their prison laws, authorized their respective governors to enter into contract with the Attorney-General to keep the prisoners with those of the United States; and such contracts, at the prices stipulated by Mr. Hoar, then Attorney-General, were entered into in good faith by the several Territories and all territorial prison systems, wardens, and officers, being no longer needed in said Territories, were abolished, and the laws creating the same repealed.

On the 24th day of January, 1873, an act of Congress was passed which transferred the use and control of these United States penitentiaries to the territorial authorities, the United States retaining the ownership and title of the buildings, and so far modifying the original act as to reverse the positions of the parties—the United States marshals being directed to surrender their control of the United States prisoners to the territorial authorities and to contract with them for their care and maintenance; in short, that the United States should now pay the Territories for keeping their prisoners, whereas under the old law the Territories paid the United States.

It appears that in most instances the United States had the greater number of prisoners, and that the marshals and their deputies took care of the same and of the territorial prisoners. The Territories have now no wardens or other officers to receive these prisoners, nor any prison system, nor can any such be created without calling special sessions of the territorial Legislatures, which would cost the United States from thirty to fifty thousand dollars, one Legislature having been already convened to make these laws at an expense of $15,000 to the United States; whereas under the old law the United States marshals maintained these prisoners without any greater cost to the Government than would now be required to pay the Territories to keep the same, even if the Territories should agree to accept the prisons and take charge of the United States convicts at all.

Under these circumstances the Attorney-General could not, nor has he enforced the law, but has merely awaited the action of Congress. The committee plainly perceives that to call special sessions of the Legislatures to transfer these prisons would be a loss to the United

States, while it would injure the Territories to maintain a prison organization to perform duties which can as well be performed by the existing officers of the United States, who will keep their prisoners for the exact cost of their maintenance and control, and probably at better terms than they can keep them themselves.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. WELLS 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.

UNITED STATES CUSTOM-HOUSE, LOUISVILLE, KENTUCKY.

Mr. MILLIKEN, from the Committee on Public Buildings and Grounds, reported back a bill (H. R. No. 2029) for the protection of the United States custom-house in the city of Louisville, Kentucky, with the recommendation that it do pass.

The bill, which was read, provides that the Secretary of the Treasury be empowered and directed to purchase from the owner or owners thereof, at a price not to exceed $12,500, all that certain piece of ground in the city of Louisville, county of Jefferson, and State of Kentucky, situate west of and adjoining the United States custom-house, fronting twenty-five feet on Green street, and extending back one hundred and fifty feet, parallel with and the same depth as the custom-house property; and for that purpose the sum of $12,500, or so much thereof as shall be necessary, be and is thereby appropriated, out of any money in the Treasury not otherwise appropriated; provided, however, that no part of the money thereby appropriated shall be paid or expended until a clear, perfect, and absolute title in fee-simple to the ground shall have been secured and conveyed to the United States by a good and sufficient deed of general warranty.

Mr. COBB, of Kansas. I make the point of order that the bill makes an appropriation, and therefore must have its first consideration in the Committee of the Whole on the state of the Union.

The SPEAKER. The Chair sustains the point of order, and the bill goes to the Committee of the Whole on the state of the Union.

THE CITADEL ACADEMY, SOUTH CAROLINA.

Mr. MILLIKEN, from the same committee, also reported back a bill (H. R. No. 835) authorizing and directing the rebuilding of the west wing of the building in the city of Charleston, South Carolina, occupied by United States troops, known as "the Citadel Academy," and making an appropriation for the same, and moved that it be referred to the Committee on Claims.

The motion was agreed to.

HOUSE LIBRARY.

Mr MILLIKEN. I am instructed by the Committee on Public Buildings and Grounds to report the following resolution for action:

Resolved, That the Supervising Architect of the Capitol building be, and is hereby, authorized and directed to convert the space over the colonnade at the south end of the old Hall of Representatives into a room for the extension of the House Library and fit up the same with shelves for books; and he is further authorized and directed to fit up with shelves a sufficient number of rooms in the basement story of the east wing of the Capitol building to accommodate all of the House library books not shelved after filling the colonnade as aforesaid; and for this purpose the sum of $2,000, or so much thereof as may be necessary, is hereby appropriated out of the contingent fund of the House of Representatives.

Mr. RANDALL. I make the point of order on that resolution that it makes an appropriation.

Mr. PLATT, of Virginia. Let it be considered in the House, as in Committee, under the five-minute rule, and with the consent of the House I will state my reason for it. The evil which the passage of this resolution is asked to correct is one growing greater every day. Every gentleman of the House who will step up to the House Library will see for himself the absolute necessity for more room to store books. They are daily accumulating, and already they are piled up in such confusion that it is almost impossible for the librarians to properly perform their duty. The Committee on Public Buildings and Grounds have carefully considered this whole matter, assisted by the officers of the House and by the architect of the Capitol, and the means suggested here are the cheapest and most feasible for the purpose of securing necessary accommodations. This is a necessary thing to do, and I hope the gentleman from Pennsylvania will allow the resolution to be considered now as in the Committee of the Whole under the five-minute rule.

The SPEAKER. The point of order made by the gentleman from Pennsylvania, that the resolution makes an appropriation, is well taken.

Mr. PLATT, of Virginia. I make the request of the gentleman from Pennsylvania to allow it to be considered in the House as in Committee of the Whole.

Mr. RANDALL. We have rules, and let us live up to them. I was willing to yield to hear the gentleman from Virginia make his statement, but I do not withdraw my point of order.

The resolution was referred to the Committee of the Whole on the state of the Union.

CIVIL-SERVICE REFORM.

Mr. WOODFORD. I am directed by the Committee on Reform in the Civil Service to report back a bill (H. R. No. 1540) to prevent officers of the United States receiving or being paid any money beyond their fixed salaries, with a substitute.

The SPEAKER. If there be no objection the substitute will alone be read.

Mr. O'BRIEN. What is the bill for which it is a substitute?

Mr. HOLMAN. I ask for the reading of the original bill.

The SPEAKER. It is always in order to call for the reading of the original bill.

The Clerk read the original bill, as follows:

Be it enacted, &c., That no officer or employé of the United States shall receive or be paid, directly or indirectly, any money or property under the name of contingent expenses, or any other name or form, beyond his legally established salary, except in cases of customs informers; and that no public property shall be used by officials for private purposes.

SEC. 2. That this act shall not be so construed as to prevent the payment from the Treasury of all actual and necessary traveling expenses of United States officials when performing the legitimate and necessary duties pertaining to their offices.

The substitute was read, as follows:

That no officer of the United States shall, directly or indirectly, receive, or be paid to or for his own use or benefit any money or property whatever of the United States, except a salary to be fixed by law; and that no public property shall be used by officials or by any persons for private purposes.

SEC. 2. That this act shall not be so construed as to prevent the payment from the Treasury of the actual and necessary traveling expenses of United States officials when performing the legitimate and necessary duties pertaining to their offices.

Mr. GARFIELD. I desire to suggest to the gentleman from New York who has charge of the bill to add after the word "salary" the words "or compensation." A large number of officers are paid by fees, or are paid in ways which cannot be properly described as a salary. There are those who receive a per-diem pay. If the gentleman will add the words "or compensation," the language will be broad enough to cover them all.

Mr. WOODFORD. I accept the amendment of the gentleman, which I understand is to insert after the word "salary" the words "or compensation."

Mr. G. F. HOAR. Would the gentleman from New York allow the bill to be further amended by inserting the words, "or make any private profit or use of the labor or services of any person employed by the United States?"

Mr. WOODFORD. He would personally be willing to.

The SPEAKER. The gentleman from Massachusetts will please reduce his amendment to writing.

Mr. DAWES. I ask that the substitute may be again read.

The substitute was again read.

Mr. MAYNARD. I desire to ask the gentleman who has charge of this bill how it will affect a class of officers who have hitherto been paid very largely by the emoluments of the office aside from the salary? I mean the collectors at our ports. Does he intend to restrict them hereafter to their salaries *eo nomine* as they are established by law?

Mr. WOODFORD. He does.

Mr. BUTLER, of Massachusetts. I call the regular order. It is now half-past one.

Mr. WOODFORD. I have no objection to that if the bill can go over till the morning hour to-morrow.

The SPEAKER. The bill necessarily goes over; but the Chair will first have the amendment of the gentleman from Massachusetts [Mr. G. F. HOAR] read.

Mr. CONGER. Is the bill liable to the point of order that it requires an appropriation and must have its first consideration in Committee of the Whole?

The SPEAKER. It would have been. But it has been discussed by half a dozen gentlemen.

Mr. CONGER. The discussion was in regard to what the bill was, and I was waiting patiently to make my point of order.

The SPEAKER. The Chair did not observe the gentleman making any motion that way.

Mr. WOODFORD. Amendments have been offered, and I accepted one with consent of the House, and intimated my willingness to accept another. That certainly is equivalent to a partial consideration, because the fullest debate and a vote thereon could have accomplished no more.

The SPEAKER. The Chair naturally supposed that some gentleman would make the point of order, and looked round, but observed no gentleman rising for that purpose.

Mr. G. F. HOAR. I send to the desk the amendment which I desire to offer.

The Clerk read as follows:

After the words "fixed by law" insert "or make any private profit or use of the labor or service of any person employed by the United States, which labor or service is paid for by the United States."

Mr. KASSON. I ask that the bill and the amendments which have been suggested may be printed.

The SPEAKER. The Chair hears no objection to the substitute being treated as an original bill. It will be printed; the amendment of the gentleman from Massachusetts [Mr. G. F. HOAR] will also be printed, and the bill will go over in the morning hour with that amendment pending.

Mr. O'BRIEN. I send to the desk an amendment which I desire may also be printed.

The SPEAKER. The Chair understood the amendment of the gentleman from Ohio, [Mr. GARFIELD,] to insert the words "or compensation," to be agreed to by unanimous consent.

Mr. CONGER. I desire to insist on my point of order on the bill. I think any gentleman who takes the earlist opportunity to get the attention of the Chair to make a point of order should be allowed to make it.

The SPEAKER. How early did the gentleman seek the attention of the Chair?

Mr. CONGER. As soon as the Chair determined that the substitute was the bill before the House. I made the point of order before there was any discussion on that.

The SPEAKER. The gentleman will observe that the bill was read. The substitute was then read. The gentleman from Ohio who offered an amendment discussed it. The gentleman who had charge of the bill discussed it briefly, admitting the amendment, which was agreed to. Then the gentleman from Massachusetts offered an amendment verbally, which the Chair said had better be reduced to writing. The gentleman reduced it to writing. And after all that transpired the gentleman from Michigan comes and insists on the point of order, which as the Chair thinks was too late.

Mr. CONGER. The Chair decided that the substitute should be considered, and that was the first time there was an opportunity to make a point of order.

The SPEAKER. The gentleman is in error; the Chair did not decide that point.

Mr. CONGER. The Chair said so.

The SPEAKER. The Chair said he understood there was no objection to the substitute being considered as an original bill.

Mr. CONGER. And at that moment I raised my point of order.

The SPEAKER. If the gentleman objects to its being so treated, that point of order is good.

Mr. CONGER. I will object, then, to its being so treated.

The SPEAKER. That point of order is good. The gentleman from Michigan insists that the substitute shall not be treated as an original bill, but that there shall be a vote whether it shall be put in the place of the original bill. That point of order is good; but the Chair thought that the gentleman was making a point of order that the bill should go the Committee of the Whole.

Mr. DAWES. The gentleman's present point of order will not help him to get the bill into Committee of the Whole?

The SPEAKER. Not at all. The Chair thought there was a general agreement that the substitute should be treated as an original bill.

Mr. CONGER. The Chair suggested a substitute for my point of order which partly misled me. I am not responsible for the Chair's misleading me or any other member by his suggestions.

The SPEAKER. The Chair cannot always understand what is in the mind of the gentleman from Michigan. He only knows what he speaks. The Chair distinctly remembers that the gentleman did not rise to make the point of order. He may have intended to do so; but good intentions are not always valuable in the House.

Mr. CONGER. I wish to say this, if the Chair pleases, for myself and other members of the House. I am not speaking of this particular case, but I have repeatedly addressed the Speaker without being able to catch his attention to a motion which I have wished to make or to remarks that I have wished to make, because the attention of the Speaker was directed to those who are larger bodies in this House.

The SPEAKER. Generally on account of the noise which the gentleman's associates on the floor are making around him.

Mr. CONGER. If the Speaker pleases, if I had control of the noise I would be responsible for it.

The SPEAKER. The Chair finds it impossible to control all the members, and oftentimes equally as impossible to control the gentleman from Michigan as any other.

Mr. GARFIELD. I demand the regular order.

Mr. WOODFORD. Will the Chair kindly state to the House the position of the bill?

The SPEAKER. It is in the morning hour, and will come up to-morrow as soon as the morning hour begins. The first question will be on the amendment of the gentleman from Massachusetts, [Mr. G. F. HOAR.] The Chair understands that the bill and the substitute and the amendments will be severally printed.

Mr. O'BRIEN. I desire to have an amendment printed.

Mr. WOODFORD. The gentleman from Maryland asked permission to offer an amendment for the purpose of having it printed, and I understood the Chair to recognize him.

The SPEAKER. Does the gentleman admit the amendment?

Mr. WOODFORD. I am willing that it shall be offered and printed.

The SPEAKER. The amendment will be printed.

Mr. CONGER. I rise to ask a question. The Chair often intimates to members of the House that it may be necessary to mention them by name. I desire to ask the Chair whether there has ever been anything in my conduct in this House that required him to suppose me to be more disorderly than other gentlemen, as he said just now it was impossible to keep the member from Michigan in order?

The SPEAKER. No; the Chair only stated that he found it equally impossible; he only put the gentleman from Michigan on the same level with other members.

Mr. CONGER. The member from Michigan has endeavored to so conduct himself in this House as not to be liable to such censure.

The SPEAKER. The Chair did not make any censure in any shape or form; it was the furthest from his thought to do any such thing.

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

CURRENCY—FREE BANKING.

The SPEAKER. The regular order being demanded, the House now resumes the consideration of the special order, being the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes, reported from the Committee on Banking and Currency. The gentleman from Indiana [Mr. COBURN] is entitled to the floor for one hour.

Mr. COBURN. I yield for a moment to my colleague, [Mr. CASON.]

Mr. CASON. I desire to submit an amendment for the purpose of having it go into the RECORD and be printed. It is in the nature of an amendment to the motion to recommit. It proposes to recommit the bill with instructions to report a substitute.

Mr. MAYNARD. Is that in order?

Mr. G. F. HOAR. As the substitute has not been read I desire to reserve points of order upon it.

The SPEAKER. All the gentleman from Indiana desires is to have his amendment printed as an expression of what he would desire to offer. It is in the form of an amendment to the motion to recommit, and if the gentleman from Tennessee [Mr. MAYNARD] should withdraw the motion to recommit, the amendment itself would be withdrawn. The Chair hears no objection to the printing of the amendment.

The proposed amendment is as follows:

Resolved, That the motion to recommit bill No. 1572, the same being a bill to amend the several acts providing a national currency and to establish free banking, and for other purposes, be amended so that said bill be recommitted to the Committee on Banking and Currency with instructions to report a bill incorporating the following principles as a substitute for the bill now before the House:

1. That all national banking shall be free, upon the following basis:

2. The Government to issue bonds bearing a rate of interest at 3.65 per cent. per annum, to be deposited by banks with the Secretary of the Treasury as security for the redemption of their currency, and shall be payable in — years in gold and silver coin.

3. That all banks heretofore organized shall upon their incorporation be required to deposit with the Secretary of the Treasury said 3.65 per cent. bonds at the ratio of the amount of $60,000 for every $50,000 of currency furnished to any such banks, as hereinafter provided.

4. That the national banks now organized shall be required in a reasonable time to give up all bonds now held by them on deposit with the Government as security for the redemption of their circulation which bear a higher rate of interest than 4 per cent. per annum, and deposit in place thereof said bonds bearing a rate of interest of 3.65 per cent. per annum.

5. That all banks hereafter incorporated, before completing their organization, shall be required to take up the outstanding bonds of the Government which bear a rate of interest not less than 5 per cent. per annum and deliver the same to the Secretary of the Treasury for cancellation and destruction to an amount equal to the 3.65 per cent. bonds which such bank may desire to deposit with said Secretary of the Treasury as security for its circulating medium.

6. That the Secretary of the Treasury shall cause to be issued certificates of circulation, as money, of different denominations, which shall be payable by some national bank, and shall bear no interest, but which certificates the Government will guarantee the payment of in the event that the bank in which any such certificates shall be payable shall be unable to redeem the same, the Government to indemnify itself by the sale or cancellation of the 3.65 per cent. bonds held by the Secretary of the Treasury from such bank as security for the redemption of its circulation. And which certificates of circulation shall be furnished to each national bank in the ratio of $50,000 for every $60,000 in 3.65 per cent. bonds deposited by any such bank with the Secretary of the Treasury. Each bank receiving said certificates to reimburse the Government the cost of the issue of the same, and be required to redeem the same in gold or silver coin, legal-tender notes, Treasury notes, or 3.65 per cent. Government bonds.

7. That the national banks now organized shall be required within a reasonable time to take up their present circulation and deliver the same to the Secretary of the Treasury to be canceled and destroyed, and in lieu thereof receive, as hereinbefore provided, certificates of circulation.

8. That the Secretary of the Treasury shall be authorized to exchange said certificates of circulation, bank-notes, Treasury notes, or bonds bearing a higher rate of interest for said 3.65 per cent. bonds. And when said exchange may have been made for bonds bearing a higher rate of interest than 4 per cent. the same shall be canceled and destroyed by the Secretary of the Treasury. And when the Secretary of the Treasury shall receive certificates of circulation, bank-notes, legal-tender, or Treasury notes not bearing interest in exchange as aforesaid, he shall from time to time, with the same, redeem such outstanding bonds that are by law redeemable and which bear a higher rate of interest than 4 per cent., and cause said bonds to be canceled and destroyed.

9. That the Secretary of the Treasury be required to issue a portion of said 3.65 per cent. bonds in denominations of $5, $10, $20, $50, and $100 bonds, and that he and all national banks that are depositories of public moneys shall be authorized to exchange the same for certificates of circulation, legal-tender notes, or Treasury notes not bearing interest, and the Secretary of the Treasury shall cause from time to time to be redeemed therewith United States bonds bearing a higher rate of interest than 4 per cent. per annum, and cause said bonds to be canceled and destroyed. And that said Secretary of the Treasury and said banks of deposit may in like manner exchange said certificate of circulation, legal-tender, or Treasury notes for said 3.65 per cent. bonds: *Provided*, That said 3.65 per cent. bonds shall not draw interest while in the hands of said Secretary of the Treasury, or in the hands of said banks of deposit for the use of the United States: *And provided further*, That the Secretary of the Treasury shall require from all banks of deposit satisfactory security for the safe-keeping, accounting for, and the prompt payment of said moneys and bonds.

10. That hereafter national banks shall pay no interest on deposits except when there is a direct loan of a specific sum of money for a definite time and a written obligation given at the time of the loan specifying the rate of interest to be paid.

11. That the Secretary of the Treasury shall at all times retain the overplus of all bonds in his hands, or the proceeds thereof, until after the circulation of any bank may have been redeemed; which overplus shall be used if necessary to secure and pay any deposits that may remain unpaid by such bank after its circulation has been fully redeemed. Also, the Secretary of the Treasury shall retain all interest that may become due on the bonds of any bank deposited with said Secretary of the Treasury to secure the redemption of its circulation, until said interest so reserved shall amount to one-fifth part of the par value of all such bonds so deposited with said Secretary of the Treasury: *Provided*, That such banks may from time to time pay out of their reserves, now by law required to be kept on hand by said banks, a sum equal to that of the interest so retained by said Secretary of the Treasury.

12. That the Secretary of the Treasury shall be required and directed to so control the redemption and payment of the bonded debt of the Government as at all

times to have in the Treasury of the United States a sufficient sum of money to carry out the foregoing provisions; that section 12 of an act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof, approved June 3, 1864, be so amended as to require all shareholders of any bank failing and winding up its business to be responsible to the depositors of such bank, after its assets may have been exhausted, in a sum not exceeding double the amount of the par value of the capital stock held by each shareholder.

Mr. COBURN. Mr. Speaker, after what has been said in this masterly discussion of all matters pertaining to our currency, I hesitate to proceed. I feel that I can add but little to what has been already said, and that I may only prolong the hour when decisive action shall take place The whole nation has waited anxiously for the day when the conclusion shall be reached; and as month after month has been consumed in legislation upon other subjects, the loud and impatient cries of many thousands for prompt and radical action swell upon every breeze.

DOES THE WEST LACK CAPITAL OR CURRENCY?

It has been said in debate, and re-repeated by the opponents of additional circulation, that we in the West and South do not need currency so much as capital; that we are destitute of capital and have no right to currency. We are disposed to contradict this assumption, and if we had a less respectable source of evidence than the census tables might feel some hesitation in doing so, in view of the positive and arrogant manner in which the assertion is made. These tables show that we have wealth and capital in abundance; perhaps not in as great abundance as the older and more boastful States, but quite enough to command respect and to silence those who so insolently make the declaration. I will read a statement from the census tables showing what I say is true. The following figures indicate the values of all property in 1870 in the States named:

Connecticut	$774,631,524
Rhode Island	296,965,646
Massachusetts	2,132,148,741
Illinois	2,121,680,579
Indiana	1,268,180,543
Missouri	1,284,922,807
Iowa	717,644,750
Michigan	719,208,118
Ohio	2,235,433,300
Wisconsin	702,307,329

The national banking facilities of the three States first named are *per capita* about fourfold those of the States last named. Capital seems to be in sufficient quantities in those Western States, while currency is lacking.

The cool effrontery of this assertion of the lack of capital is only equaled by that of him who would reason with the man who was athirst to convince him that he was not dry instead of giving him water, or with another who was shivering and freezing to convince him that he was not cold instead of giving him clothing. The man who has water and clothes may argue till doomsday but he can produce no effect. A want was never supplied by an argument, much less by a threat or a sneer. The man who has land, but who has no plows, hoes, harness, or teams, is in want of them when he goes to cultivate the soil. The land is one kind of capital, the implements of husbandry are another. Suppose the owner of these latter would refuse to sell them to the farmer because he did not need them and ought in his opinion not to have them; and suppose in addition he added the sneer that the landholder had no capital and could not cultivate a farm even if he had the tools. That would be regarded both as impudence and nonsense. But that seems to be the way the opponents of western and southern banks talk.

The soil needs cultivation, the country needs the currency, the tools of business; must the land lie idle when the implements of the farm can be had? Must business stand still or perish because the tools are locked up? This is the question. This is what is before us. The legal-tender note, the bank-note, the bank-check, the draft, the bill of exchange, these are the ready tools of business; shall they be placed where they can be honestly and handily obtained for value by the people?

Let nobody spring up and say that it is proposed to give them away, or to shuffle them off to speculators. Let no one say that we do not intend to allow them to go fairly into the clean hands of honest men for full value. The people demand more of the circulating medium, and it becomes a grave question whether it is really needed; if needed, in what form; and if that be settled, to what extent?

I need not enter into an argument or discussion to show the nature of the legal-tender notes. It does become a matter of some importance to have distinct views as to the origin and uses of our national banks. I prefer to look at the practical rather than the legal aspects of the iscussion.

We have now a vast national banking system, in which the entire business of the country is interwoven, involving all the interests of the nation, and to overthrow it would prove disastrous in the extreme. The loans of these banks average more than double their circulation; their deposits are counted in a still greater sum. To withdraw their bonds, to call in their loans, and to pay out their deposits preparatory to going out of business would exhaust the means of the banks for a time, and so cripple and convulse business as to bring on incalculable misfortunes. We must deal with them as they are, and take things as we find them. I once favored a redistribution of these banks, and had it been done some of the ills we complain of might have been averted. But the older States remonstrate against redistribution; prophesy that it will bring bankruptcy upon them, and contend so stoutly for what they have that for one I am willing to adopt another line of policy, and favor the equalization of banks by allowing to the newer portions of the country an equivalent share. This will satisfy all parties who are disposed to be reasonable.

To those who have already more than their share, and who are unwilling that the States unsupplied shall have their complement, I have only to commend the reading of the fable of the dog in the manger. I have no argument other or longer than that for such gentlemen.

If abundant banking facilities are a benefit to those who have them, why shall they be denied to those who have them not and desire them? Will it be unsafe to trust the unsupplied States? What is there in them that leads to a doubt as to their ability to do a safe banking business? Surely the West and South have had in former years a surfeit of bad currency and bad banks, and now know by experience that the present paper currency is as much better than their old circulation as gold is better than greenbacks. This money is good everywhere; is not subject to the ruinous rates of exchange that attached to local bank paper. It can be sent or carried to the remotest points, and incurs no discount.

FORMATION AND USES OF BANKS.

An inquiry into the nature of banks in this country may prove profitable. How is a bank originated and established? Is it a growth, like that of an oak? Is it a natural object, like a mountain? Is it even a fortune, a mass of wealth, like the fortune and the wealth of Girard, Astor, or Stewart? It is not. A bank is not necessarily composed of the money of one rich man or more. A bank is a mere accumulation of means; it may be established where wealth has no existence and luxury is a mere name. A bank is made up of the contributions in a business way of its stockholders. Take an agricultural district, composed of comfortable, well-to-do farmers; a large number, say five hundred, put in on an average a thousand dollars each, and you have a very respectable bank; let them put in two thousand each, and they have a strong, a powerful bank. The farmers in many a county in Ohio, Indiana, Kentucky, Illinois, and other States can do this, and in some measure do it. Numerous banks, ranging from fifty to two hundred thousand dollars capital, are thus formed. They need not stint or strain themselves to do so. If banking is profitable to them, why should they not make this investment? If they can put in the security, why shall they not have the image and superscription of the Government put on their notes?

Certainly there is no danger that practical men as they are will embark in the business of banking if it is unprofitable. They are less likely to do so than the crowded denizens of cities. They need no guardian in this respect. They only need that freedom to choose and to invest that men in the older States have. These sound-headed, cool men are not in danger of flooding the country with useless notes. They need banks in their communities to do the local business, which at times is quite large. They can thus help each other by a common accumulation, to which all may resort and obtain help. Sound management will teach them how to obtain and retain the supply for common use. The nation may lend them her name, and for this attach some wholesome provisions, some judicious restraints, some safeguards in administration; but the great object is obtained when the circulation is secured beyond all possibility of a loss to the bill-holder. There is a sphere of business management into which the Government cannot enter, which is essentially private, and in which the stockholders and their customers take mutually the risk of profit or loss.

A bank is a center of business for a community. It enables the people to obtain accommodations without the inconvenience of travel; it enables a man of limited acquaintance to borrow money who could not go abroad and do so; it gives to the neighborhood the profits on all the loans; it is a hive for the circulation of surrounding business mens it localizes a certain amount of it, and holds it ready for use. The idea of the distribution of the currency by the distribution of bank; is not a myth, is not a fallacy. True enough, the establishment of i bank does not at once create wealth or capital; but it organizes at. It is like the recruiting of an army; it does not make men, but it assembles them; it puts them into form and order, where they exercise tremendous power. And when it is said that to allow banking in the regions where it is not does not of itself make a dollar more, nobody will contradict that; but if it be said that the result of a bank so organized is nothing, I dispute it. Just as well tell me that because recruiting does not create men, an assembled army has no power and will do nothing.

Put a bank into operation in any rich and populous county where there is not now one, and the result is soon seen. It never fails to appear in just one way, and that is that business is greatly aided. Nobody is so silly as to argue or expect that capital will spring up where it is not because a law is passed. The trouble is banks are by law prevented from springing up where capital is already. That is what redistribution of the currency means. The man who lives in Massachusetts, Rhode Island, and Connecticut, who has all around him these banks, knows this, and holds on to his bank-stock and refuses to let his western and southern neighbor have any. He hoots and sneers at them as having no capital, nothing to make a bank with, but takes good care not to let him have a chance to do so. This may be good financiering, but is not good neighborship; it is not decent; it is greediness; it is shabby selfishness. The man that does so will suffer for it in some way at some time, and be taught that to live and let live is the best policy.

It is said if more banks are established and they are distributed ever so widely the money will, after all, float to the great centers; that it will circulate, that it will find its way from the banks of issue, and be absorbed into the general mass of currency. This may be, and no doubt is, true, and yet does not meet the case, which is this: that other currency of equal value fills its place; that a receptacle, a reservoir, for instance, has been created into which this money flows, and it makes no difference from what bank it comes, it is just as available as if it were the issues of the local bank. No man pretends that the circulation can be localized, but an equal amount is, and the effect is just the same.

The expansion produced by the use of mercantile paper is what every healthy business community wants, and should not be denied. The amount of business done by checks, drafts, and bills of exchange is much greater than that done by currency itself. In the great cities the proportion of currency is very small, not over 5 per cent.; in others, 10 to 15 per cent.; in others, a still greater proportion, up to 40 or 50 per cent. This rate increases in the rural districts, where experience shows the need of more currency to do the same amount of business.

The whole country has come to understand the uses of banks and their convenience just as well as they understand the uses of steam machinery, and the thousand labor-saving devices of the last fifty years. The bank is not a mere place from which circulating notes issue, but a higher, wider, much more extensive use for them is demanded and obtained; a use which will at no distant day largely dispense with the handling of currency, and enable the people, through checks, drafts, and the clearing-house, in all wide-awake communities, to transact the greater part of their business. Banks may be badly managed, and so may railroads, steamboats, telegraphs, and the art of printing, but they stand among the essential features of the modern business world.

Whether the United States shall furnish the circulation composed of her own notes, or notes secured by her bonds, or allow private corporations to do so, as before the war, is a question yet to be settled, and one about which there is very serious doubt and question in the minds of many men. My belief is that the best paper circulation is that issued by the United States based on her own credit; that it is cheaper, safer, and just as convenient as any other; that ultimately the Government will be the true center of paper redemption, and can do it to better advantage than individuals can, and under safe management will be the only constant, reliable, and competent existence that can meet all runs, defy all panics, and overthrow all rings. I believe that the Treasury of the United States, if this nation is worthy to live as an honorable and progressive Government, will be the sole instrument that can strike down all financial combinations and give to the people security in trade and regularity in monetary transactions. Without some such agent we must drift to and fro under the influence of the great corporations that have grown into such enormous proportions and are yet but in their infancy.

I believe that the time will come, if a policy of United States notes is adopted, when the Government will be able to have on hand such a reserve fund of specie as will place beyond question the efforts of speculators to tamper for one moment with the price of gold.

Just now there seems to be a dread in the minds of many that to issue United States notes is the certain way to bankruptcy; that to begin is to embark in an unlimited course of expansion which will end in the depreciation and dishonor of our paper currency. I have no dread of such consequences. I participate in no such lack of confidence in my fellow-men. I sympathize with no such contemptible opinion of those who shall succeed me in public life. That mankind is endowed with ordinary discretion, that our people are not ready to commit monetary suicide, that they have some little business sagacity left, I have no earthly doubt. But this whole theory of horror at the embarkation into an illimitable sea of irredeemable promises goes upon this presumption. I prefer rather to presume that our nation will at present and in the future act with a fair amount of common sense.

IT IS SAFE TO INCREASE BANKS.

At present the public mind seems turned away from the issue of United States notes to a system of national banks more or less free. This currency is safe, is better than any other paper circulation we ever had before, except the greenbacks, and is acceptable to the people. It will not be harmful to enlarge it if the demands of business require it. The addition of fifty-four millions to this kind of currency since 1870 has had no effect to depreciate it, and in my judgment as many dollars more would, instead of weakening, strengthen the credit of the country and give aid to all business enterprises.

I would not favor the policy proposed by some to allow absolute free banking. The Eastern and Middle States have now more than their due proportion of national banks, and it is but fair to restrict all new banks to those States that have not their due proportion. When something like equality is established it will be time to talk about free banking, not till then. The result of the stem now would be to induce too many persons to go into the business; inflation would be the consequence; banking would grow unprofitable, and then contraction would follow, and the fluctuations consequent upon expansions and contractions would be inevitable. The evils of redundancy would probably be felt in a short time, and the complaints of the past year as to an unsettled currency would be doubled. A gradual increase of currency in the States not in excess seems to be the most advisable plan, giving relief in such a shape as to give no sudden start to speculations. If $50,000,000 additional bank circulation were allowed to the newer States, to be taken by them during the next twelve months, and if not all taken by them at that time, the remainder to go to the older States, this, it seems to me, would operate so gradually that business could easily adjust itself to it. Twenty-five millions more might be allowed the second year in case the $50,000,000 were an insufficient supply.

An unlimited circulation is to be avoided, and has no demand in the business of the country.

A RESERVE NEEDED.

We are now laboring under the effects of a panic which arose not from a depreciation in currency or a lack of confidence in it, but in its scarcity. The breaking up of a great banking-house was the signal; and when dealers in currency, bankers, and business men began to look about and count up their currency, they found that there was a remarkable scarcity of the article. Where it was no one could tell; the pulses were felt all around, and the same condition was found everywhere. "No money!" "No money!" was the cry. There was the same property, the same business, there were the same men; but the public brain was stunned by the inquiry for currency. A man in health drops down with apoplexy. An engine with full power suddenly stops. Men stand aghast, as they did when the money panic occurred, and no one can tell why it is. Perhaps the very force of the man and the machine was the cause of death and ruin. So it seemed in our panic. No one can say that business was generally in an unhealthy state. The crops were good; the factories, shops, and mills were at work; the demand for all articles of trade, commerce, and merchandise was fair; railroads, banks, insurance companies, and foreign trade were in a flattering condition. There had been no fire, no famine, no pestilence, no war, no drain upon the resources of the people. The alarm sounded and the whole machinery of society stopped—stopped not because it had broken, but simply the little supply of water had been cut off or diverted. Had there been a little tank, a little reservoir, a little streamlet, to have added to the supply, this would not have happened. But that little supply had been nowhere provided, that little reserve had not been thought of by the workmen who planned and put up the ponderous machinery that drove the nation through the waves of the most tremendous civil war mankind ever witnessed. It was a slight omission; but at last the day came when its use was essential, and then for the want of it the machinery stopped. There was no legitimate reserve to which the people could resort. There was a miserable make-shift called one in the hands of an alarmed Secretary, which was in dispute, and which had none of the true attributes of a reserve—a fund to be let out at the discretion of that officer, a fund only to be had when the panic was a fixed fact, a fund which ought to be intrusted to no mortal man to distribute, but which should come out only on the imperative and overbearing demands of business and business men, to be drawn upon at their discretion, and only when they felt the grinding and pinching of scarcity upon them.

If the panic taught one lesson it was that there should be a reserve of currency in the hands of the Government to be used not at the discretion of any officer, but at the discretion of him who would deposit ample security for it. This was the lesson of the hour above all other things; a lesson which I fear has not been learned, which had no part in the four hundred million bill we passed last week, and has not a notice in the bill now under consideration. The nation wanted temporary relief, and only temporary relief, just as the engine out of steam and out of water soon can be put in motion by the simple supply of a little of the things needful. Had this supply been furnished promptly it is questionable whether the effects of the panic would have been felt beyond those having business connections with Jay Cooke and Company.

There were thousands of people in the land who had bonds with which to draw money from the Treasury when the interest rose upon legal-tenders to such a degree as to justify it. The currency could have been brought out; there was no lack of security, there was no lack of confidence in the Government; there was simply no way by which that currency, which would have kept the channels of business open, could be reached by any amount of security.

The question for us to decide now is will we let this occasion pass, so full of warnings, and fail to provide against a similar emergency? Can we do it safely? Is there any obstacle in the way? I see none. The amount of fifty millions might be provided in the Treasury to be drawn upon at the option of the bondholder, the sum drawn to be held by him for a limited time, say six months, he surrendering the interest during deposit to the Government, and when the time fixed for the redemption of his bonds expires the same to be redeemable by any other person. This would insure their being taken up and would effectually retire the reserve after an emergency.

But it is said that we ought to go down to specie payments in order to be able to draw on the world for currency when a panic recurs. This is a sure way to provide a reserve in coin, it is true, but it would be after such a period of collapse, bankruptcy, contraction, and financial ruin as would leave few business men to take advantage of this dear-bought reserve. We could get such reserve by bringing all of our paper circulation within the compass of $200,000,000, but not before that time, for there is but little over half of that amount of gold in the country according to the best calculators. Such a reserve could only be reached by a thousand-fold worse panic than the one recently passed, and which one can hardly conceive a lover of his country could propose.

The plan of convertible bonds will cost the people and the Government for every dollar that is drawn out 3.65 per cent. The plan that I propose is just 8.65 or 9.65 better than that, according as you issue 5 or 6 per cent bonds. I propose to save interest to the United States. In the other instance the Government loses 3.65. Why shall the people of this country be taxed to make a reserve? Why shall they be taxed to pay interest on the deposits of idle and lazy money-holders? I can conceive of no proposition more impracticable.

But it is said that we have too much currency; that we have more now in proportion than we had fifteen years ago, and before the war, and that then the full limit of expansion was reached by State and local banks. Now, why is it said that we had enough of circulation before the war? Such men fail to tell the House, and I venture to say they never will.

No man can say we had a sufficiency of good currency before the war. A sufficiency of currency never existed in the West or South. It is very well known to every one from those sections that we had a lot of the most miserable shin-plasters that human ingenuity, and I might almost say devilish ingenuity, could invent. There was not at any period of five years from my earliest recollection down to the war a time when there were not great fluctuations in the value of all our money. Take the most respectable banks, the State Bank of Indiana, for instance, which paid gold when no other State bank in the Union paid it, and you could not take a ten-dollar note of its issue as far as the State of Tennessee, or Missouri, or Pennsylvania, without its depreciation and without having to submit to a shave. No man, then, need tell me that we ever had a currency in this country up to the true amount of necessary circulation, for our money was depreciated the very moment you began to travel from home and lost its value as you proceeded. Eastern money that was good at home was constantly shaved, and when depreciated was bought up by eastern agents at a discount and taken home where it was at par. We had an enormous amount of discredited stuff, composed of individual shin-plasters, plank-road notes, private-bankers' promises, insurance-company notes, free-bank notes, and State-bank notes. Nothing could exceed the varieties of our paper money coming from all quarters and ranging over all prices from par to 1 per cent. This currency was in the main confined to the immediate locality of its issue, for it could not find the least credit at any distance from home. Even a good State-bank bill had little currency beyond its borders. This paper then had not sufficient credit to give it an opportunity to become a test of the quantity of circulation needed by the people; it lost all ability to travel almost before it started on its journey. The amount of paper circulation before the war was no test whatever of the demands of business and every man who reflects one moment will say so.

The comparison is then made with England to show that they have less circulation than we have to the man. This, in the first place, is a mistake. They have more, if I am not misinformed. And in the next place there is a great difference in situation, extent of country, distance from cities, mode of life, and independent employment of our people, that puts them in a position to demand more money than Englishmen. All of our real estate is in market in addition to our personal property. This doubles the material for trade and traffic. This is not the case in England or in Europe generally. There a system of entail ties landed estates up for ages. We may not need an increase of money in proportion to the increase of property and business, but we do need a considerable addition. Common sense teaches this, and he who seeks to cut short a reasonable supply of currency to meet the demands of business shuts his eyes to the great facts in the progress of the nation, if indeed he ever had the capacity to see them. A reasonable addition is consistent with the growth and true progress of the country, and is not to be feared. The nonsense about confederate money, and wild-cat shin-plasters, and *assignats*, all based on the folly or dishonesty of the projectors, is thrown in by some as an argument against a currency founded on the faith of the nation, made secure by its solemn pledge, given in time of war and reiterated after its close, and made perfectly reliable by the unexampled ability and cheerfulness of the people in supplying the revenues and paying the taxes as they fall due. And right here rests the true basis of all of our currency. *While the people cheerfully and readily pay taxes the currency can never be discredited*, notwithstanding public men decry it as lies, mockery, repudiation, and shame; thus doing more to blast the reputation of their country and befoul its fair name than they could by any device of wickedness short of rebellion and treason.

These notes are currency, not gold; and everybody knows it. The man who takes them is not deceived or cheated as to what they are; they pay debts, and answer every purpose that currency can between our people. Those who take them do not expect them to be exchanged at par for gold; and in no sense, either in law or morals or even good manners, is there any excuse for this often-repeated cry of "printed lies."

HOW TO RESUME.

That every one would be glad to see these notes equal in value to gold is certain. That they will be is certain. How to bring this about is the problem on which men honestly disagree, and which deserves not the sneers and gibes of either side, but a fair and candid comparison of opinion. The method of contraction will do it, no doubt. Will any other process? In my judgment the true way to enhance the value of our currency is to enlarge it in a moderate degree to meet the growing business of the country. The rate of interest is too high; a larger supply of currency will reduce this. The unequal system of national banking has deranged the proper condition of the country financially and needs adjustment. The system ought to be equalized or abolished. It is a good one, were its operations equitably distributed throughout the land. But unless this is done the whole system would work better if supplied by notes furnished directly by the Government, based on its credit, and payable in gold when resumption is possible. I believe that if we had to-day nothing but a legal-tender currency of $730,000,000 instead of $382,000,000, and $349,000,000 of bank-notes, we would be in better condition than we are. The banks, then, would require no reserves for circulation; they would only have to take care of their deposits; they could stand on an equal footing everywhere; there would be no assorting of currency, no discriminations, and the faith of the people in the ability of the Government to pay its debts would not be diminished one jot or tittle.

But this is mere matter of opinion, and perhaps should not be expressed in this discussion.

One small class of clamorous and half-mad people fill the air with denunciations of our paper circulation. They have the ear of the great sea-coast editors; they have the ring in the nose of the sea-coast politicians; they swarm about the halls of legislation; they connive together in the back parlors of banks; they are the importers, the men who deal in foreign goods, the men who must have gold to pay their debts with, the men who desire to bring all things to a gold standard. They would prostrate every interest to secure their ends; they deal upon the plane of the currency of the world, and we must expect them to clamor for every advantage; we must expect them to strike down all interests but their own; we must expect from them a policy half-foreign, unnational, and unpatriotic. We must expect them to forget, or overlook, or to be ignorant of the true interests of the vast majority of the people who dwell in the interior. But we do not expect reasonable men to be frightened by their denunciations or hoodwinked by their sophistry. The wonder is that their influence extends beyond the narrow circle of their half-foreign business, and that their Old-World policy is not more distasteful than it is to sensible Americans. Their policy is to destroy home industries and import all things possible.

GOLD IS AN ARTICLE OF TRADE, NOT CURRENCY.

There is one advantage that our present currency possesses that liberates us from the panics of the Old World; it is non-exportable. They cannot drain us as they formerly did in times of distress there. Our currency is fixed in volume, is confined to our national limits, and is therefore subject to none of the fluctuations which the financial management, the revolutions, the wars, the dearths, the failures, or the combinations of the Old World may occasion. I am not certain but that this very attribute of non-exportability is more than a compensation for all the inconveniences brought on by the margin between gold and paper money; for, as I said before, these inconveniences are confined mainly to a class, and that a small class. The vast mass of the people know and care nothing for the little margin between the gold of to-day and the gold of last week. Gold, like wheat or pork or iron, is an article of merchandise or traffic; is not a standard of value; is not in any sense a currency. The article is too scarce for any such purpose, and is not likely to increase in volume until we adopt some method of digging larger amounts from our mines. Gold is a practical, substantial, common-place material that can only be obtained by hard work, or by selling something for which it is paid. Legislation will not create it. Congressmen cannot dig it by enactments, nor bring it from foreign countries by any contrivance of law. To get gold we must procure it from our own mines, or receive it from other people's in exchange for our exports. At present the mines yield no surplus worth naming, and the balance of trade is against us, so that our store of gold cannot possibly increase. To contract the currency will not make one more gold dollar, not one. You may go on contracting a hundred millions and it will not put one more pick in the miner's hands, it will not enable us to export one more cent's worth of surplus. You may reduce the paper currency to on equal volume with that of gold (the Director of the Mint estimates it at $140,000,000) till both together amount to only $300,000,000, and all this will not produce one more gold dollar.

On the other hand, the effect will be to paralyze industry and cut down the surplus for export. The miners will cease to work, the farmers will grow slothful in their fields, the mechanics will abandon their shops, the whole land will languish, and the supply of gold grow less and less as your work of contraction goes on.

To show the amount of gold and silver produced, I submit the calculations of R. W. Raymond, United States commissioner of mining statistics:

	Gold.	Silver.	Total.
1866	$48, 000, 000	$11, 000, 000	$59, 000, 000
1867	41, 000, 000	16, 000, 000	57, 000, 000
1868	41, 000, 000	14, 000, 000	55, 000, 000
1869	33, 000, 000	14, 000, 000	47, 000, 000
1870	35, 000, 000	12, 000, 000	47, 000, 000
Annual average	39, 500, 000	13, 500, 000	53, 000, 000

Estimated for 1872	$62, 236, 915
Estimated for 1873	70, 139, 860
The annual average is	57, 000, 000

The following will show approximately the resources and wealth of the country, according to the statistics of 1870:

Total estimated value of all farm productions, betterments, and additions to stock, according to official returns	$2, 447, 538, 658
Manufacturing industry	4, 232, 325, 442
Mining industry	152, 598, 994
Fisheries, so far as returned	11, 096, 522
Grand total of productions	6, 843, 559, 616

The assessed valuation, according to official returns, 1870, was as follows:

Personal property	$4, 264, 205, 907
Real estate	9, 914, 780, 825
Total assessed valuation	14, 178, 986, 732

The total valuation, according to official returns, of the wealth of the country was—

1870	$30, 068, 518, 507
1860	16, 159, 616, 068
1850	7, 135, 780, 228

This increase is over all that was destroyed in the rebellion, and the value of the slaves.

I very well remember that from the State of Connecticut there were annually shipped to our country boxes of their currency, of the notes of the Hartford County Bank, of the Hartford insurance companies, and of other New England banks, with the agreement that it was to be loaned out and kept in circulation so many days before it was returned. That was lent in small sums to our people, and we had to get along with that currency, distant from us and often discredited. And yet they talk of our people having had before the war the very best kind of currency. Sir, it was not a currency; it was a miserable humbug, and you cannot say that there was any true element of currency about it. It was miserable stuff, that would not travel beyond the borders of the State and keep for any time its face value.

Mr. HAWLEY, of Connecticut. Will the gentleman name any Hartford bank that ever failed to pay every dollar it owed?

Mr. COBURN. I am not talking about the failure of the Hartford banks; but I said that this miserable stuff was sent to our country, and that it had only a local reputation. For the lack of a sufficient currency of our own we were obliged to take it and keep it afloat so many days, often become depreciated, and then it went back to the regions where it belonged.

Mr. HAWLEY, of Connecticut. If every dollar was paid, why was it miserable stuff?

Mr. COBURN. I am talking now about this matter as the test of the amount of circulation which the country needed. The circulation I named was not redeemable there; it was liable to depreciation away from home; besides, our citizens could not go to Hartford and borrow the money, but the banker borrowed it, and agreed to put it in circulation and keep it afloat for a certain number of days, and as we needed circulation we had to take it, to borrow it second-hand from our bankers.

Mr. POTTER. Was not that as good as currency that is not redeemable at all?

Mr. COBURN. The gentleman does not understand what I am talking about. The very point that I make is that this was stuff which had no currency beyond the limits of the State. The trouble with it was that it was no test as to the amount of circulation which we needed.

Mr. POTTER. It was redeemable only in one State, the gentleman says. Even so, was it less valuable than United States notes which are not redeemable anywhere?

Mr. COBURN. It was not a legal tender anywhere, as United States notes are. But what I am talking about is that we are entitled to bank accommodations as well as bank circulation; not to mere bank-notes issued a thousand miles from us.

Mr. G. F. HOAR. Why did you not establish State banks under State laws?

Mr. COBURN. We had banks there, a multitude of banks of every kind, giving us the circulation which I am now complaining of. We had a good State bank of limited capital; we also had in 1854, 1855, and 1856 more than $7,000,000 of free-bank circulation in Indiana; much of it miserable stuff that depreciated down to 5 per cent. of its face, and ranged from that up to par. We had the most tremendous inflation of such currency in Ohio, Illinois, Missouri, Michigan, Indiana, until the old saying was verified that you could take a market-basket full of such stuff to market and buy a bushel of potatoes paying for it bushel for bushel. We were suffering for the want of good currency such as we have now. We had a currency then that depreciated, while that which we now have depreciates in no man's hands. Some of it was based on bonds, and some of it was not; and tens of millions of dollars in the Western and Southern States were lost by it. We never will return to that system while we can get legal-tenders or national-bank notes that are always good everywhere.

The policy of gentlemen here seems to be to break down the legal-tenders, and get them out of the way, so that you will have no basis for banking except gold and silver. When you get that how much circulation will you have in the country? You may have perhaps $200,000,000, perhaps not that much. The policy that these gentlemen advocate sweeps away not only the legal-tenders, but the national-bank currency largely also; and we will then have to resort inevitably to the wretched system of local and State banks. These gentlemen say that they want to get back some day to specie payments, and those banks would be compelled to keep a little gold in their vaults and to have but little more paper in circulation than they have of gold. I hope that day may be far off if we have no greater supply of gold than we have now. It will be, in my judgment, a day of sorrow, of disaster, and bankruptcy.

We are in an abnormal condition. An immense drain is upon us constantly for over $100,000,000 a year to pay the interest on the public debt. How can you, in view of this, draw the line of distinction now as you did in former times, and say that the banks must pay gold for their issues? According to the calculations of the commissioner of mining statistics, we have in all in this country about $130,000,000 of gold; outside of the Treasury perhaps not more than $60,000,000. How are you going to redeem with that? The notes of the banks to be redeemed in gold would not have half the credit that the old Hartford County money had. They could not travel as far or be credited as long.

HOW TO GET GOLD.

The only way to arrive at a gold standard is by the prosperity of the country. Then the mines will be developed, the surplus will be large, exports will call for specie, and we can accumulate a store of gold ready for use as a currency. Nothing else will do it. We had as well attempt to legislate sunshine and showers as to legislate gold into the hands of our people. Give them room for improvement, an equal race, an American policy, home industry, a home market, protection for the laborer, good wages, plenty of work, and imperceptibly the growth of the country will carry us to specie payments. We will be able to pay off our national debt thus; the annual drain for interest will be less. This alone will put down the price of gold. This it is which now keeps it up. But for the sum required each year for interest gold would be on a level with paper. This is the secret of the margin. When the debt is removed, or in a great measure paid, the regular demand for it will be so small that the price will fall. This rule must apply as much to specie as to iron, or lead, or any other commodity. When the demand is small, the price falls. There is no more mystery about gold on this point than there is about pork or wheat or whisky or cotton.

In all of our legislation upon this subject one point should never be forgotten, and that is the constant demand for gold to pay the interest on our public debt. We are by reason of this thing in an abnormal condition. We are prone to forget this fact. Keeping it in view, it is easy to see that really the price of gold is for this reason above par, if I may be pardoned the expression. It is above the true standard of money value. It is not, and cannot be, considered as money. As the debt is paid, it will gradually lose its value as an article of prime necessity, and assume its natural condition in business. This, added to the development of our country, will in a few years restore our currency to an equality with specie. It is questionable whether anything else can do so.

After all the real payment of specie is a myth. Baron Rothschild, in the monetary convention held in France in 1870, said that England was not and never had been a specie-paying nation. In other words, whenever a panic came specie payment was suspended and some other remedy was resorted to. England could not pay specie to-day from her great bank in case of a continued run, nor could the Bank of France. In England the note circulation, over and above the coin reserves, is about $200,000,000. In France it exceeds the coin reserves over $400,000,000. A panic, a run upon either, must prostrate their credit at any time. We can never, while our debt is large and consequently our demand for interest heavy, think of paying specie even if the values of gold and paper approach and become identical. We would be constantly liable to runs for gold to meet the regular demand.

MODERATE EXPANSION NOT DANGEROUS

The question constantly recurs, how is this nation going to bring the legal-tender notes to par? If any one could answer this question satisfactorily he would be the master-genius of the hour. I can answer it, and I think no one will say the plan will not succeed. It is this: Contract the paper currency until it approaches the quantity of gold in the country. That will be sure to bring about specie payment. Now the trouble is this is not a satisfactory answer. So I get no credit for genius. I think all will admit that it is a sure way to bring the result.

If this is done all will admit that such radical and enormous contraction would be ruinous, would prostrate business, and bankrupt good men everywhere. The policy of contraction, then, to a degree that will be effectual, is nobody's policy.

Then why contract at all? Why pinch yourself, diet yourself, and prepare to take the medicine if it kills you to take it in the end? Why meddle with it at all? Why adopt a remedy that never can be used, and praise a nostrum when you know it is certain death to take it? That is this quack physic called contraction.

But, say some, take it in broken doses. Why do so, when every time we try it it makes us worse? We tried it in 1866, and could not stand the remedy. We tried it again from 1870 to 1873, and almost perished. Both these periods of contraction brought on disasters, directly traceable to a scarcity of currency.

How, then, can we bring these legal-tenders to par? How does a man who has a large real estate, who has good health, energy, and business capacity, but is in debt, bring up his credit? Certainly not by quitting business, certainly not by taking his working capital and paying off a small part of his debts. On the other hand he continues business; he puts forth all of his energies; he takes advantage of the rise in property, of the prosperity of his neighbors, of the growth of the country. With good management, with active exertion, with determined purpose, with strict economy, and by the help of time he is sure to succeed. This is seen every day in real life. Great debts are thus paid; great fortunes are thus made. The leaders of the financial world do this very thing.

This plan will bring specie payment by the mere growth and development of the country; the debt at last will be a mere bagatelle as compared with our ability to pay and will then soon be disposed of.

Another plan is to continue to pay off the debt regularly and gradually. This increases our present burdens, checks our growth, embarrasses our business, and prolongs the ultimate extinguishment of the debt. But this plan will bring us to specie payment at no very distant day; the margin between paper money and coin being kept up by the constant demand of a large sum of coin to pay the interest on the public debt. When the interest ceases, the demand ceases almost entirely. Both of the latter plans can be accomplished without contraction; both, I think, can be aided by a reasonable expansion.

What shall we do? Contract and bring on bankruptcy? Stand still and struggle under self-imposed restraints? Or expand and grow beyond the limits of our debts and liabilities so far that their yoke shall be easy and their burden light?

But it is said that the method of expansion is the sure way to ruin. That we have already too much currency, and ought not to have any more. This is mere declamation. We have had a very much larger currency than we have now, and under adverse circumstances we prospered and paid our debts. In the period just after the war, in 1865 and 1866, our currency ranged as follows:

1865.	
National-bank notes outstanding	$171, 321, 903
Legal-tender and other notes	698, 918, 800
State-bank notes, (estimated)	58, 000, 000
Total	928, 240, 703
Seven-thirties of 1864 and 1865	830, 000, 000
Total	1, 758, 240, 703

1866.	
National-bank notes	280, 253, 818
State-bank notes	9, 748, 025
Legal-tender and other notes	608, 870, 825
Total	898, 872, 668
Seven-thirties	830, 000, 000
Total	1, 728, 872, 668

Since which time contraction has gone on until the whole amount of currency of every kind now outstanding is $742,000,000.

1873.	
National-bank notes	$339, 081, 799
State-bank notes	1, 188, 853
Legal-tender and other notes	401, 527, 267
Total	741, 797, 919
Seven-thirties outstanding	274, 100
Total	767, 072, 019
Add twenty-five millions of reserve issued	25, 000, 000
Total	767, 072, 019
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 expansion of 1865 and 1866 did not ruin us, but enabled the nation to pay enormous debts and taxes, and come out of the war without bankruptcy.

But another equally significant fact is made manifest, and that is that by reason of this enormous contraction which occurred almost entirely between May, 1865, the close of the war, and May, 1869, the value of gold did not increase. Gold was at 128 in May, 1865, at 125 in April, 1866, and at 144 in May, 1869. This is enough to show that any amount of contraction, until the quantity of paper is reduced almost to that of gold, will fail to be effectual to restore them to equality. I insert the table showing these facts:

Table showing the decline in the price of gold and appreciation of greenbacks from January, 1865, *to January*, 1874.

Date.	Price.	Difference, per cent.	Date.	Price.	Difference, per cent.
1865—January	234½	....	1869—May	144¾	Rise 12⅝
May	128½	Fall 106	December	119¼	Fall 24½
October	149	Rise 20½	1870—January	123¼	Rise 4
1866—March	136½	Fall 12½	March	110¼	Fall 13
April	125	Fall 11½	July	122¾	Rise 12½
May	141½	Rise 16½	November	110¼	Fall 12½
June	167¾	Rise 26¼	1871—September	115⅝	Rise 5½
September	143¼	Fall 24½	December	108⅝	Fall 7
December	131¼	Fall 12	1872—August	115⅝	Rise 7¼
1867—September	146⅜	Rise 15⅛	December	111⅜	Fall 4¼
December	133	Fall 13⅜	1873—April	119¼	Rise 7¾
1868—August	150	Rise 17	September	114	Fall 5½
November	132⅛	Fall 17⅞	October	108	Fall 6
			1874—January	111	Rise 3

There has been a most remarkable expansion or inflation of business in Europe and this country within the last nineteen years. The New York Bulletin of a recent date published the statistics, compiled from official sources, showing the growth from 1855 to 1872, a period of seventeen years. These data prove that the whole commerce of the principal European and North American nations has increased from $4,241,700,000 to $9,276,000,000, being on increase of 118 per cent., while population in the same countries has for that period gone up from 271,443,000 to 311,620,000, a gain of 40,177,000, or about 14 per cent. These great commercial nations have doubled their exports. This surplus is not the only evidence of their prosperity. Ten thousand improvements have been made everywhere in buildings, roads, bridges, factories, mills, machinery, cities, boats, and railroads. It is estimated that the increase in railroad property is $10,000,000,000 alone.

This marvelous growth has no parallel in history, and is to every reflecting mind an ample warrant for the increase of currency. The average common-sense man believes that an increase of wealth and business in a country requires an increase in the currency. The man of Wall street cannot see it in that light, the importer cannot see it, the man who has money to lend cannot see it very plainly; but the man who embarks in business does, the merchant, the manufacturer, the laborer, the farmer, the middle-man, does. All these men see and feel the importance of keeping currency on a pace with business. To them the rate of interest is a consideration of importance; so is the possibility of making loans. These men in our country and in every civilized country do business largely upon the credit system, and they look anxiously to the question of accommodations in bank to bridge over occasional gaps in their supply of funds.

The world does move and change, but those who quote Webster and the old statesmen who died before these astounding steps of progress do the grossest injustice in their attempts to apply their mere arguments as to the policy of their times to ours. The Webster of to-day would not be found among the pinching and grinding contractionists; his grand soul would have risen to the height of the great argument for progressive financial management. He would have seen and appreciated the grand march of events, and lent his own powerful eloquence to plead the cause of true national advancement. He spoke for no day and no occasion like the present. He was laid in his honored grave before the great events I have named had their inception.

A PLEDGE TO CONTRACT BUT TO RESUME.

But gentlemen say we are pledged to the policy of contraction by national conventions and by the law. There never was a greater mistake. These resolutions looked to a resumption of specie payments. But not necessarily by the road of contraction. There may be other methods than that; better, wiser, safer, more speedy. I think the shortest one is by moderate expansion. I am not so uncharitable as to call those who differ with me either fools or repudiators. They may be both; but for the purposes of the argument I will call them neither. Nor will I make any threats that I will fight them forever and never vote for them hereafter. They may be as honest as I am, they may be as sensible. I think they fail to comprehend the situation, and would be glad to see them enlightened.

Mr. HAWLEY, of Connecticut. As the gentleman seems to refer to me, will he allow me to ask him a question? If those who differ with him, according to his sincere belief, no matter how honest they are——

Mr. COBURN. Please ask the question.

Mr. HAWLEY, of Connecticut. If they are advocating measures which in his conscience the gentleman believes to be hostile to the good faith and honor of his country, would he not feel bound to fight them, and would he not do it? I say to him that if I am so far wrong as he seems to think me to be, I beg him to fight me, as I certainly shall him.

Mr. COBURN. I do not expect to scare anybody by any threats I may make on this floor.

Mr. HAWLEY, of Connecticut. Not at all.

Mr. COBURN. We are reasoning here, not fighting.

Mr. HAWLEY, of Connecticut. It will be a good-natured fight, but a fight to the end.

Mr. COBURN. These pledges are as wide as the world from contraction; they are silent upon the method of securing resumption, and gentlemen, when they lift the lash and utter their threats, had better pause before they strike. They may hit men whose sense of honor is as keen as they proclaim their own to be; they may hit men who can outstrip them in the road to resumption; they may hit men who do not set themselves up as the champions of political sanctity, and walk into the House with an air of self-righteousness, delivering long lectures on political decency. I doubt not the members who favor an expansion of the currency are as honest, are as faithful to their promises, are as true politically, as they who virtually proclaim them repudiators. They desire to have gold the standard and a part of the circulating medium. They will find very few to differ with them about that. How to get to that point is the difficulty upon which they give us no light. To prove that he is right in his opinion, the gentleman from Connecticut reads the opinion of the rich men of Boston, New York, Hartford, and other cities, who own national-bank stock. Now, if expansion is disastrous and these men believe it to be so, why do they not retire their own circulation? While they themselves keep millions of this irredeemable stuff afloat and protest against anybody else putting any more afloat their word is not worth much. They become objects of contempt and ridicule—are guilty of hypocrisy and shameless assumption. When they retire the millions they hold in circulation let them speak; not till then.

The men of Boston who have twenty-six and a half millions of this circulation; the men of Connecticut who have eighteen millions of this circulation; the men of Rhode Island who have thirteen millions of this circulation; the men of New York City who have twenty-seven and three-quarter millions of this circulation; the men of Philadelphia who have twelve millions of this circulation—these are the men who loudly protest against the present redundant currency, who denounce those who want to increase it, and yet hold on with the grip of death to every dollar they can get, and have the sublime effrontery to send petitions to Congress to prevent people who have not one dollar where they have ten from obtaining a cent. Let such hypocrites cry war, let such financial charlatans cry repudiation, let such Shylocks lecture on political morals.

They want gold. Why do not they set the example, and retire their paper and do their business on as little paper as possible? Does any one force the shin-plaster national banks upon them? Are they compelled to submit to this infliction? Are they tied hand and foot by some tyrant, and forced to support these odious banks in their midst? One would think from the horror with which their Representatives talk about inflated bank paper that it was an object of dread or detestation to them. No, sir; they roll it all as a sweet morsel under their tongues, and denounce every other man who desires a taste.

And yet these very men, not six months ago, pale, shivering, and demoralized by the panic, with frantic haste clamored for the President and the Secretary of the Treasury to issue the forty-four million reserve. They have gathered together their little piles now, and after a disgraceful suspension and repudiation of their contracts with their own friends and depositors come here and lecture honest men who never broke faith with mortal man as repudiators. Let such pretenders be silent till the echoes of their clamors for expansion have died out, till the ink is dry upon the ledgers which record their own repudiation and their own shame, while they locked up the all of the man of wealth and of the humblest poor alike in their coffers, and stopped by their cowardice the wheels of industry and the flying feet of trade. Let these bankers of the East be still for a season, and not insult the representatives of the people by their shameful clamor.

The argument of the gentleman from New Jersey [Mr. PHELPS] is good for nothing if it does not prove that the use of legal-tender currency destroys the real progress of a people and creates an artificial and hollow prosperity which must vanish. He attempts to show that it is adverse to the interests of the laborer first, and then of all legitimate business men. I quote from his remarks to show his position, which is the position of those who oppose expansion, as fairly stated as it can be:

The promises issued by the consumer, whether it be the Government or the laborer, are not from their nature currency, and any effort to force their circulation produces only confusion and loss. But this is what our Government did when, in the stress of war, it issued its promises against property which it consumed or destroyed. Hence came the greenback; fruitful source of all our woes. This increased the currency beyond its natural limits. It was in excess.

There was more currency than there was property for it to represent, and

THERE WAS A DEPRECIATION.

Let me not waste time to chronicle the now familiar effects of a depreciated and irredeemable currency. It is always in excess. This excess stimulates extravagance and speculation. There is constant temptation to be rid of a currency whose value is uncertain. Use it now, it is worth something; retain it until to-morrow, it may be worth nothing. And so the spirit of the gambler enters into the heart of the nation, and after extravagance comes speculation, crime, moral and material ruin. To chronicle what of this moral and material ruin is general, I do not pause. I pass this to show that the worst evils of an unsound currency fall upon the poor. The harm of wrong legislation in finance, as in taxation, falls and rests at last upon them. As a direct consequence of depreciated money, prices fluctuate, so the man who buys cannot tell for what he will sell, or what his money will be worth when he gets his pay. Against this uncertainty the rich man who sells can insure himself by adding a percentage to his price. The poor man who buys, buys to consume not to sell again, and pays this percentage out of his poverty. The rich man adds to the price of his commodities the premium on gold at each rise, and by continual exchanges adjusts or shifts the loss. The poor man has but one thing to exchange—his labor—and does not know the hourly, daily, or weekly rise of gold; and does he, he cannot daily, hourly, weekly, or even monthly, add it to his wages. He cannot readily make new contracts for his labor, and, unfortunately, it is the only contract he can ever make. So the premium on gold reaches his wages last of all.

Certainly, then, an

IRREDEEMABLE CURRENCY IS NOT FOR THE POOR MAN.

If it is for the benefit of any, it is for the rich man and for the speculator. The more rich the man, the more desperate the speculator, the more easily he avoids the losses; the more certainly he profits by the fluctuations. Increase the number and variety of transactions, and you increase the opportunities to adjust or shift the burdens of a fluctuating currency. The poor man, who has nothing to sell but his labor, and who has everything to buy—lodging, food, clothing—finds his labor receiving only the premium on gold. This is bad for him at one end, and it is equally bad at the other; for, for his support, he pays, in each case, something beyond the premium. And this brings us to the general principle, that the premium on gold does not accurately measure the advance of prices, except in those articles that we export. In all other articles, prices rise beyond the gold premium, and this rise is due to the percentage added on each exchange to insure the seller against subsequent depreciation of the money in which he shall be paid.

LEGAL-TENDERS THE LIFE OF THE NATION.

In the first place this declaration is unpatriotic. The greenback saved the nation; it was one of the essential links in the chain of forces that held us together; just as important in its place as the Army or the Navy. In the next place it has no foundation in truth and fact. The banks early in the war failed to pay specie, could not do it, and could not supply the country with currency. The greenbacks became the currency, together with other United States notes and obligations. It was a question of life or death to business. That is the wellknown fact, and answers all he says. The greenback grew out of the necessities of the war, and was the staff of life at that time. It is idle to say that it begot speculations. If the Government could have got gold it would have done so; but it was not to be had, nor was bank paper. It was compelled to issue its own notes. He says the issue of greenbacks increased the currency beyond its natural limits. What were its natural limits but the necessities of the times?

In the next place the mistake is that the greenback begat or begets speculation. No paper circulation below par in specie was ever so steady, had ever so few fluctuations, was ever so reliable. No State banks, no free banks, no company banks, no private banks, as a rule, had so fully the qualities of steadiness, reliability, and held public confidence so well. The gentleman is young, but possibly his recollection runs back beyond the war, when we had all sorts of local banks whose credit reached rarely beyond a State and often not beyond a county or neighborhood. This was the sound currency he wants and praises; this is the stuff that his dreams are made of. This paper was begotten by the natural laws which he defines for creating bank-notes. He desires, if his desires are founded on his arguments, to go back to the old days of individual banks, set up like stores wherever men need money, and brought out by the natural laws of business, as he expresses it. The country has long been sick of that kind of local financial management. It is ante-diluvian; it is buried beneath the mud of a revolution in business that sunk these little contemptible local banks where the eyes of men of sound views will never reach them. We must have a national currency forever hereafter, based in part on the public credit and controlled by its regulations; such a currency as all recognize and respect. Not the puny little bank-notes the gentleman so much admires, which have neither credit nor respectability beyond a narrow limit, and many not even there. We will have no return forever to the fluctuations, the depreciation, the bankruptcy, the worthlessness, the speculations, the poverty, the woe begotten by these local banks. Untold tens of millions will not account for all the losses heaped upon society by these worthless banks. Banks that were established in the days of specie payment, banks that rested on gold, banks that, like all other banks that do pay specie, never pay it when it is most needed.

LEGAL-TENDERS THE POOR MAN'S CURRENCY.

But the gentleman says that "irredeemable currency is not for the poor man; if it is for the benefit of any it is for the rich man, for the speculator." Is this true? How are wages now as compared with wages before we had this currency? I quote from the report of the Hon. Edward Young, on the cost of labor and subsistence. On an average blacksmiths get 45 per cent. more now, bricklayers and masons 48 per cent., cabinet-makers 41 per cent., coopers 42 per cent., carpenters 53 per cent., painters 45 per cent., plasterers 50 per cent., shoemakers 40 per cent., stone-cutters 43 per cent., tailors 37 per cent., tanners 45 per cent., tinsmiths 41 per cent., wheelwrights 43 per cent.; total average increase 45 per cent. The rate of increase of wages of farm laborers is 49 per cent. without board, and the percentage of increase with board is 48 per cent., showing conclusively that the cost of living in that respect has increased for such men but 1 per cent., while the price of labor has increased 49 per cent.

CONTRAST OF AMERICAN AND EUROPEAN WAGES.

This attempt to bring everything to a gold standard, if successful, will be the death-blow to the mechanics and others who work for wages. The inevitable effect is to place the price of work about on an average with that of the gold-using civilized nations of Europe. We must, if our currency flows in a common channel, settle down to a level with them in prices. This is as necessary a result as that the waters of lakes draining into each other will constantly settle down to the lower levels and at last find a common level in the ocean. The wages of the civilized specie-paying nations of Europe vary somewhat, owing to local causes; but in the main there is but a small percentage of difference as compared with those of this country. The American blacksmith gets at a gold standard $16.40 a week. The English blacksmith gets $7, the Irish blacksmith $8, the German blacksmith $6, the French blacksmith $5.34 a week, the Austrian $7.20. These are the average highest wages, and in Europe all the trades are classified with three, four, or five grades of wages. American masons get on an average $21.33 a week, while the English gets $9.04, the German $8.37, the French $6.60, the Austrian and Swiss $6 a week. American plasterers get $21.33 a week. English $9.04, Irish $8.71, German $8.64, French $8.40, Swiss $7.20. American carpenters get $16 a week, English $9.04, Irish $8.90, German $9.25, Prussian $10, French $12, Russian $9.60, Austrian $7.20. American painters get $15.11 a week, English $8.71, Irish $9.44, Prussian $10, French, Italian, and Swiss, each $6. American machinists get $18.66 a week, English $9.60, German and French $6, Prussian $10.80, Swiss $9. American cabinetmakers get $17.33 a week, English $8.22 a week, Irish $7.26 a week, German $5.04 a week, Prussian $10.80 a week, French and Swiss $6, Russian $7.80. American tailors get $31.11; English get $9.20, Scotch $6.78, German $7.92, Prussian $6.48, French $7.20, Swiss $6, Russian $9. American heaters in iron-works get $21.33 a week; English get $12.10, German get $4.32. American puddlers get $24 dollars a week; English get $10.89 a week, German $8.74, Prussian $9.36. American printers, compositors on daily papers, get $33.78 a week, English $9.68, Scotch $13.31. American curriers get $16 a week; English get $9.12. American tanners get $11.33 a week; English get $7.68, German $5.04, Prussian $5.76, Austrian $7.20, French $8. American wool-spinners get $12 a week, English $7.75, German $7.20, Prussian $4.32, Austrian $4. The American day-laborer in building gets $12.44 a week, the English $5.93, the German $3.04, the Irish $4.36, the French $2.52, the Prussian and Dane $3.60.

The above rates are for first-class workmen in either country, and the statistics are taken from the report of the bureau of statistics and labor, for 1874, of Massachusetts—probably the very best authority on the subject. These data show that the American mechanic gets in many instances double, and in others an increase of from 75 to 90 per cent. of wages over his European brother in the same branch of employment. The facts thus furnished cover forty different trades which, themselves, are in many instances divided into many classes and grades.

WE CANNOT LIVE ON THE EUROPEAN PLAN.

We are not prepared to bring our nation to these gold-price standards. We live on a different plane. We propose to make every man independent, and to do so as a reward of his industry. We must support schools and charities; we must improve our highways in the country, and the streets and public grounds of our cities. We cannot wait three or four hundred years to do it. We must raise great sums by taxation to carry on these public works and enterprises. We cannot do it if wages and prices go down to what they are in the Old World. The surplus will be too small. With a currency of our own non-exportable, and yet sound, we have made and are making this progress successfully. If our people were reduced to the low rates of Europe we could never pay our private debts, provide public funds, pay our public debts, or make anything but slow progress. The dull and sluggish nations of Asia who do labor, such as the hundreds of millions of Hindoos and Chinese, are fair samples of low wages and low prices of food and clothing. They have a gold standard and little or none of the facilities of banks and the credit system.

AMERICAN WAGES, PRICES, AND CREDIT.

The vast frame-work of our society is imbedded in a system of high prices, high wages, and commercial credit, and cannot be withdrawn from it unless by an utter anhiliation of all of our prosperity. To divorce our people from them would prostrate all business, all values, all progress, and leave them hopeless and helpless bankrupts, ready for revolution, for plunder, for self-destruction, for despotism and barbarism.

This is the feast the contractionist and the specie-payer invite us to sit down to. Their policy is working well in Hindostan and China, has too much supremacy in Central and Southern Europe, and partial sway in Northern Europe. This country, largely divorced from it, is an instance of what a people may do that is lifted above the fluctuations of the business of hundreds of millions beyond their borders, who have no common interest with them. We stand alone, high above and far out beyond them all in the great ways of progress, and we do so in a great measure because our currency is not regulated by the condition of the currency of the world. We do so because wages, prices, labor, food, clothing, building; in a word the rewards of industry, are twofold here what they are elsewhere. This it is that gives nerve, vitality, energy, perseverance, boldness, grasp, to the human will and intellect, and carries men over all obstacles to progress. How enormous this advantage is becomes apparent at once when we look at the difference between the raw material and the finished article, between the ore and the polished tool, between the sand and the speaking mirror, between the tree and the elegant cabinet, between the fleece and the glossy cloth. It is almost all labor. In some cases nine-tenths of the difference is labor, in some ninety-nine hundredths. The raw material and the laborer stand face to face; with high wages he, first of all, gets the benefit; the price of the article is higher, but the laborer gets it; nobody else can, nobody else does. This makes the difference between the comfortable mechanic living in his own house here and his poverty-smitten brother beyond the ocean. Make our currency equal to gold by making it scarce and you inevitably put the rate of wages where theirs belongs. Put down wages, dry up the very fountains of prosperity, and all prices must fall; provisions, merchandise, stocks, and real estate, all will sink together. They cannot remain as valuable as they were when the million little demands of the humble laborer are cut off. As well expect to have rivers without showers or snows; as well expect to have an abundant harvest without ten million nodding heads of wheat; as well expect great casks of glowing and fragrant wine without the myriad clusters of purple grapes, nestling on many a sunny hillside, as to expect a nation to be great, powerful, prosperous, and happy, without millions of comfortable homes, made so by the abundant rewards of honest toil.

[Here the hammer fell.]

The SPEAKER. The time of the gentleman has expired.

Mr. BRIGHT. I ask unanimous consent that the gentleman may be permitted to proceed.

The SPEAKER. If there be no objection.

No objection was made, and leave was accordingly granted.

Mr. COBURN. But it is said the cost of living has increased under the present currency in proportion to price of wages. It is admitted all around, more than that, made the basis of argument, that the prices of all the great staple articles of consumption are regulated by the prices in Liverpool and London, without regard to our currency, so those articles are disposed of. The opponents of expansion put them at once out of the question. Next as to clothing, the great staple articles of cotton and woolen goods are, on an average, as cheap now as before the war. The labor in making up these goods into wearing apparel has principally enhanced their value.

THE FARMERS PROFIT BY OUR SYSTEM.

But it is said that the farmer at last derives no profit from the expansion of the currency; that all that he raises is valued at Mark Lane, in London, and at gold rates. This is a very great mistake. In the first place, the great majority of farmers cultivate but small tracts of land, have but a small surplus, and derive but a portion of their livings from the amount obtained from the sale of exportable articles. Their living, in a great measure, comes from the soil and is not bought or sold. In the next place, they produce a large amount of non-exportable articles, such as horses, mules, work-cattle, hay, oats, potatoes, turnips, and other vegetables, besides fruits, poultry, and many articles consumed daily in immense quantities in every community. The prices of these are all fixed at home and have no relation to commerce. They constitute a large part of the surplus of farmers.

The secret of a home market seems to have been overlooked by the gentleman; a home market which puts the laborer, the mechanic, the manufacturer, the middle-man, side by side with the farmer. This home market, in the shape of towns and cities, is growing rapidly, and has grown more rapidly than ever, before under the influence of this contemptible irredeemable paper, so much despised by some gentlemen. The increase in manufactures in the West since we have adopted this hated currency has had no parallel in our history. In fact, but a small part of our farm products find a foreign market.

Nothing better illustrates this than the size of the farms. The fact is that more than four-fifths of all the farmers of the United States own and live upon farms of less than one hundred acres. Their families obtain a subsistence on these small farms and but a small surplus is produced. Almost half of the farmers in the country live on farms of less than fifty acres. Now, only a portion of this land is cleared, so that at once it will be seen that the great thing done by these farmers is not to produce articles for foreign export but for home consumption.

I present to the House a statement prepared from the census tables of 1871, showing the whole number of farmers and the number living on farms of less than fifty acres, and the number on farms of less than one hundred acres. It confirms what I have said:

Michigan, 98,786 farms:	
Under fifty acres	58,862
Between fifty and one hundred acres	11,078
Total under one hundred acres	69,940
Illinois, 202,803 farms:	
Under fifty acres	77,064
Between fifty and one hundred acres	68,130
Total under one hundred acres	145,194
Indiana, 161,289 farms:	
Under fifty acres	78,162
Between fifty and one hundred acres	52,614
Total under one hundred acres	130,776

Ohio, 195,953 farms:	
Under fifty acres	76,166
Between fifty and one hundred acres	71,166
Total under one hundred acres	147,458
Missouri, 148,328 farms:	
Under fifty acres	84,223
Between fifty and one hundred acres	38,505
Total under one hundred acres	122,728
Kentucky, 118,422 farms:	
Under fifty acres	62,421
Between fifty and one hundred acres	29,731
Total under one hundred acres	92,152
Iowa, 116,292 farms:	
Under fifty acres	44,419
Between fifty and one hundred acres	41,382
Total under one hundred acres	85,801
Wisconsin, 102,904 farms:	
Under fifty acres	56,924
Between fifty and one hundred acres	30,060
Total under one hundred acres	86,984
New York, 216,253 farms:	
Under fifty acres	86,104
Between fifty and one hundred acres	73,956
Total under one hundred acres	160,060
Pennsylvania, 174,041 farms:	
Under fifty acres	74,348
Between fifty and one hundred acres	63,268
Total under one hundred acres	137,616
Tennessee, 118,141 farms:	
Under fifty acres	71,086
Between fifty and one hundred acres	27,778
Total under one hundred acres	98,864
Georgia, 69,956 farms:	
Under fifty acres	32,170
Between fifty and one hundred acres	18,371
Total under one hundred acres	50,541
Mississippi, 68,023 farms:	
Under fifty acres	46,032
Between fifty and one hundred acres	11,967
Total under one hundred acres	57,999

What the farmer wants to know in matters of trade is, whether he will have ready sale at a fair price for his produce and live stock. If business is prosperous he can dispose of his horses and mules, his marketing, his hay, grain, and hogs. If it is dull, he cannot. He knows that when bank accommodations are scarce, when the rate of interest is very high, when currency cannot be had for any interest, he must suffer, no difference what the price in London may be. He knows very well that a high price in London is worth nothing to him unless the traders in such staples as grain, pork, whisky, flour, and cheese can get bank accommodations. He knows that business is largely done on credit and by the aid of the banks, and that the dealers in these articles anticipate the market as far as they can by this means. This is the course of business which he cannot help or change.

In my country last fall men who made contracts for hogs could not comply with them, and hundreds and thousands of contracts were violated because there was not currency enough in the country to meet the demands. It was not a question of the wealth of individuals or of the price of the article, but a simple question whether or not the currency could be raised to meet the contract. The result was a panic in hogs. The farmer lost largely; the prices went down and they sold. Since then the price has gone up, and the speculator has made the profit.

When the crops are to be moved, if currency is scarce, the price goes down, the market is glutted, the surplus goes off slowly. If the price in London were high, the effect would be the same. It is not a question of the quality now, but of the quantity. The quality he is satisfied with, and so is almost everybody else but the importers. The farmer never complains at the fair market price, but he does complain justly and loudly when his way to the market is obstructed and he is shut off and shaved simply for the lack of current money.

So he reasons that it would be wise to have a greater supply. If there are not cars enough to carry off his produce, he is shut off in the same way, and naturally says let us have more cars. Currency is the carrier of business; it is like the cars—more are needed as business increases. The number of dealers, the amount dealt in, the frequency of business transactions, all add to the demands for currency. Business in agricultural regions is not and cannot be done by clearing-houses upon a 5 per cent. supply as in New York, or on a 3 per cent. supply as in London. Pockets and pocket-books are yet in vogue, especially in the rural districts. People since the currency suspension last fall are getting a little shy of the banks. They will hold on to a little personally. If the currency were gold, the people would treat the subject in the same way if the banks were located and restricted as they are now. They see this inequality and insist that there shall be more banks, more accommodations, more clearing-houses, more commercial paper as well as more currency. And they reason in this simple way: that if there is more currency all these other things will be added unto it. Are they wrong? Are they barking up the wrong tree, as the hunters say? It is not impossible to organize more banks, and they think that will increase banking facilities. An extension of these privileges will give an extension of all the currency attending banks. They desire a reasonable increase of currency and bank facilities. They are not mad inflationists, unreasoning levelers, hot-headed experimenters. It may be well to see what inflation is; what expansion is; what increase is. They are not convertible terms.

To add largely to that which has its natural size may be called inflation; to add in a moderate degree to such an object is expansion; to add to that which has not arrived at its full volume or extent is an increase. If our currency is up to its full extent, any considerable addition will be inflation; a small addition would be expansion; but if it is not at present in sufficient volume, then a large addition is neither inflation nor expansion.

DO WE WANT INCREASE OR INFLATION?

This question is argued as if it was a measure of expansion, of inflation, of undue enlargement. That depends upon another thing, and that is, whether the currency is already out in sufficient quantities. In other words, is exactly the right amount issued? If so, how was this found out? Who estimated that just this amount was the right one? How did we arrive at it? Was it the result of calculation or accident? Once, and that not long ago, we had a much larger paper circulation than we have now—more than double the quantity. We have been retiring in one form and issuing in another; and the whole matter is the merest experiment, founded upon no definite plan or reason as to amount.

We have literally drifted by accident, by merest chance, to the present amount. Now, but one thing is certain, we have in circulation about three hundred and eighty-two millions of legal-tender notes, and about three hundred and fifty millions of bank-notes. If this was just the amount we needed, an increase would be inflation. If the cup is full, to pour in will cause an overflow; if a sack is full a little pressure will expand it and make it inconveniently hold more or burst. Is the vessel full? Is the sack full? If the vessel is not, you can safely pour in more; if the sack is wrinkled and empty you can risk filling it also. How much currency the nation needs before the amount becomes superfluous no opponent of this measure has shown. If we find the vessel dry, if we find the sack empty, the most of us would say that it would be safe to replenish. Nobody would dread an overflow or a bursting. Last fall we found the vessel empty. Where the contents had gone no one could tell. The nation was athirst for currency, and not a drop to cool the parching tongue. Inflation was impossible then. The result was a collapse, distress, bankruptcy, poverty, ruin to very many good men in regular business. A general derangement has taken place. A general dissatisfaction prevails. A general apprehension exists, and yet men say, "Let us do nothing; let us stand still; let us diminish the supply." Is this reasonable? Is this the way men act in other emergencies? The evil seemed to be in scarcity. Shall we intensify it? We have waited too long already. Prompt action was our plain duty if possible. I can see no safety in contraction, none in standing still. We ought to provide against a recurrence of the evils of last fall, in so far as we can promptly.

We need a more elastic currency, one that may adapt itself to the demands of the country. I prefer a reserve of United States notes in the Treasury. This saves for all the money used in an emergency 5 or 6 per cent. The loan is secured and is made expressly temporary. The other plan, to deposit notes in the Treasury first and draw out bonds, is more expensive than the one just named. It, instead of saving, costs 5 or 6 per cent., just as the bonds rate, for the bonds must first come out before the reserve is created. This reserve will then cost at least 10 or 12 per cent., according to the bonds, more than the other plan; one saves interest to the Government, the other loses it.

The plan of the convertible bonds at an interest of 3.65 per cent. is similar to this, and loses 8.65 or 9.65 per cent. more than the one I suggest. The plan first named costs nothing, and saves the interest on the bonds deposited. It is a simple provision, and can work no harm. This reserve will be drawn upon but rarely, and for a short time.

In the bill before the House the principle of free banking gives elasticity. The provision as to the reserves may endanger the value of the bills. I would not dispense with it entirely, but reduce the proportion one-half.

The section as to the issue of gold notes is a measure of contraction, and will undo all we have recently done to authorize the issue up to $400,000,000. These notes will be hoarded and the legal-tenders retired, a sure way to contract the currency. As the legal-tenders are contracted, the bank-notes must ultimately follow. We cannot redeem in gold, and it is unsafe to fix a day of redemption, as this section proposes to do.

We do not need another kind of currency in addition to the legal-tenders and bank bills. Gold notes are more valuable than ordinary paper; they will not be a part of the circulation; they will be hoarded just as gold is, and they, taking the place of greenbacks, the effect will be the same as if we destroyed them and put gold dollars in their place; in other words, gold dollars and gold notes can never form a part of the currency till specie payment is reached. The note that calls for gold is as good as gold.

The gold note—what is it? Is it a greenback legal tender? One would think these terms were identical, while we listen to hours and days of argument that the greenback legal tender is a "printed lie," is a "broken promise to pay gold." Perhaps it is. But then this eighth section sounds singularly if that is so. The provision of the law of 1870 in relation to national banking which authorizes gold notes has a very strange sound if the legal-tender note promises gold. Legislators have a singular way of putting things, if these provisions are identical in style and meaning.

The fact in legislation is that gold notes are one thing and legal-tenders another. Business men understand this, and politicians who expect to be regarded as candid men ought to acknowledge it.

What, then, shall we do? Certainly make no promises to pay out the pittance of gold we now have and impoverish the scanty store we are compelled to hold to meet emergencies. Fix the legal-tender circulation at $400,000,000 for a permanent issue, with $50,000,000 additional for a reserve of United States notes. To this add a provision for free national banking on the present basis up to the present sum *per capita* allowed to the State of New York. This will give more privileges to the States not in excess than they will need for some years to come. If they do not take this circulation within a given time I would allow any citizen to do so. This, I believe, will give such relief in the direction of currency as the people need. And this will not postpone for a day the return of the time when there will be no question made as to the difference between specie and paper.

The bill of the Senate is on our table, having just passed. It is not all we want. It lacks the important feature of a reserve, but it is, as far as it goes, a measure of relief.

It is a practical question as to what to do. My advice will be to adopt this measure without amendment, as the best that can be done at present. The growth of business and the effect upon the country will no doubt serve as valuable guides to future financial management.

Mr. TOWNSEND obtained the floor.

Mr. ALBRIGHT. With the consent of my colleague, I desire to give notice of an amendment which I shall offer whenever I may have an opportunity.

Mr. HARRIS, of Virginia. I also have an amendment.

Mr. HOLMAN. Are these amendments to be printed in the RECORD?

The SPEAKER. The Chair understands it to be the desire that the several amendments which members may send to the desk to-day may appear in the RECORD to-morrow morning.

Mr. HOLMAN. Yes, sir.

Mr. MAYNARD. These are amendments, as I understand, which gentlemen indicate they would offer if they had an opportunity.

The SPEAKER. Of course the amendments cannot in the present stage attach to the bill. They are only an indication of what gentlemen desire to offer whenever they may have a parliamentary right to do so. These several amendments will be published in the RECORD.

[The amendments sent to the desk by members under the foregoing arrangement are as follows:

By Mr. ALBRIGHT:

Amend section 5 by inserting after the words "carried on," in the fifth line, the following:

Provided, however, That said associations may invest their reserve in a 3.65 per cent. interest-bearing currency bond, which the Secretary of the Treasury is hereby authorized and directed to issue; said bonds are to be convertible into currency at the pleasure of said associations: *And provided further*, That associations organized under the law or the law to which this is supplementary shall be, and are hereby, prohibited from paying interest to each other or receiving interest from each other upon deposits.

By Mr. BIERY:

Amend by striking out sections 7 and 8, as follows:

SEC. 7. That associations without circulation may be organized under the provisions of the said act, upon the deposit, with the Treasurer of the United States, of not less than $10,000 of United States registered bonds, as provided in section 16 of said act; and associations already organized without circulation are authorized to withdraw their bonds in excess of $10,000.

SEC. 8. That the Secretary of the Treasury is hereby authorized and directed to issue, at the beginning of each and every month from and including July, 1874, two millions of United States notes not bearing interest, payable in gold two years after date, of such denominations as he shall deem expedient, not less than ten dollars each, in exchange, and as a substitute, for the same amount of the United States notes now in circulation, which shall be canceled and destroyed, and not reissued. And any excess of gold in, or hereafter coming into, the Treasury of the United States, after payment of interest on the public debt, and supplying any deficiency in the revenues provided to meet the current expenses of the Government, shall hereafter be retained as a reserve for the redemption of such notes.

By Mr. CORWIN:

Strike out all of the bill after the enacting clause, and insert:

That so much of the twenty-second section of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864, and of the several acts supplementary thereto and amendatory thereof; and such of the provisions 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; and so much or such parts of any other act or acts of Congress as limit, or as may be construed to limit or restrict, the entire amount of notes for circulation to be issued under the said act of June 3, 1864, and the several supplements thereto, be, and the same are hereby, repealed; and that hereafter all associations organized, or that may be organized, for carrying on the business of banking under the provisions of said act shall be free to establish and organize national banks, with circulation, at any place within the several States and Territories of the United States, upon the terms and conditions and subject to all the limitations and restrictions now provided by law, except the limitation upon the entire amount of circulation, which is hereby repealed.

By Mr. FARWELL:

Strike out the eighth section and insert the following:

That so much of the fifth section of the act entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February 25, 1862, as relates to the purchase or payment of 1 per cent. of the entire debt of the United States annually, and the setting the same apart as a sinking fund, be so amended that said purchase of 1 per cent. as therein prescribed shall be applied solely to the non-interest-bearing debt of the United States known as United States notes, which said notes, when purchased, shall be canceled and forever retired from circulation. The first application of said 1 per cent. to the purposes aforesaid shall be made after the 1st day of July, 1874, and within that fiscal year.

By Mr. HARRIS, of Virginia:

Add to the bill the following as new sections:

SEC. —. That the act entitled "An act to exempt wrapping-paper made from wood or corn-stalks from internal tax, and for other purposes," approved March 26, 1867, be, and the same is hereby, so amended that any national banking association, State bank or banker, or association may pay out the notes of any State bank, town, city, or municipal corporation without paying any internal tax thereon.

SEC. —. That the entire amount of circulating notes authorized by this act, and by the acts which this act amends, shall be apportioned to associations in those States and Territories which have not their proportion of such bank circulation, until said States and Territories are made equal with the rest of the States; and to ascertain such equality, said apportionment shall be on the basis of representative population.

By Mr. HOLMAN:

Strike out all after the enacting clause and insert the following:

That it shall be the duty of the Secretary of the Treasury to prescribe rules and regulations requiring the several national banking associations and their redeeming agencies to forward to the Treasury of the United States for cancellation all worn and mutilated bank-notes; and the Secretary of the Treasury shall cause the same to be canceled and destroyed. And it shall be the duty of the Secretary of the Treasury to cause to be canceled and destroyed all such notes of the national banking associations as may come into the Treasury; and he shall, from time to time, in lieu of such notes so canceled, issue United States notes of like denominations with the notes so canceled, which United States notes shall be of like tenor and effect, and in like manner lawful money and legal tender with the United States notes now authorized by law; and such United States notes shall be covered into the Treasury and applied, with other moneys in the Treasury, toward the liquidation of the national debt.

SEC. 2. That it shall be the duty of the Secretary of the Treasury from time to time to deliver to each of said national banking associations an amount of the bonds deposited in the Treasury to secure the circulation of such banking association equal to the par value of the notes canceled and destroyed under the provisions of this act.

SEC. 3. 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.

By Mr. LAMISON:

That whenever it shall appear, at the end of any quarter in any fiscal year, that the net receipts from customs exceed the amount necessary for the payment of the interest of the public debt of the United States, it shall forthwith be the duty of the Secretary of the Treasury to so reduce the rate of duties on imports as that no more shall be collected from customs than shall be necessary for such purpose; and that such reduction shall be made *pro rata* upon the schedule of duties required to be paid by existing law at such date.

By Mr. MITCHELL:

Add to section 2 the following:

Provided, That in case any increase of national-bank note circulation beyond the present authorized limit of $354,000,000 shall take place, the Secretary of the Treasury is hereby authorized and directed to retire and cancel legal-tender notes to the extent of such increase until the outstanding and unpaid legal-tender notes shall be reduced to $300,000,000; and for this purpose he is authorized to use any existing surplus revenue, or, in default of any such surplus, to sell 5 per cent. bonds of the Government.

By Mr. E. H. ROBERTS:

Add as an additional section the following:

SEC. —. That the Secretary of the Treasury shall, commencing with the 1st of July, 1874, with the coin set apart as a sinking fund, according to the provisions of section 5 of the act of February 25, 1862, purchase, in the open market, legal-tender notes on the first Wednesday of every month, except September, October, and November, to such amount that the aggregate purchases for the year shall be equal to 1 per cent. of the entire debt of the United States. And the Secretary shall continue such purchases until the legal-tender notes remaining in circulation shall be and remain at par with gold when said purchases shall cease. And whenever said legal-tender notes shall again fall below par in gold such purchases shall be resumed and continued until the legal-tender notes remaining in circulation shall be and remain at par with gold, when said purchases shall cease. And whenever legal-tender notes shall have been so purchased, such legal-tenders shall be canceled and destroyed, and shall not be reissued, nor shall any other United States notes be issued in their stead; but the total amount of United States notes shall be permanently reduced to the extent of such purchases.

By Mr. TOWNSEND:

Substitute the following for the bill:

A BILL to provide for an increase of national-bank notes and the withdrawal and cancellation of an equal amount of United States legal-tender notes, and for the withdrawal and cancellation of the so-called "reserve."

Whereas by section 6 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, it was provided that $25,000,000 of the national-bank notes should be withdrawn from banking associations organized in States having an excess of bank-note circulation, and distributed among States having less than their proportion of such circulation; and whereas it has been found to be impracticable to withdraw said circulation from States having such excess without greatly disturbing the financial, commercial, and other business interests of the country: Therefore,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller of the Currency is hereby authorized to issue to national banking associations organized, or that may be organized, in States and Territories that have not received the proportion of national-bank note circulation to which such States and Territories are entitled under the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved

June 3, 1864, and the several amendments thereto, circulating notes to an amount not exceeding $750,000 per month, until the aggregate amount of such circulating notes so issued shall have reached the sum of $25,000,000 and no more.

SEC. 2. That at the end of each month after the passage of this act the Comptroller of the Currency shall report to the Secretary of the Treasury the amount of circulating notes issued under the provisions of the preceding section to national banking associations during the month so ended, whereupon the Secretary of the Treasury shall cause to be redeemed, canceled, and destroyed an amount of United States legal-tender notes equal to the amount of circulating notes so issued, and there shall not be thereafter any legal-tender notes issued to replace those canceled and destroyed as above mentioned: *Provided*, That the legal-tender notes so canceled and destroyed shall not be considered as any part of the $44,000,000 withdrawn under the provisions of the act of April 12, 1866, entitled "An act to amend an act entitled 'An act to provide ways and means to support the Government,' approved March 3, 1865," and a portion of which legal-tender notes has been reissued and is now in circulation.

SEC. 3. That when the $25,000,000 above mentioned shall have been issued and an equal amount of United States legal-tender notes redeemed, canceled, and destroyed, or sooner at the discretion of the Secretary of the Treasury, it shall be the duty of the said Secretary to withdraw, cancel, and destroy, in addition to the said $25,000,000, as rapidly as the exigencies of the public service will allow, so much of the issue of the $44,000,000 of legal-tender notes withdrawn under the provisions of the act of April 12, 1866, hereinbefore mentioned, and subsequently reissued, as may then be in circulation, and when they shall have been withdrawn, canceled, and destroyed, it shall not be lawful to replace the legal-tenders so canceled and destroyed without the consent of Congress shall have been first obtained.

SEC. 4. That so much of section 6 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, as authorizes the withdrawal of $25,000,000 of national-bank-notes from banks in States and Territories having more than their share of national-bank note circulation, be, and the same is hereby, repealed.

Mr. MAYNARD. Several gentlemen around me request me to renew the proposition I have made on more than one occasion during this discussion, that hereafter debate shall be limited to fifteen-minute speeches.

The SPEAKER. The gentleman from Pennsylvania, [Mr. TOWNSEND,] who is on the floor, is entitled to an hour; and the gentleman from Kentucky [Mr. BECK] is, by previous assignment, entitled to one-half hour.

Mr. MAYNARD. Let my proposition operate after those gentlemen have spoken.

The SPEAKER. The gentleman from Tennessee [Mr. MAYNARD] asks unanimous consent that after those gentlemen have spoken and until the final disposition of the bill, the debate may proceed in fifteen-minute speeches. Is there objection?

Several members objected.

Mr. MAYNARD. I give notice, then, that whenever I can obtain the floor I shall call the previous question.

The SPEAKER. That notification had better be understood by the House. The Chair has been inquired of very often to-day what arrangement the gentleman from Tennessee proposes in regard to voting.

Mr. MAYNARD. My statement is this: After the gentleman from Pennsylvania [Mr. TOWNSEND] and the gentleman from Kentucky [Mr. BECK] shall have spoken, and the unused time of my associate on the committee [Mr. RANDALL] has been occupied, then, as the House will come to no agreement, I shall be obliged to test the sense of the House by calling the previous question.

Mr. GARFIELD. There are a few gentlemen here who do not wish to weary the patience of the House by speeches, but who would each like a few minutes merely to state their positions on this question. If the House would allow a few ten-minute speeches, an opportunity would be afforded for members briefly to put their views on record. This arrangement would facilitate business. I therefore ask the gentleman from Tennessee to renew his proposition. I think that when understood it will not be objected to.

A MEMBER. Say ten minutes.

Mr. MAYNARD. I will then renew the proposition, with the modification that speeches be limited to ten minutes instead of fifteen.

Mr. HOSKINS. Gentlemen can hardly give proper expression to their views in ten-minute speeches. If the limitation were fifteen minutes I do not know that I should object.

The SPEAKER. Is there objection that after the gentleman from Pennsylvania shall have spoken one hour, the gentleman from Kentucky one-half hour, and after the other gentleman from Pennsylvania [Mr. RANDALL] shall have occupied the time to which he is entitled, speeches shall proceed under a fifteen-minute limitation?

Mr. CLEMENTS. For how many weeks?

The SPEAKER. The Chair does not know what limit the gentleman from Tennessee assigns to the continuance of debate. If the bill goes over to-morrow, it must of course be carried over into next week.

Mr. KASSON. The gentleman from Tennessee [Mr. MAYNARD] will allow me to suggest that his proposition happens to hit exactly where my assignment comes in. If there should be an opportunity for me to speak to-day I would accept the disposition of the House, and I should not object to the proposition taking effect to-morrow, if it be the pleasure of the House.

The SPEAKER. The Chair understood the arrangement to be objected to, and the gentleman from Pennsylvania [Mr. TOWNSEND] will proceed.

Mr. MAYNARD. I will say to the gentleman from Iowa that it does not affect his assignment.

Mr. GARFIELD. Is there objection to the proposition?

The SPEAKER. The Chair understands there is.

Mr. E. R. HOAR. The gentleman from Iowa, as I understand, did not make objection.

The SPEAKER. The Chair understood him to make objection unless his rights were preserved.

Mr. KASSON. The Chair misunderstood me; I made an appeal to the gentleman from Tennessee to reserve the remainder of the day, because I believe the House will probably adjourn after the gentleman from Kentucky has concluded his speech.

The SPEAKER. The gentleman from Pennsylvania will proceed, and at the conclusion of his remarks an arrangement can be made if there be unanimous consent. Arrangements by unanimous consent are not matters for debate, and gentlemen should agree among themselves before bringing them before the House.

MESSAGE FROM THE SENATE.

A message was received from the Senate, by Mr. SYMPSON, one of its clerks, notifying the House that that body had passed without amendment bills of the House of the following titles:

An act (H. R. No. 676) for the relief of Joseph R. Blackwell, postmaster at Litchfield, Connecticut;

An act (H. R. No. 971) to forfeit to the United States certain lands granted to the Placerville and Sacramento Valley Railroad Company, to aid in constructing a railroad from the town of Folsom to the town of Placerville, in the State of California;

An act (H. R. No. 519) granting an American register to the Canadian tug Noah P. Sprague;

An act (H. R. No. 1892) authorizing the Passaic County National Bank of Paterson to change its name; and

An act (H. R. No. 1574) for the relief of Richard H. Dutton, postmaster at Cavendish, Vermont.

It further announced that the Senate had passed bills of the following titles; in which the concurrence of the House was requested:

An act (S. No. 509) to withdraw from sale a portion of the Fort Smith military reservation, in the State of Arkansas, and to prescribe the manner in which the remainder of said reservation shall be sold, and for other purposes;

An act (S. No. 229) authorizing corrections to be made of errors in prize-lists; and

An act (S. No. 249) authorizing the Secretary of War to give to George A. Armes, late captain Tenth United States Cavalry, an honorable discharge, to date the 7th of June, 1870.

CURRENCY—FREE BANKING.

Mr. TOWNSEND. Mr. Speaker, I rise to oppose this bill. Although I have a high regard for the eminent ability and the great congressional experience of the gentleman from Tennessee, [Mr. MAYNARD,] yet I cannot agree with him in his views concerning this bill. To me it is a bill which provides for unlimited inflation of the currency, with all its mischievous consequences. To me it is a measure which authorizes free banking; and I do not know that I have ever heard a more convincing argument against the evils of free banking than that which was uttered by the gentleman from Indiana [Mr. COBURN] who has just taken his seat, and who occupied the place where I now stand. He has given us the experience of his native State with regard to it. He has told us that although the banks of that Commonwealth had the security of the whole of the State, and although their currency was based upon the bonds of that Commonwealth which were at that time, as I am informed, at par, yet it appears that the currency of the free banks of Indiana so secured was at a discount of from 5 to 75 per cent. And it happens to me to know, in my own business experience from 1857 to 1861, that the notes of the banks of Indiana were so depreciated, based though they were on free-banking principles and the credit of the State, that the business men of that State went to Vermont, went to Massachusetts, to Connecticut, and to Rhode Island for a more reliable currency. And I myself have paid a heavy premium in order to get the notes of New England to replace the notes of the free banks of the State of Indiana.

I am opposed to this bill, sir, because it allows unlimited inflation. There are but four hundred millions of United States bonds deposited by the banks as security for their circulation. That leaves thirteen hundred millions outside of the banks, and the only limitation there may be to the currency expansion under this bill, upon the establishment of free banks, will be the amount of that bonded debt which can be taken up and put into the hands of associations anxious to carry on the business of free banking, and that can be forced into the channels of circulation and of the trade and business of the country.

I object to this bill again because it is a surrender of the rights and duties of the Congress of the United States. I oppose it because it is a surrender of that great principle of sovereignty—under that provision of the Constitution which requires the Congress of the United States to provide a sound and safe currency for the people and to regulate the value thereof. I say, then, that it is a surrender of that great right and power to comparatively irresponsible associations to change the value of the money of the people from day to day. This body, representing the people of the United States, would not dare to give to any man the right to debase the gold coin of the nation. And if any man outside of this House, or within it, were to endeavor to coin gold dollars that should have but twenty grains of gold instead of twenty-five, if any man should undertake so far to debase that coin as to take away 20 per cent. of it, and strive to pass it upon the people as a dollar of the nation, he would be sent to the penitentiary. And yet here, to-day, the gentlemen who represent the inflation side of this question are asking that we shall give into the hands of irresponsible corporations, the hundreds and thousands of them that will start up under this bill, the right to debase the currency of the people not only 5, but 10, 20, or perhaps 50 per cent., according to the extent of the currency inflation that they may authorize.

The debasement of the currency in the one case would be against the law; in the other, it would be under the forms of the law, but the evil consequences to the people in both cases would be the same.

I repeat that we will be recreant to the duty that we owe to our constituents if we fail to hold our hands, and that with a stern grasp, upon the currency of the country, and to keep it from overflowing its bounds and swelling into that inflation which will sweep everything before it into universal ruin.

Now, sir, this bill, and all the free-banking bills here, are founded upon a great and fundamental error. They are founded upon the erroneous idea that the currency of the banks, when it goes out of the banks and performs its functions, will return to them again for redemption. Sir, the history of the world is all against it. You cannot find, from the time of John Law, one hundred and fifty years ago, down to the present hour, anything in any system of banking institutions that will show that when the paper currency of a country begins to expand, and gets beyond that point where the ordinary and legitimate wants of the people require it, but that it goes onward and upward, increasing outward all the time, and never brought back for redemption unless by the hard hand of a panic and a suspension of payments.

I need only refer you casually, as I go along, to the fact that at the death of Louis XIV he left the French nation deeply impoverished. I refer you to the fact that John Law, a Scotch adventurer, at that time went over to France and got into the confidence of the Regent of Orleans. The nation was deeply in debt; the currency was debased. John Law inaugurated the Mississippi scheme with the plausible pretense of working the mines of Louisiana. In connection with that he was allowed to establish the Bank of France, and that bank was authorized to issue some fifty or sixty million dollars of paper currency. It was found that that small addition to the money circulation gave a large impetus to the commerce of the nation; and men, reasoning then, as they do here now, that if a small amount of currency will do a great good a larger amount of currency will do an amount of good proportionately greater, urged upon the Regent to expand the loans of the bank, and they were expanded several hundred million livres. The result of all this was to increase the operations of trade; to give great activity to manufactures; to agriculture, and to commerce. Everything seemed prosperous, and as this seeming prosperity progressed, the shares of the Mississippi bubble advanced in price; and as they went up they required more currency to float them along and to deal and trade in them. The result of it was that there was a larger demand upon the bank for currency; and more money was issued until there were 2,700,000,000 livres afloat among the people.

Then it was that one man, a little more sagacious than the rest, the Prince of Condé, took it into his head to see whether or not this was all a sound prosperity, or whether it was only a bubble. He applied to the bank for the redemption of some of their bills. He obtained money for them in gold and silver, but immediately thereafter distrust began to arise; and the Regent, in order to back up the falling credit of the bank, required him to send back the specie. He did it under compulsion; but afterward, he and others of the same mind who knew of the hollowness of affairs in the bank withdrew quietly their money, sent it abroad in order to be safe; and the result of the great inflation was that a panic ensued and the whole fabric of the prosperity of the nation fell into one indiscriminate mass of ruin. Thousands upon thousands of men were overwhelmed, and the whole trade of the nation stagnated thereafter for years. The bubble had burst, it had dissolved into thin air, and disappeared from view as rapidly as the glittering ice palace of Potemkin, reared in honor of his imperial mistress, disappeared before the summer sun.

I need not speak, in continuation of the subject, with regard to our continental currency, any further than to say that although at first when we issued it it was at par, yet as our fathers put issue upon issue till they had three hundred and fifty-seven millions of it afloat, it collapsed and sank down to nothing. It fell so low that one dollar in silver in 1781 would buy seventy-five dollars of the currency.

Coming down in the track of time, let us take a passing glance at the history of France during her revolution. She was encircled by the banded nations of Europe anxious for her destruction because she was then a standing reproach to the monarchical principle, and in her mighty struggle she issued forth *assignats* to the amount of thousands of millions of dollars. But the consequences were that in the end it became so depreciated that the butcher and the baker and all the tradesmen of the city of Paris would not bring their products to market nor take a dollar of that currency, notwithstanding that the government stood behind it pledged with all the revenues of the nation, with all the confiscated lands of the nobility, with all the lands of the church and nation, with everything that the nation possessed, in order to sustain it. Behind all these were laws that made it criminal to refuse to take the currency; yet it became so utterly worthless that the people of Paris were brought to the verge of starvation; bread riots ensued, men were crushed to death while waiting at the butcher and the baker shops for their turn to get that food which was denied them, and the government had to step in and confiscate by force, wherever it could, provisions wherewith to feed the starving multitude; for confidence in the currency and between man and man was utterly destroyed.

This, sir, is the history of inflation in other countries as well as our own. I say, then, Mr. Speaker, that it is the experience of the world that there is no kind of elasticity in a paper currency with the single exception of an elasticity outward. It never decreases its volume unless with the hard gripe of a panic and with the suspension of payment, unless with the utter ruin of thousands and tens of thousands of individuals who may have trusted in its promises.

Sir, during the holidays last Christmas it occurred to me to make for my own satisfaction a chart or diagram from the official tables whereby I might see for myself, according to the plan adopted by statisticians, the progress of the currency and banking and the commerce of the United States for the last forty years; and as we can more readily take in great facts by the eye at a glance than we can take them in by long words of explanation, I will exhibit this diagram and show that the experience of our country for the last forty years has been precisely the experience of all other countries. [Mr. Townsend here held up at the Clerk's desk the diagram referred to.] Here, Mr. Speaker, is an illustration of the upward movement of the currency and of the foreign commerce of the nation for the period mentioned.

Mr. BIERY. I rise to a question of order. I ask that gentlemen shall keep their seats.

Mr. DAWES. I ask the Chair to request gentlemen to take their seats.

The SPEAKER *pro tempore*, (Mr. Loughridge in the chair.) The House will come to order and gentlemen will resume their seats.

Mr. TOWNSEND. It will be remembered that in 1832 the President of the United States vetoed the charter of the Bank of the United States. You will remember that in 1833 Mr. Taney removed the deposits. You also remember he encouraged all the banks of the country thus favored with the deposits to lend as freely as they could to the people of the United States the deposits belonging to the United States. The result was that they began in 1834 expanding the currency from the amount of ninety-five million dollars to one hundred and forty-nine millions in 1837; and the combined circulation and deposits from one hundred and seventy-one to two hundred and seventy-six millions; and that they expanded the loans and discounts from three hundred and thirty millions up to five hundred and twenty-eight millions while the specie decreased from forty-four to thirty-eight millions. The result of this great expansion was that there was a panic, a suspension of specie payments, and the whole business of the country collapsed and came down to ruin. So we proceeded onward in our downward course.

The banks suspended in 1837. They resumed in New York in May, 1838, and in Pennsylvania in August, 1838. Then again they suspended on October 10, 1839; and the State of Pennsylvania, believing that this matter of currency and resumption of specie payments was a mere matter of legislation, in 1840 ordered the banks of the State to resume specie payments on the 12th day of January, 1841. They did resume specie payments according to the order, because they were under the necessity of doing it upon the penalty that if they did not resume the charters of all would be taken away. But it was a commercial question rather than a legislative one. They remained in resumption only about four weeks, when they suspended in 1841 and did not resume till March 22, 1842. It took till 1843 to make a sufficient reduction of circulation and deposits, and it was not till that line had fallen from two hundred and seventy-six to one hundred and fourteen millions that a permanent resumption took place. Now, I have said that there is no voluntary contraction of the currency by the banks. You will notice the currency and deposit line going up here all the way regularly enough from 1843 to 1857. In that period the circulation and deposits expanded from one hundred and fourteen to four hundred and forty-five millions, and the discount line from two hundred and eighty-three to the enormous amount of seven hundred and forty-four millions, the specie only increasing in that time from fifty-six to fifty-eight millions.

This outstretching of the credit system was far beyond the wants of legitimate commerce, and a panic ensued with the usual disastrous consequences. Those who choose to read the Bankers' Magazine of October, 1857, will find that precisely the same influences that brought on that panic brought on the panic of 1873.

Mr. MERRIAM. Is that on a gold basis?

Mr. TOWNSEND. Yes, sir; it was on a gold basis. This was the result of the expansion of the currency, the onward and upward movement of the circulation and deposits.

Then again we resumed in 1858, and went onward and upward till the war came on in 1861, having in that time increased the circulation and deposits from three hundred and forty-one to four hundred and eighty-one millions, and the discount line from six hundred and forty-three to seven hundred and seventy-one millions when a suspension of payment took place again, because of the action of the Government of the United States in requiring the loans to the Government to be made in gold, instead of their notes. Had it not been for that action, the banks would have held out much longer and the country would have been saved many millions, lost by depreciation of the currency, under the sub-treasury system. The condition of the currency was abnormal during the war. But after the new banking system was established inflation commenced again. From January, 1866, to the panic in 1873 the bank-note circulation increased from two hundred and fifty-nine to three hundred and forty millions, the legal-tenders receded from four hundred and fifty-one to four hundred and twenty-six millions, the deposit line went up from five hundred and fifty-two to six hundred and thirty-nine millions, and the discount line from five hundred and one to nine hundred and forty millions, while the specie in the banks advanced from nineteen to thirty-four millions only. This was enormous inflation, more rapid and more extensive than any heretofore known in our history.

The argument that currency returns after "movement of the crops" is refuted in the report of the Comptroller of the Currency, which shows by the quarterly returns that the currency was regularly expanding with but few exceptions during the whole of this period.

When the touchstone of payment came to be applied to one or two great banking-houses, the hollowness of all this seeming prosperity was made manifest, and the whole fabric of false credit went tottering to its fall.

From this statement it will be seen that we have been drifting steadily and rapidly away from specie payments; for in 1861 we had one hundred and two millions of specie in our vaults to meet the demands of four hundred and eighty-one millions of circulation and deposits, with two hundred millions more among the people, while in 1873 we had but thirty-four millions of specie in the banks, eighty millions in the Treasury, or about one hundred and forty millions in banks, Treasury, and with the people, against three hundred and thirty-four millions of bank circulation, four hundred and twenty-six millions of greenbacks, and six hundred and thirty-nine millions of deposits; or thirteen hundred and ninety-nine millions of immediate liabilities in all. In the first instance the proportion of specie to immediate liabilities was as one to four and seven-tenths, while in the latter it was as one to twelve and three-tenths dollars. Thus has the breach been widening, and now we propose to make it wider. Is it wisdom so to do?

But this exhibit conveys a still more important lesson to the manufacturer and mechanic and every laborer in the country. This onward and upward movement of the currency has a direct influence upon foreign trade, and you will find that accordingly as the currency expands imports will be coming into the country and exports will not go out in proportion. The reason is that this inflation of the currency makes this country the best market in the world. Everything is brought here for sale; commodities of all kinds come here, and you will find by this diagram that as the currency goes upward the line of imports also expands until suspension comes when it comes down again. The exports also decrease under inflation, for the high prices here caused by an inflated currency render the prices of our manufactured products so high that they cannot compete with the products of foreign nations. And here is a remarkable instance of the fact that the withdrawal of the currency brings the balance of foreign commerce in our favor.

In 1866 we passed the contraction act. From 1866 to 1868 we reduced the legal-tenders $44,000,000, and during the same time we reduced the imports of the country from $431,000,000 to $349,000,000 per annum; so that the movement of the currency affects not only the internal commerce of the country, but it affects all the foreign commerce as well, and consequently and directly it affects the interests of every man throughout the land.

Now, Mr. Speaker, I want to say with regard to the effect of an inflated currency upon foreign imports and upon our own exports that during the highest period of inflation, the seven years from 1865 to 1873, our exports in merchandise amounted to $2,891,000,000, and our imports in merchandise to $3,731,000,000, and our import of coin and bullion was $84,000,000, against our export of coin and bullion of $539,000,000.

The excess of merchandise imported was therefore $840,000,000, to pay which we exported of our own home-produced gold $455,000,000, leaving to be settled by bonds, or in some other way, $384,000,000.

But take the whole period for forty-three years and we find a still more remarkable state of affairs. In that period of time we imported in merchandise $9,707,000,000, and we exported in merchandise $8,026,000,000, making the excess of imports of merchandise over the exports of the products of our labor $1,681,000,000; and for that great indebtedness we paid $1,019,000,000 in coin and bullion, raised out of the bowels of the earth, leaving us to pay in bonds $661,000,000 in order to settle the balances. From this unfortunate balance of trade against us we are suffering to-day.

Now, my friend from Connecticut [Mr. HAWLEY] the other day said that he had very little faith in this matter of the balance of trade. I have, sir; it is a very important element in our political economy. He put the case in this shape: That if we exported $100,000 worth of produce, and with it bought $120,000 worth of commodities, although the custom-house will show $20,000 against us, yet in reality we were the gainers; but he forgot to state the fact that while we were trading in that way, merchants on the other side might be trading in precisely the same manner, and that if England sent over to our country $100,000 worth of dry goods or cutlery, and got from us $120,000 worth of flour or other commodities for it she would gain $20,000, although the custom-house might show $20,000 against that country, so that the several transactions would thus balance each other. Now these exchanges are going on all the time. The true balances of trade are those which we have to pay in hard coin and in bonds or securities beyond the amount of produce we can furnish. What that amount was I have just shown.

Mr. Speaker, the inflation from 1865 to 1873 was that which brought about the recent panic. The Comptroller of the Currency in his last very able annual report ascribes largely the effects of the panic to the railroad extension of the country, and tells you that in the last five years $1,700,000,000 have been invested in railroads, at a rate of $340,000,000 a year, and that that was one of the great producing causes of the panic, aided, however, by the operations of the banks acting in sympathy with the stock boards, making loans on call, paying interest on deposits, certifying checks without deposits to meet them, and thus inflating the currency and credit system of the country in various ways. Its disastrous effect upon the people through the railroads may be seen in the fact that on the 1st day of January, 1874, one hundred and fifteen railroads of the nation whose coupons and dividends were payable in New York defaulted to the amount of $27,000,000, then due and payable. I will read from the North American of February 26, 1874, a statement of the condition of Minnesota, which has been brought about by the late inflation of the national currency:

The State of Minnesota is one immense railroad cemetery. Her new State reports show that her seventeen hundred miles operated last year did not earn enough to meet the interest on the funded debt and the running expenses by $3,840,000. The gross earnings were $5,535,000, the net $1,111,000, or less than a quarter of the interest on the bonds. Seven roads, operating two hundred and twenty-four miles, do not pay their running expenses. Every mile of the road is covered by nearly $15,000 of stock and $41,000 of bonds. The unpaid and overdue coupons amount to $3,740,000, most of them of recent date.

As it is with Minnesota so it may be, perhaps to a less extent, with other Western States.

And yet gentlemen say that all is lovely and prosperous among the railroads of the West. Sir, it was this great inflation of the currency that brought about the bankruptcy of Jay Cooke & Co., and brought down with that company ruin to thousands of people. In looking over the list of creditors of Jay Cooke & Co., which I hold in my hand, I find them of every kind, character, and condition, from the poor laborer, the depositor of twenty-five dollars, the widow, and the clergyman with their small accounts, to the banker, the depositer of $25,000, no one of whom, so far as I have heard, has yet received a single dollar by way of dividends. They owe two thousand people or more, and their indebtedness amounts to nearly $9,000,000. I do not want again to see an inflation of the currency that will make it possible for one firm to get so much in debt as to draw into its coffers the money of the multitude and to carry so much ruin and despair to so many individuals of this country.

We see the effect of this inflation of the currency still further in the number of bankruptcies that have taken place throughout the country in the last three years. In 1870 they amounted to 3,551, with an indebtedness of $88,000,000. In 1872 there were 4,069, with an indebtedness of $121,000,000. In 1873 the number had increased to the enormous amount of 5,183, with $228,500,000 of indebtedness that they were unable to pay.

The great inflation of the credit system, by the increase of bank and national circulation between 1866 and 1873 from seven hundred and ten to seven hundred and sixty-six millions and of loans and discounts from $501,000,000 to $940,000,000, was one of the greatest financial bubbles we have ever blown.

Beautiful to the eye of the child is its bubble of soap and water, and as it expands, its prismatic colors racing over the surface reflect all surrounding objects and become more brilliant and more charming as the bubble enlarges, and most dazzling when at its greatest tenuity until it finally bursts leaving but a drop of water.

Just so do the financial bubbles of men, the boys of larger growth, charm, beguile, and deceive the eye, as prices rise, as profits are realized, as stocks go up, as business increases under the expansion of a plethoric currency and an increasing credit system, until the rough hand of demand of payment grasps them, when they shatter into ruined fragments, like the bubble of the child, leaving but fragmentary remains to show their former existence.

Notwithstanding all this ruin and despair throughout the land, my colleague, [Mr. KELLEY,] the gentleman from Indiana who so eloquently spoke here yesterday, [Mr. ORTH,] and his colleague who has addressed us to-day, [Mr. COBURN,] say that all is prosperous and serene throughout the country. They point us to the railroads that have been laid down and the furnaces, forges, and rolling-mills that have been set up. They point us to the cities that are being built up around us. But they forget, Mr. Speaker, to tell you that these improvements have been made at a fearful cost, leaving a heavy permanent indebtedness. They forget to tell you that the country in its national capacity owes $2,000,000,000. They forget to tell you that for these railroads which they speak of the country owes $4,000,000,000. They forget to tell you that the municipal debt of the country is $1,000,000,000. They forget to tell you of the other indebtedness of the people, amounting in all to more than $10,000,000,000, or 30 per cent. of the whole real and personal estate of the nation, which the people lie under to-day. Every year $600,000,000 of interest is grinding out the faces of the poor; $600,000,000 is working against the capital and against the industry of the nation.

Mr. Speaker, this matter of interest is a thing that never sleeps; it works all the time. It is hard at its task while we are sleeping. It grows with what it feeds on and is ever accumulating. It follows us in our midnight dreams and in our busy hours. It is with us at the festal board and at the marriage feast. It follows us to the open grave of our friends. Always, everywhere, wherever we may be, it cries out in our ears, "Pay me that thou owest." It is thus crying out to-day everywhere, wherever these improvements as they are called have been made. Everywhere throughout the land there is no man exempt from this cry of interest. We all have to answer it in one capacity or another. If we pay a single penny of tax to the Government, if we purchase anything at all that comes within the reach of railroad influence by transportation, or of municipal improvements, we have to answer that cry, "Pay me that thou owest," and contribute our share.

This is where we are brought. Gentlemen point us to these improvements as the evidences of the great prosperity of the country brought about by the inflation or the expansion of the currency. Yet they forget to tell us that in my own State of Pennsylvania as well as elsewhere there are some furnaces, forges, and rolling-mills that are idle and some working only half time. They forget to tell us that throughout the great West there are railroads half finished and abandoned. They forget to remind us that to-day in New York there are fifty thousand people walking the streets of that great city not one of them knowing in the morning where he will get his evening meal. And they call this the evidence of the great prosperity of the country brought about by the large amount of circulating medium issued by the banks and the Government. The workingmen whose children are crying for bread do not share in their enthusiasm.

This condition of affairs it is to which we are brought by the inflation of the currency. It is the condition of the people of the country during the old continental times. These gentlemen want to circulate great masses of money freely throughout the country; they want to have cheap money and in great abundance; they want to have it so expanded that it will raise the price of everything, as it did during the revolutionary war; they want to bring us back to the colonial currency which was used by our forefathers, of which there was great abundance in that time, and although it was made legal tender for the payment of debts, and although penalties were denounced against those who refused to take it, it depreciated until at last it went down so low that a single dollar of specie would buy seventy-five dollars of that kind of paper. I have a lot of it here; and "thereby hangs a tale." An ancestor of mine, in the latter part of the revolutionary war, sold a farm for £1,200, and took his pay in this kind of money. Although it was then depreciated, he thought it would come up again. He kept it, relying upon the faith of the Government that it would eventually be made good, until finally it sank down to nothing. About a bushel of this paper came down to his descendants; and in the general distribution of it I received a couple of quarts for my share; and here is a portion of it—the "cheap money" of the ancient times.

Mr. BIERY. Will my colleague allow me one question?

Mr. TOWNSEND. No, sir.

Mr. BIERY. I only wanted to ask the gentleman how much he would take for that money now?

Mr. TOWNSEND. A dollar a quart.

Now, Mr. Speaker, that is the condition to which we are likely to be reduced by the passage of this bill. There will be no escape from it. There is no financial panacea whereby you can escape from the payment of your debts. My friend from Tennessee is endeavoring to devise a means whereby the Government can evade the payment of its obligations. I want to remind him that he is endeavoring to drive us on to repudiation; and, as he is a classical scholar, I want him to remember that this state of affairs was described two thousand years ago. I want him to remember the oft-quoted sentiment of Virgil, "*Facilis descensus Averni, sed revocare gradum, hic labor, hoc opus est;*" which means, when liberally translated into our vernacular, that the Government may easily issue a large batch of shin-plasters, but it will be hard work and hard labor to redeem them.

Now, Mr. Speaker, as the waning minutes of my hour are fast passing away, I can only say that if we want to have a sound and stable currency there is but one way to accomplish it, and that is to have a currency redeemable in specie. There is no other method. We are drifting away from that basis. The breach between paper and gold is widening. As you saw by the diagram I showed you, we are going further and further away from the specie touch-stone. So long as we have an irredeemable paper currency we shall have a currency that no man can trust for twenty-four hours. In making a contract to-day, payable ten days hence, you can never know what you will either have to give or to receive in a paper currency; you can never know how to make your contracts; you can never know whether you will gain or lose by its fluctuations. Consequently, all values will be disturbed and all contracts will be of a very unsafe and unsatisfactory character.

Mr. Speaker, who is it that asks inflation? Is it the man engaged in the legitimate business of the country? Is it the laboring man? Is it not the speculator, the broker, the man who reaps his harvest out of a fluctuating currency? the speculator, who, holding depressed stock, wants a large amount of paper currency afloat in order that his stock may rise, and that by means of the rise he may get out of the unfortunate situation in which he stands?

Mr. BIERY. If my colleague will go home with me I will show him plenty of furnace-men who are asking for an increase of currency.

Mr. TOWNSEND. I have gone home to my own constituents; I was there last week. I talked to the mechanics; I talked to the farmers; I conversed with the citizens of the town. I talked to a hundred people, all of whom said, "What is Congress going to do? We hope and trust that they are not going to inflate the currency." I did not hear a single man, from the humblest mechanic to the richest banker, who was not opposed to any inflation of the currency, who was not opposed to the $400,000,000 bill and the bill of the gentleman from Tennessee, [Mr. Maynard.] The party is against it. We have pledged ourselves repeatedly that at the very earliest period we will bring about a redeemable paper currency; that we will come back to specie payments. We have solemnly pledged ourselves—republicans, democrats, all of us have pledged ourselves—to the people that we will give them a redeemable currency in which they may safely deal, so that when they make a contract to-day to be paid or consummated next week or next month they may know what they will have to pay or to receive.

Mr. MAYNARD. Will the gentleman allow me to ask how many national banks there are in his town?

Mr. TOWNSEND. There are two national banks in my town. Both of them are willing and anxious that the currency should be made redeemable. I say that the republican party and the democratic party alike stand pledged to the redemption of all the currency of the country, national-bank and greenback, in specie. We stand face to face with our constituents with that pledge upon us. If there be any faith at all in politicians, if any faith is to be placed in platforms, if we have not willfully deceived the people, we are pledged to do our utmost to bring about the resumption of specie payments.

When Secretary McCulloch, in 1865, spoke of the evils of our then inflated currency, we pledged ourselves, in John B. Alley's resolution, that we would contract it. We followed up our pledge by the act of 1866, and abandoned it in 1868, after only forty-four millions of contraction. When General Grant came into power we again pledged ourselves to a redemption of the greenbacks in coin at an early day. We reiterated that pledge in our national platform of 1872, and yet we are here at this hour preparing to violate those pledges by the passage of a bill that admits of indefinite inflation, and the postponement of resumption perhaps forever.

The people are as yet forbearing, but they begin to speak out. They have spoken through their National Board of Trade; through their clearing-houses; through great meetings in New York and Boston; and the State of New York, through her governor, joins in the great demand that we should prepare for resumption.

That voice is too powerful to be allowed to pass unheeded. As a party we are responsible for the financial measures of the Government; and if we do not respond to the great and swelling voice of the multitude, but persist in measures that must lead to insolvency and repudiation, our party will be swept from power and the places that know us now will know us no more forever.

A government that has gone so far in the issue of a depreciated currency that it is troubled to redeem it, and seeks to evade its obligations, is on the high road to repudiation. I fear that we are on that high road now. We have not the courage to stand here and say that we are determined to bring about the resumption of specie payments, because we have introduced a bill that will indefinitely postpone it. We are afraid of the speculators. We are afraid of the men whose interest it is to inflate prices and lift them up so they may unload their worthless stock in Wall street, and put it off on unsuspecting purchasers.

Mr. Speaker, it becomes more difficult every day to resume. It will be more difficult to-morrow than to-day if we issue another dollar. It will be more difficult next week than it is this if we continue expansion. There is nothing will bring us down to the resumption of specie payments but a curtailment of the currency of the nation. We must face the music now or soon hereafter. Let us do it now.

We are endeavoring to find out some financial nostrum whereby we can get out of the difficulty in which we are. There is but one way to do it, and that is to retrace our steps. Just as we got into our difficulties by expansion we have to come out of them by contraction. There is no other way under heaven and known to men. Gentlemen may bring bills in and make all sorts of arrangements to pay at a distant time, but unless we begin now, to-day, with the right kind of a bill to resume specie payments at a reasonably early period, we will never be able to pay the bills which are out, and they will only be discharged by panic and eventual repudiation and ruin.

We lost a golden opportunity not long ago, when the currency of the country was within 7 per cent. of gold. We lost it when we began to agitate here for an inflation of the currency, and induced the people to believe we intended to inflate. And when the $400,000,000 bill was passed here, without opportunity of debate, when it was passed through under a pressure, and without a chance for a single sentiment for or against it to be expressed in this House, the bankers, brokers, and speculators of Wall street saw there was a chance for them there. Stocks and gold went up immediately because of our action, and they are to-day 1 or $1\frac{1}{2}$ per cent., and some of them 2 or 3 per cent., higher than they were before our action.

Now, Mr. Speaker, I have no financial panacea to offer; but I propose to offer a bill, which I ask to have printed, as an amendment to be offered to this bill, and which will have a tendency toward resumption of specie payments. It is a bill whereby I propose to satisfy the people of the South and West in their demands for the currency to which they are entitled under the act of 1870. Under that act they were entitled to $54,000,000 to take the place of the 3 per cents, and $25,000,000 more to be taken from existing circulation; but it has been found impossible to wrest from the bankers of New England and New York the excess of $25,000,000 they have on hand.

Mr. MAYNARD. In Pennsylvania?

Mr. TOWNSEND. Some perhaps in Pennsylvania. I now propose a bill which will give to the gentlemen of the South and West who want bank capital that $25,000,000. I propose in this bill that the Comptroller of the Currency shall issue to those States which have not had their amount of currency $750,000 a month until the $25,000,000 shall have been exhausted.

The SPEAKER. The gentleman's time has expired.

Mr. MYERS. I hope my colleague will be allowed to continue until he concludes his speech.

Mr. HOLMAN. I hope there will be no objection to that.

There being no objection, it was ordered accordingly.

Mr. TOWNSEND. I have provided in my bill that the Southern and Western States who have not got their amount of currency shall have $25,000,000 more, in $750,000 monthly installments, and at the end of every month the Comptroller of the Currency shall report to the Secretary of the Treasury the amount of currency thus issued, and there shall be then canceled of greenbacks of the Government an equal amount, so that the currency will not thus be inflated. I provide in another section that as much of the $44,000,000 as may be out shall be withdrawn, so that the whole currency of the country when the bill takes effect shall be precisely what it was before the excess of greenbacks was issued. There will then be $331,000,000 of greenbacks afloat, being $51,000,000 less than now; making the Government that much nearer resumption, and adding $25,000,000 to the national-bank currency. That is as far as the people will go to-day. I submit it as my judgment to the House. Then, at the next session of Congress, if we think right, we can cause a reduction to be brought about by the issue of 3 per cent. notes to a certain but reasonable extent, and payable at a future time, to take the place of legal-tenders, and bring the greenback circulation eventually down so low the nation could redeem without any disadvantage or trouble, and the banks could follow in its wake with ease.

Thanking the House for the attention given me, I conclude my remarks.

Mr. MAYNARD. I give notice unless an agreement is come to, when the speeches are through which are now contracted for, to limit debate to ten-minute speeches I shall call the previous question.

Mr. BECK. Mr. Speaker, some time ago I introduced and had referred to the Committee on Banking and Currency a bill which I had hoped would receive its favorable consideration, my special object being to substitute United States notes having all the qualities of national-bank notes for the notes of the banks, and to make banking practically free by a system which, while it would prevent undue inflation of the currency, would give the people and not the banks the benefit of the credit of the Government and enable the Government to furnish a basis for banking on its own convertible bonds at a low rate of interest, instead of putting, as is now done, the whole credit of the country into the hands of a favored set of bondholders, or of simply extending it, as the bill presented by the committee does, to the present holders of our bonds. I desire to read its provisions for the information of the House, as I intend, if the previous question can be voted down on the committee's bill, to offer mine as a substitute and have it referred to the Committee of the Whole for amendment, being very well aware that it is far from being perfect. I want to amend it by making one-half of the customs duties (all ought to be) payable in currency.

The bill reads as follows:

A bill to provide a uniform currency by the retirement of national-bank notes and substitution of Treasury notes and 3.65 per cent. bonds, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized to issue, in manner as hereinafter prescribed, on the faith and credit of the Government, $400,000,000 of Treasury notes, payable on demand in United States legal-tender notes, at the Treasury and at such United States depositories as the Secretary of the Treasury may designate. Said notes shall be similar in form and appearance to the said legal-tender notes, and may be of denominations not less than one dollar, nor more than $10,000, and shall be receivable in payment of all taxes, claims, and demands due to the United States, and of all claims and demands against the United States, to the same extent that national-bank notes are receivable and no further.

SEC. 2. That the Treasury notes authorized herein to be issued shall only be issued to the extent that national-bank notes shall be returned by national banks for cancellation and destruction, as provided in section 9 of this act, and shall only be used in the purchase of the United States bonds commonly called "five-twenties."

SEC. 3. That the Secretary of the Treasury is hereby authorized and directed to issue from time to time, on demand, in exchange at par for legal-tender notes of the United States, the bonds of the United States in denominations of fifty dollars or any multiple thereof; said bonds to be called United States convertible bonds, to bear interest at the rate of 3.65 per cent. per annum, and principal and interest payable on demand in legal-tender notes of the United States.

SEC. 4. That the Secretary of the Treasury is hereby authorized and directed to redeem said bonds on demand at the Treasury of the United States, at the offices of the assistant treasurers of the United States, and at such other convenient places within the United States as he may designate for that purpose, and under such regulations as the Secretary of the Treasury may prescribe; and whenever said bonds are presented and paid as aforesaid, the same shall be immediately canceled and stamped with the word "paid" on the face thereof, and the same shall be forwarded to the Treasurer of the United States. The Secretary of the Treasury shall, monthly, cause the bonds so paid to be destroyed in the presence of the Treasurer of the United States and Register of the Treasury, of which destruction a record shall be made showing the date, denomination, number, and date of payment of each bond, in a book to be provided for that purpose, and signed by the officers aforesaid.

SEC. 5. That the $50,000,000 of legal-tender United States notes, authorized by existing laws to be issued in addition to the $400,000,000 contemplated for permanent circulation, shall be prepared and held as a reserve for the redemption and payment of the Treasury notes authorized to be issued by section 1 and of the convertible bonds authorized to be issued by section 3 of this act.

SEC. 6. That the money received in exchange for convertible bonds shall only be used in the purchase of the bonds of the United States called five-twenties, and in keeping a reserve for the payment of the principal and interest of the convertible bonds when demanded, which reserve shall be of such an amount as, in addition to the $50,000,000 mentioned in section 5 of this act, shall be sufficient, in the opinion of the Secretary, to insure their prompt redemption. Whenever any portion of said $50,000,000 shall have been used in the redemption of Treasury notes or convertible bonds, the Secretary of the Treasury is hereby authorized and directed to sell to the highest bidder, for United States legal-tender notes, any of the bonds now authorized by law to be issued for funding the public debt, to an amount sufficient to restore to the Treasury all of said $50,000,000 that shall have been used as aforesaid. Such sale of bonds shall be made upon due notice by advertisement and upon biddings made by sealed proposals.

SEC. 7. That all further issue of national-bank notes to national banks by the Comptroller of the Currency, whether for the renewal of defaced and torn bank-notes or for any other purpose, is hereby prohibited.

SEC. 8. That in lieu of the tax of 1 per cent. per annum now imposed by law on the outstanding circulation of national banks, a tax of 3 per cent. per annum, payable semi-annually in gold, shall be collected upon the circulation which has been issued to each national bank which has not been returned for cancellation. This tax shall be collected by withholding one-half of said tax semi-annually from the semi-annual interest upon the registered bonds deposited by said banks as security for their circulation; and if the interest of said registered bonds is payable in currency, there shall be retained of said currency the equivalent of said tax at the market premium on gold, which premium shall be fixed by the Secretary of the Treasury.

SEC. 9. That each national bank may withdraw any part of its United States registered bonds deposited as security for the redemption of its circulation by paying into the proper department of the Treasury $900 of its circulation for each $1,000 of bonds so withdrawn, and may withdraw all of said registered bonds by paying a sum equal to its whole circulation, in its own bank-notes, and United States legal-tender notes, or wholly in either of them; and thereupon the United States shall be bound to redeem, on demand, the whole of such circulation of said bank which shall be outstanding. When such circulation is redeemed or paid into the Treasury as provided herein, it shall be destroyed in the manner now provided by law.

SEC. 10. That the United States legal-tender notes paid into the Treasury under the provisions of section 9 shall only be used, first, for redeeming the circulation for which it was paid into the Treasury, for doing which promptly a sufficient reserve shall be kept in aid of the fund provided in section 5; and, secondly, in purchasing United States five-twenty bonds.

SEC. 11. That whenever the Secretary of the Treasury may think it expedient, he may use any coin in the Treasury not required for the payment of demands against the United States payable in coin, in redeeming any United States five-twenty bonds that have become payable at the pleasure of the Government, the market value of which coin, as fixed by said Secretary, shall be substituted by Treasury notes issued by authority of this act, or by legal-tender notes received under the authority of this act, which shall thereupon become subject to be used in the Treasury for the payment of all claims and demands against the United States.

SEC. 12. That no purchases of United States five-twenty bonds shall be made under the provisions of section 2 or sections 6 and 10 of this act when the price demanded shall be at a greater rate of premium upon the bonds than 10 per cent. above their par value of principal and accrued interest; nor shall any redemption of said bonds be made in pursuance of section 11 while the premium on gold is above 10 per cent. in lawful money.

Mr. Speaker, I will not attempt to discuss this bill in detail now; if the previous question is sustained on the bill of the committee the House will not be able to consider it. If the previous question is not sustained I will have opportunity to explain it under the debate in Committee of the Whole; and as I am limited to thirty minutes, I propose, first, to consider specially an amendment which I have offered to the bill of the committee; that done, I will devote my remaining time to advocating the general principles of my bill, and in stating my objections to the bill of the committee.

Last Saturday week, when the bill was being considered, I submitted the following amendment:

Add as an additional section:

Be it further enacted, That from and after the passage of this act, there shall be levied, collected, and paid, a tax of $\frac{1}{4}$ of 1 per cent. per month upon the average amount of circulation issued by any bank, association, corporation, company, or person, including as circulation all certified checks and all notes and other obligations calculated or intended to circulate or to be used as money, but not including that in the vault of the bank, or redeemed and on deposit for said bank; and all provisions of existing law in conflict with the foregoing provisions are hereby repealed.

I followed the language of the present law literally except in the change of rate from $\frac{1}{12}$ to $\frac{1}{4}$ of 1 per cent. per month, which I propose to show is not more than a fair rate of charge for the money loaned to the banks by the Government. I know the bankers and their advocates will raise a clamor against it, and cry aloud as to the oppression and destruction which such a proposition, if entertained, would bring upon all their interests; indeed, I have been told that it is too absurd to be seriously considered. I hear so much of that almost every day before the Committee on Ways and Means from the protected monopolists that it has ceased to make any impression on me. I have yet to see the first man, or combination of men, who did not resist bitterly all attempts to curtail his special privileges or to free the people from his extortions.

Let us look at the matter fairly. Men who hold bonds of the United States which they bought and paid for with legal-tenders at par, many of them having sold gold for the greenbacks they bought the bonds with when one gold dollar was worth at least two in paper, will hardly stand up here and claim that they have either been oppressed or neglected when they alone of all the creditors of the Government have succeeded in having laws passed paying the principal of their bonds in gold while other public creditors, no matter how meritorious, have to receive their pay in the currency of the country.

I presume three-fourths of all the bonds now held by national bankers were bought with legal-tenders at par; but as I cannot prove that, and want to present the question fairly, I am willing to concede that the bonds cost them on the average 10 per cent. premium. Upon that assumption, which is certainly all the bankers can claim, and assuming 7 per cent., which is the legal rate of interest in the State of New York as the average value of money, let us apply the test. It requires $110 to buy a hundred-dollar bond of the United States; the interest on the money invested is $7.70 per annum; the bond bears 6 per cent. interest in gold. Put the premium on that down to 10 per cent.; the interest on the bond (payable semi-annually) is $6.60. In addition to that, the Government loans to the bondholder, as a national banker, ninety dollars on every hundred-dollar bond he deposits as security, requiring him to hold in reserve (which I will assume he does, though we all know that to be a fiction,) 15 per cent. of the ninety dollars so loaned, leaving him for his own use $76.50, the interest on which, at 7 per cent., is $5.35. How does the account stand?

United States, Dr.

To $110 invested, worth 7 per cent.		$7 70

United States, Cr.

By $100 United States bond, interest	$6 60	
By $76.50 loaned by United States, 7 per cent	5 35	
	11 95	
Deduct 3 per cent. tax on $90 circulation to United States	2 70	
Leaves		9 25

Or a clear profit of $1.55 per cent. to the banker after paying the tax I propose on the whole currency loaned by the Government, while the increase of the tax from 1 to 3 per cent. would add annually $7,000,000 to the revenues of the country.

I would like to know from what source that amount of revenue can be so justly and equitably raised as from the national banks, if we are to be cursed by their continuance. I would like some gentleman to explain why a bondholder should be entitled to borrow money from the Government at a lower rate of interest than any other citizen; or why the national banker should have the money of the people put into his hands at the rate of 1 per cent. per annum to be loaned to the men from whom it was taken by taxation at the rate of (say) 7 per cent. per annum, to enable the bondholding banker to pocket the other 6 per cent.

If a bondholder with $1,000 or $100,000 of bonds which he was willing to deposit as security wanted to borrow $900 or $90,000 from any banker, corporation, or individual, he would have to pay 7 per cent. interest for it, just as I would have to do if I held and offered to deposit State bonds, railroad bonds, or other undoubted securities. Why should the Government, the people's banker, furnish him $900 or $90,000 on his securities at 1 per cent. interest per annum, when the money it furnishes is worth 7 per cent., and when it would not let me have a dollar though I might pile up other securities mountain high to secure the repayment of the loan?

The whole system is an odious monopoly, an unjust and iniquitous waste of public money and public credit to enrich the pets and partisans of the Administration, or to debauch political opponents who often become quasi radicals when they get to be national bankers.

Why should not 3 per cent. be charged for the money furnished? Is it not true that even then these men get the money they want either to loan or use in their business cheaper than they could obtain it anywhere else and cheaper than private bankers or other business men can get money? The figures I have furnished prove it; they are simple and easily understood.

Is it said that other taxes are imposed on national banks? I answer, none except what State banks and private bankers, who get no money from the Government, have to pay. Surely it is privilege enough, even after a tax is imposed equal to the value of the money furnished, that Congress grants them charters which protects their private property from responsibility for banking liabilities, makes them Government depositories, and exempts them from many burdens and responsibilities which other men engaged in like business, without Government patronage, have to bear.

However plausible the pretext may be under which our tariff-protected pets are enriched at public expense, it will hardly be pretended that banking is an infant industry that needs the fostering care of the Government. The men who engage in that are able to hold their own with the people. They are the hawks among the small birds; they need no guardians. They have, I fear, a majority of the members on this floor personally interested in defeating all efforts to impose just taxation upon them.

Perhaps it will be contended that the bank-notes furnished by the Government, not being legal tenders in payment of private debts, are not money in the ordinary sense, and therefore the banks ought not to pay the Government for its use what they might properly be required to do otherwise. For answer to all such suggestions I will ask the Clerk to read the portion of the letter I send to him which I have marked; it is from one of the ablest lawyers and best financiers in the country, Madison C. Johnson, esq., president of the Northern Bank of Kentucky; it expresses what I want to say much better than I can say it:

The most obvious truth in the whole matter is the very insufficient consideration received by the Government for the monopoly given to the national banks of the national currency, and for the guarantee of that currency by the Government. It is that guarantee which gives to the national-bank notes their uniform, universal, and even unquestioned currency and circulation as money. The national-bank notes are in substance the notes of the Government; practically as much so as the legal-tenders. It would be, consequently, just as proper for the Government to lend to the national banks legal-tenders at an interest of 1 per cent. per annum upon the security of the national bonds bearing 5 and 6 per cent. in gold as to lend as it does national-bank notes at that interest. The Government pays the national banks the same interest it pays to other holders of its bonds, but lends to those banks 90 per cent. in its guaranteed currency equal in value to legal-tenders at 1 per cent. in currency.

In addition the Government spends a large part of this 1 per cent. interest in the salaries and other expenses in watching over, examining into, and otherwise keeping in good credit these national banks, besides being at the whole of expense of the bank-notes.

It cannot be said that the reserves which the banks are required to keep are of any benefit to the Government or to the holder of the national-bank notes. The holder looks to the Government to redeem under its guarantee, without reference to the bank, its capital, or reserves.

It seems to me that these facts are so obvious that elaboration or attempt at elucidation would only obscure them.

Another fact is equally apparent, that our legal-tender notes could be made equal to gold in a day if Congress would only pass a law making them receivable for customs dues, and it is equally clear that even without that legislation they would long ago have been at par with gold but for legislation by Congress hostile to their appreciation, piling new burdens upon them and on the people for the benefit of the very men who are now so clamorous for a return to specie payments. I refer, of course, to the body of laws creating national banks and providing a national currency.

The effect of those laws is almost to double the circulation. Instead of being $400,000,000, as it would be without the bank-notes, it amounts to over $750,000,000, consisting of legal-tenders, national-bank notes, and postal currency, all of really equal value, and constituting *a money* of such perfectly uniform value that no one gives the slightest preference to one over the other in the transactions of business or in the receipt of money.

Substantially the national-bank notes are United States notes and substantially "legal-tenders," the faith of the Government being pledged to give legal-tenders for them if the national banks do not. Nearly doubling as they do the total circulation, they more than double the depreciation of that circulation below coin, rendering it at least doubly as difficult to bring our circulation to a par with gold.

If, instead of issuing these bank-notes to banks, the Government had issued its own Treasury notes payable on demand in greenbacks, placing those notes on the exact footing of national-bank notes, such as being payable and receivable for all public dues as legal tenders, and only different from greenbacks in not being legal tenders for private debts, there can be no doubt that these Treasury notes would circulate equally well with national-bank notes, and equally well as greenbacks. To issue such Treasury notes would no more violate any pledge, express or implied, of the Government not to issue more than four hundred millions of "legal-tenders," than is the issue of national-bank notes with the pledge of the Government to redeem them in greenbacks if not redeemed by the national banks.

The pledge of the Government to redeem such Treasury notes in greenbacks on demand would for the purpose of their circulation be equivalent to their actual redemption, and make them for purposes of circulation the equivalent of greenbacks just as national-bank notes now are their equivalent.

I consider the Government bound to take care that the circulation, that which constitutes the money of the country, is always sound and of uniform value everywhere. The community has no choice as to receiving whatever constitutes the circulating medium. Whatever it may be, they are compelled to receive it in exchange for their productions or their labor. It is otherwise as to all other parts of banking, which is simply an exchange of credits. Depositors can take care of themselves; borrowers can also. It is the general public, and especially the poor and ignorant, who cannot guard themselves against an unsound circulation. The General Government can give that sound circulation of uniform value at cheap rates, without partiality or favoritism, and can by proper penalties forbid any other. Having done this, the Government may well dismiss banking to the class of other pursuits to take care of itself.

Cheap, sound, and uniform currency is, as I have said, a special necessity to the poor and the humble. They hold most of it in some form or other; they are not complaining of it though its depreciation falls on them, while the bonds of the rich are made the special objects of Government protection. In the great transactions of commerce the check, the draft, the bill of exchange, the clearing-house certificates, and the other modern inventions to facilitate trade, reduce the use of currency to a very small percentage. If Government should forbid or tax these substitutes, the clamor for currency would be heard from all the contractionists. These devices are unknown to the laborer. At the market-house, in the retail shop, everywhere he has to pay for all he buys in currency; it is the money of retail, and is used now in that way to an extent proportionate to the magnitude of the country, its development, and its resources.

All railroad fares, express and post-office charges, as well as all wages for day labor and expenditures by the laborer, are paid in currency. Surely forty-three million of people covering such a continent as this, traversed by railroads, canals, stage-coaches, and street-cars, and filled with retail dealers, public and private, must need more currency to supply their wants than any like population in the small countries of the Old World, a majority of whose people never were twenty miles from the spot where they were born, and when they make such a journey almost invariably walk, and in a majority of cases receive as wages for their labor farm products for the support of their families; yet we have less than most of them, and half of what we have we get from national banks at exorbitant rates of interest, the Government having furnished it to them at 1 per cent. to enable them to plunder their neighbors.

Under our system Government has the exclusive power to furnish the people with money and regulate its value. It is the only species of property it can supply. The people get all else they possess as best they may. Men who undertake to interfere with this Government monopoly are sent to the penitentiary. A nickel worth one cent., when so ordered by the Government, is made five cents. A bond, greenback, bank-note, certificate of indebtedness, or other obligation, is worth whatever the Government says it shall be worth, and is receivable only for such dues or demands as the sovereign power prescribes. No set of bankers or bondholders can rightly intervene between the Government and the people in the supply of money made by its authority. Every citizen should obtain it on equal terms, and no Secretary of the Treasury nor any subordinate under him should have the right to say who should and who should not have it, when each offers equal security for its use. Congress might as well delegate its power to declare war and maintain armies to the Secretary of War as to delegate the control of the currency of the people to the Comptroller of the Currency and the national bankers. I had almost added, as well delegate its power to regulate commerce, and would have done so but for the fact that this House had in a moment of insane delusion transferred all its sovereign power over that great subject to a commission of nine partisans, for no other purpose that I can imagine than to enable the great railroad corporations to nominate or purchase five of them, as an easier and cheaper way to obtain authority to do what they please than the present somewhat complicated and expensive process of controlling the Congress of the United States and the Legislatures of thirty-seven States.

But I will not digress on that line further than to say that the grangers to whom they were pandering cannot be caught with such chaff, especially after the insincerity of the whole movement was so clearly developed by the refusal to remove the obstacle to cheap transportation at the Falls of the Ohio, in which fourteen States and their commerce are so immensely interested.

Returning to the question, why, I ask, should Congress fix a limit to banking or currency? If made free and limited only by the wants of the people, the demand will regulate the supply, as it does in all else. What is required at one season of the year is too much, or too little at another; if the highest amount required at any season is fixed and required to be kept at all seasons, gambling operations must supply the absence of legitimate business. The limited amount of fractional currency has never been all taken, because the demand never reached the limit of the supply. Men would not purchase bonds and exchange them for currency to an amount exceeding what they could make profitable, no matter what authority Congress gives. Up to that point I see no reason for limiting the use of money; the demand would regulate the amount.

With a fixed limit, combination can create scarcity by locking money up when it is most needed; panic and disaster follow. It would be impossible to do so if no limit is prescribed. Why should Congress arbitrarily determine, without knowledge of the wants of the people, or if you please with knowledge that at different seasons a different volume of currency is needed, to make a procrustean bed on which to torture a whole people? The true volume needed is the quantity business requires; let it contract or expand with the necessities of the time. Men's interest will furnish what we hear so much about—an elasticity, stability, and soundness, which a fixed quantity destroys.

Why, I ask, should Congress specially seek to encourage the business of the money-changers? These men produce nothing, add nothing to wealth; they toil not, neither do they spin. They live on the necessities or misfortunes of productive labor. They are the drones in the hive of industry. It might not be polite to say that they are the buzzards who batten and fatten on the corruptions of the body-politic. Moses, by divine authority, prohibited their business, and Christ drove them from the temple because under them it became a den of theives.

Whatever may be said as to money-lenders, one thing is clear: they need no protection, and should have no control of the money of the people.

I think if Mr. Calhoun was now alive he would advocate, in the present condition of the country, some such bill as I have offered. I judge so by reason of the following:

Mr. Calhoun, in his speech on the bill authorizing an issue of Treasury notes, September 19, 1839, said:

> It is, then, my impression that, in the present condition of the world, a paper currency in some form, if not necessary, is almost indispensable in financial and commercial operations of civilized and extensive communities. In many respects it has a vast superiority over a metallic currency, especially in great and extended transactions, by its greater *cheapness*, lightless, and the facility of determining the amount. * * * * *
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> It may throw some light on this subject to state that North Carolina, just after the Revolution, issued a large amount of paper, which was made receivable in dues to her. It was also made a legal tender, but which of course was not obligatory after the adoption of the Federal Constitution. A large amount, say between four and five hundred thousand dollars, remained in circulation after that period, and continued to circulate for more than twenty years at par with gold and silver during the whole time, with no other advantage than being received in the revenue of the State, which was much less than $100,000 per annum. * * * *
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> No one can doubt but that the Government credit is better than that of any bank—more stable, more safe. Why, then, should it mix it up with the less perfect credit of those institutions? Why not use its own credit to the amount of its own transactions? Why should it not be safe in its own hands, while it shall be considered safe in the hands of eight hundred private institutions, scattered all over the country, and which have no other object but their own private profit, to increase which they almost constantly extend their business to the most dangerous extremes? And why should the community be compelled to give 6 per cent. discount for the Government credit blended with that of the banks, when the superior credit of the Government could be furnished separately, without discount, to the mutual advantage of the Government and the community? Why, let me ask, should the Government be exposed to such difficulties as the present, by mingling its credit with the banks, when it could be exempt from all such by using, by itself, its own safer credit? It is time the community, which has so deep an interest in a sound and cheap currency, and the equality of the laws between one portion of the country and another, should reflect seriously on these things, not for the purpose of oppressing any interest, but to correct gradually disorders of a dangerous character, which have insensibly, in the long course of years, without being perceived by any one, crept into the state. The question is not between credit and no credit, as some would have us believe, but in what form credit can best perform the functions of a sound and safe currency.
>
> Believing that there might be a sound and safe paper currency founded on the credit of the Government exclusively, I was desirous that those who are responsible and have the power should have availed themselves of the opportunity, &c.
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> * * * * * * *
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> We are told the form I suggested is but a repetition of old continental money—a ghost that is ever conjured up by all who wish to give the banks an exclusive monopoly of Government credit. The assertion is not true; there is not the least analogy between them. The one was a promise to pay when there was no revenue, and the other a promise to receive in the dues of Government when there is abundant revenue.
>
> We are also told that there is no instance of a Government paper that did not depreciate. In reply, I affirm that there is none, assuming the form I propose, that ever did depreciate. Whenever a paper receivable in the dues of Government had anything like a fair trial, it has succeeded. Instance the case of North Carolina, referred to in my opening remarks. The drafts of the Treasury at this moment, with all their incumbrance, are nearly at par with gold and silver; and I might add the instance alluded to by the distinguished Senator from Kentucky, in which he admits that as soon as the excess of the issues of the Commonwealth Bank of Kentucky were reduced to the proper point its notes rose to par. The case of Russia might also be mentioned. In 1827 she had a fixed paper circulation, in the form of bank-notes, but which were inconvertible, of upward of $120,000,000, estimated in the metallic ruble, and which had for years remained without fluctuation, having nothing to sustain it but that it was received in the dues of the Government, and that, too, with a revenue of only about $90,000,000 annually. I speak on the authority of a respectable traveler. Other instances, no doubt, might be added, but it needs no such support.
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> It has another and striking advantage over bank circulation, in its superior cheapness as well as greater stability and safety. Bank paper is cheap to those who make it; but dear, very dear to those who use it, fully as much as gold and silver. It is the little cost of its manufacture, and the dear rates at which it is furnished to the community, which give the great profit to those who have a monopoly of the article. Some idea may be formed of the extent of the profit by the splendid palaces which we see under the name of banking-houses, and the vast fortunes which have been accumulated in this branch of business; all of which must ultimately be derived from the productive powers of the community, and of course adds so much to the cost of production. On the other hand, the credit of Government, while it would greatly facilitate its financial operations, would cost nothing, or next to nothing, both to it and the people, and of course would add nothing to the cost of production, which would give every branch of our industry, agriculture, commerce, and manufactures, as far as its circulation might extend, great advantages both at home and abroad.

Later still, in his speech on the sub-treasury bill, Mr. Calhoun said:

> I now undertake to affirm positively, and without the least fear that I can be answered—what heretofore I have but suggested—that a paper issued by Government, with the simple promise to receive it in all its dues, leaving its creditors to take it or gold and silver at their option, would, to the extent that it would circulate, form a perfect paper circulation, which could not be abused by the Government; that would be as steady and uniform in value as the metals themselves; and that if, by possibility, it should depreciate, the loss would fall not on the people but on the Government itself; for the only effect of depreciation would be virtually to reduce the taxes, to prevent which the interest of the Government would be a sufficient guarantee. I shall not go into the discussion now, but on a suitable occasion I shall be able to make good every word I have uttered. I would be able to do more—to prove that it is within the constitutional power of Congress to use such a paper in the management of its finances, according to the most rigid rule of construing the Constitution; and that those at least who think that Congress can authorize the notes of private State corporations to be received in the public dues are estopped from denying its right to receive its own paper.

I confess, Mr. Speaker, that I have no sympathy, and very little patience, with gentlemen who now seek to return to a gold basis. Their theories may be all right, and if the question was an original one whether we ought to adopt and maintain a gold or paper currency, being in a condition to do either without injury to our people, I would contend for the basis adopted by the commercial nations of the world; but all men know that we are not in that condition. A great debt was contracted during the war. Legislation was had under republican auspices which flooded the country with paper money, converted gold into an article of merchandise, and drove it not only from the currency but out of the country. Our imports now exceed our exports largely, so that no gold can be obtained from the sales of our surplus products to foreign nations. None but the bondholder can now obtain a gold dollar for any debt or demand, public or private, while the Government is pouring gold into the laps of the bondholders in the shape of interest on their bonds and in the payment of principal, to the whole amount of the customs duties, which have for five years averaged over $200,000,000 a year.

When those of us who think that the currency of the people should be sustained and made valuable by putting it to more extended uses proposed to pay one-half or one-third of the customs duties in legal-tender notes, every bondholder and monopolist raised the cry of "bad faith," and clamored that all the customs duties were forever pledged to them, and while they could not honestly absorb them they played the rôle of the dog in the manger, and would not allow the people to have the benefit even of what they could not use. Now they clamor for a return to specie payments, because they know that nobody but themselves either has or can possibly obtain gold, while they have and will continue to obtain all that the Government can coerce from the tax-payers. Having obtained a monopoly of the gold and the bonds, and having by outrageous legislation, which, by a court constituted for the purpose, has been declared constitutional, deprived the people of gold, and not only forced them to take greenbacks for debts contracted to be paid in gold, but caused the Government to repudiate its legal-tender notes by refusing to receive them for customs duties, and to appropriate all the gold it can obtain to pay their own interest on their bonds, now they have the assurance to declare their own legalized offspring a bastard by pretending that the Constitution contains provisions which in time of war they have a right to construe one way, and in time of peace must be construed in another. Each construction, however, is intended to oppress the masses; in short every appliance is urged and every device is resorted to which these monopolists think will enrich them at the expense of the people. They know that every turn of the contracting screw is depreciating the value of the property of the debtor classes and adding to the purchasing power of their gold. If they succeed they will reduce to beggary and vassalage all those who were induced or compelled, by the legislation of ten years ago, to buy property at such prices as they could, with what those nabobs now call worthless greenbacks.

Paper money was good enough for *the gold shriekers* when it would buy United States bonds at par; it enabled them to take a first mortgage on all the property of the country for over $2,000,000,000, which they are now seeking to foreclose long before it is due, because they see the opportunity to extort more now from the toiling millions than they will probably be able to do at any future time. They suspect, rightly I trust, that a betrayed and impoverished people will no longer send to these halls Representatives and Senators who will violate their trusts and sacrifice all their interests to still further enrich a shoddy aristocracy based on banks and bonds.

If the gentlemen who are so clamorous for contraction would contract the debts which the great mass of the people owe instead of contracting their means of payment, they would afford substantial relief to the class which most needs protection; if in their desire to return to a just standard of values they would—as a court of equity would decree in private transactions between citizens—scale their own demands against the Government, so that we should only be required to pay them the gold value of the money they invested in our bonds at the time of the investment with legal interest thereon, we might agree to come to a general settlement of debts in gold, for there would be very little, if any, of our great national debt left; but while they are demanding the pound of flesh it is our duty to see that they do not draw the life-blood of their victims.

Expansion, which is held up as a bugbear to frighten the timid, will, if it hurts at all, only hurt those who cannot be seriously injured. Contraction ruins those who cannot rally from the blow inflicted.

I hope the day is not far distant when the wealth, and not as now the labor of the country, will be taxed to support the Government; when the incomes of the rich and the interest they are extorting from toil will bear their share of the public burdens. As a step in that direction, one which will produce $7,000,000 of revenue annually, I have asked the House to impose the tax of 3 instead of 1 per cent. per annum on the money loaned by the Government to the bond-holding bankers. Even that would enable us to give free coal, free salt, free matches, and free medicines to the people, and have more money in the Treasury than is now derived from all these sources combined, without doing any injustice to anybody. I would not be unjust to these gentlemen, but I see no reason for continuing the burdens which now oppress the whole people to enrich them at the public expense.

I have never been able to comprehend how upon principle—I readily understand how from interest—gentlemen who cry out against inflation when the legal-tender circulation is sought to be increased are entirely content to see the national-bank note circulation expanded.

I am opposed to the whole national-bank system as an unjust monopoly, and only propose to amend the bill of the committee by increasing the tax upon circulation as the best means I could think of to obtain some compensation for the vast privileges conferred on the bankers, if the system is to be perpetuated.

What the committee in their bill call free banking is to my mind in no sense free banking. Only the present bondholders can engage in it. If the bill becomes a law it extends the right, it is true, to all the present bondholders, but it stops with that class, and the Government has no power to authorize a single man outside of that circle to bank on any terms whatever. We are not proposing to increase our bonded debt. Of course all the bonds representing our present debt are held by private parties. What the committee call free banking gives not only the preference but the monopoly to these who have the bonds now outstanding to deposit for the currency.

If my bill, or the principles it asserts, prevails the Government can enable any man or set of men, whether they now hold bonds or not, who see fit to purchase the new low-interest bonds I propose to have issued, to become bankers. This would make banking not only free to all, but enable the Government without partiality and without placing one man at the mercy of another in procuring bonds to furnish them with currency and bonds supplied by the Government to the people at low rates. Not only could our present bonds bearing a high rate of interest be retired and many millions thus annually saved to the tax-payers, but the low rate of interest charged by the Government will necessarily reduce the rate which private individuals can charge, thus indirectly as well as directly releasing the industries of the people from the grasp of the money-changers.

The object of every representative of a free people should be to make the medium of exchange cheap and easily obtained when business requires it. Money is not property in any true sense; it is useless, except to dispose of; it never aids its owner till he parts with it; it is the yard-stick, the pound weight, the bushel measure. Government gives it all its value; it ought to supply, protect, and make it uniform. No class of men should be allowed to control it, or come between the Government and the people in the circulation of it. I regard the national-bank monopoly as a most unwarranted perversion of the powers and duties of Government in that regard; hence my opposition to the system.

If a fair vote can be had, I have no doubt the principles advocated by me will prevail, notwithstanding the power and the numbers of the national-bankers on this floor. One thing is certain, those who to enrich themselves, vote to oppress their constituents by voting millions of money into their own pockets at 1 per cent., to loan to the tax-payers at 8 and 10, will find their places occupied hereafter by men who will so legislate as to deprive them of their ill-gotten gains.

Poverty has brought reflection to the people and has sharpened all their senses; they can neither think nor look around them without feeling and seeing that the proceeds of their toil have in some way been transferred to the pockets of the bankers. Their palatial residences are everywhere; every prominent corner on every principal street in their cities is a bank Taxation is so arranged that the bonds and the incomes of the rich go free while half the daily wages of labor is taken away, under pretense of protecting it, by taxation on everything that is worn, used, or consumed, I had almost said that is seen, tasted, heard, touched, or smelled by the laborer and his family. He is looking into these things at last, and the result of his investigation will be to fill these Halls with a new and a very different order of men. He is beginning to see the folly of throwing his sweaty cap in the air and shouting for men who are secretly picking his pocket during his blind enthusiasm.

The claim of transcendent wisdom and profound statesmanship so long and so loudly claimed for the Administration because of the reduction of the national debt since 1869 has not only lost its charm but is now admitted to have been a scheme to plunder the people and enrich the bondholder. Over $40,000,000 has already been paid as premium in the purchase of the bonds redeemed, and the process is still going on. Even Senator SHERMAN had to admit that if half the effort had been made and half the money expended to make the legal-tenders good, they would be equal to gold to-day.

What makes the paper money of France, notwithstanding its volume, as good as gold? Simply because the state receives it for all taxes. How did North Carolina, Kentucky, and other States make the paper of their States as good as gold even when it was not a legal tender? Solely by receiving it for all taxes due to the State. Let these legal-tenders of the United States be made receivable for all taxes, customs as well as internal revenue, and they will be equal to gold at once. The bondholders know it; the gold-gamblers understand it; all the monopolists oppose it. Why, I ask, should they longer rule this Congress? They have obtained legislation whereby all the gold received goes into their pockets, and therefore demand specie payments.

Let us so legislate as to require the Government at least to take the only money we can get for the taxes we are required to pay, before we can land the goods we have to buy from other nations, in exchange for the products which we must sell to them, and the farmer will then be on something like terms of equality with the bondholder. So long as the people must buy gold from the bondholder to pay their debts to the Government, it is an insult to require them to curtail the value of the only money they can get to the gold standard, shrinking the value of everything they own, except the debts they owe to these gentlemen who have all the gold.

It is said that Mr. Greeley once went to Mr. Lincoln and urged him to cause specie payments to be resumed, showing how it could be done. Mr. Lincoln saw that the plan would soon exhaust the gold in the Treasury, which when gone he could not replace, and of course the scheme would prove a failure. He illustrated, as he could so aptly, by telling Mr. Greeley that in Illinois a terrible disease broke out among the dogs. Many of the most valuable died, all seemed likely to, when a Yankee came along, and for a reasonable fee agreed to cure them. His remedy was to cut their tails off as close to the body as possible. It worked like a charm. The dogs got well, and the Yankee got his money. All were delighted. But, unfortunately, the disease broke out again among them. The means of cure was gone. The operation could not be repeated, and the remaining dogs all died.

A like result, said Mr. Lincoln, would follow after the Treasury was once emptied; and he was wise enough not to attempt it. It would be as great folly now as then, until the bondholder will allow the people's money to be taken by the Government for all its taxes, just as his gold is taken.

I desire to say a few words before I close to gentlemen who represent the old and wealthy States of the North and East. When your press, your lecturers, your public meetings, and your combinations of protected wealth and monopoly undertake to threaten and denounce the West and the South because we do not do your bidding in regard to this question, calling us semi-barbarians and hinting strongly at resistance if we outvote you, your people make a great mistake. We can be led a great way, but we are hard to drive. Our people know their rights, and are not easily frightened. It will be a dark day for your people when politically you force a separation on the line of the Potomac and the Alleghanies.

There are empires yet almost untouched in the valley of the great Father of Waters. You know how few of the fifty Representatives added to this Congress came from your section. The disproportion will continue to increase with each succeeding census. In ten more years we will send full two-thirds of the Representatives to this Hall. These are facts it would be well to heed.

But waiving all these considerations, I ask, is it fair, is it fraternal, to seek to curtail our circulation now, when the six little New England States hold, in plain, palpable violation of law, and resist all efforts and demands to have its provisions complied with, almost three times as much banking capital as the fifteen States of the South and Southwest, and nearly as much as the whole twenty-five States of the South and West? The figures furnished by the Comptroller, showing the distribution of banking capital, are, in round numbers, as follows: The six New England States have $110,500,000; the fifteen Southern and Southwestern States have $38,160,000; the eleven Eastern States have $235,000,000; the twenty-six other States have $116,000,000.

This is the distribution made and maintained under a law which requires the banking capital to be distributed one-half according to population, and one-half according to wealth. Kentucky, Tennessee, and Virginia have a population exceeding by 316,770 that of the six New England States, as the last census shows, and have a wealth-producing power far greater, yet they have only $14,881,978 of banking capital; while New England has $110,500,000, and all her Representatives steadily resist all efforts to have the law complied with, and with one exception, the gentleman from Massachusetts, [General BUTLER,] demand from us further contraction of our circulation and means of payment.

I am bound to say for that gentleman, with whom I have antagonized as sharply in most things as with any member on this floor, that he has denounced the banking monopoly, the discriminating taxation in favor of wealth, and the repudiation of our national currency by refusing to receive it for customs dues, as unsparingly as any man in this House. Perhaps his course on that question may account for the hold he evidently has on the middle and poorer classes of his people. The following extract from his speech in 1869 may well be repeated, and the attention of the House and the country called to the truths contained in it. He said:

> Let me briefly sketch another illustration of this inequality of taxation which actually happened in my own neighborhood. There is a farmer owning a farm worth $10,000, upon which he does hard work enough every year to earn the support which he is able to give his family from his farm were he a mechanic. That farmer pays a tax to the State of $180, in various forms of State, county, and town taxes, to support schools and highways; and to the Government he pays, directly and indirectly, a tax of $200 more. His net returns from his farm are less than $1,000. He has a neighbor living near by him owning $100,000 of the bonds of the Government, on which he receives as interest $9,000 a year, on which no dollar of State, county, town, school, or highway taxes is paid. The farmer as he toils under the burning sun to earn the money to pay his taxes sees his neighbor riding luxuriously by in his carriage over the highway which farmers' taxes only have built and maintained. His neighbor's children and his own go to the same school supported by his taxes alone. He ponders, as he labors, upon the system of laws, which thus compels him to work to pay for the education of his wealthy neighbor's children, and as he reflects he will convince himself that he is suffering a bitter, burning wrong, and no argument will convince him to the contrary. If, then, you expect that farmer to vote for any man or party that retains a system of taxation which works such results, you expect what never has happened, what never will happen, and what ought never to happen in any civilized land. Change it how you will or can; but it must be changed. If you do not give relief by law the people will relieve themselves without you. The arguments by which you justify and sustain it, however specious or however sound, will fall unheeded on unwilling ears. You may cry out "good faith" till you are hoarse. You will be answered that there is no good faith which works injustice and wrong to a whole people. There is this alternative, no other; ponder it well—*equalized taxation or repudiation.*

Gentlemen, you have steadily refused to allow your bonds to be taxed, while all else bore the burden of supporting the Government; you have succeeded in passing laws to relieve your incomes, your manufactures, your accumulated wealth, and even the immense currency you illegally hold from taxation, while you load down our western products and industries till on distilled spirits, in which form alone we can transport our corn, and on our tobacco, we have to pay an annual tax to the Government of $86,000,000; largely more than double the amount of all the currency which the fifteen States of the South are, by the illegal extortion of the East, permitted to have.

You know that less than 7 per cent. of the bonds of the United States are owned west of the Alleghenies or south of the Potomac, so that it is impossible for us, as you have it now arranged, to get gold except at your price, with nearly all the gold interest paid to you and three-fourths of the amount of currency taken from us annually by the Government for internal taxes distributed by it among your people.

Is it fair, I repeat, to denounce us because we are opposed to being sold out of houses and homes to gratify your avarice?

It must not be forgotten that in 1868, when Congress with unparalleled unanimity ordered further contraction of the currency to cease, because of the oppression it was producing on the industries of the country, we had $1,030,000,000 in circulation. If it was unsafe and unwise to contract it below that point then, how is it possible, when all our wants, industries, and necessities have increased over 45 per cent. since that date, that we are to be denounced as inflationists when we ask for less than $800,000,000 of currency now?

Gentlemen, your avarice has overthrown your judgment. We will unite with you to make legal-tenders as good as gold, by requiring them to be received in payment of customs dues. I have a bill pending for that purpose now. We will cut down expenditures; we will do all that men can do to maintain honest and economical administration in all the affairs of Government. We will not ask you even to scale your bonds to the gold value of the greenbacks you bought them with; but you must excuse us if we decline to allow you to sell us out under the hammer, because at this time you happen to have all the gold in the country, and in that commodity we are at present poor.

We have all the elements and sources of wealth in abundance. We are able and willing to work. Against our will you forced us to take the paper which your laws made a legal tender. In spite of hostile and class legislation under which our people have suffered grievously and are still suffering—we are rapidly, even in the States of the South, building up our waste places and restoring our desolated homes. Thousands of our people lost all by a war which the people of the East never felt, or felt only as they fattened on our misfortunes, and we do not feel that we ought now to be deprived of or curtailed in our means of paying our debts, which, of course, are owing largely to the rich men of the East, men made rich by the very causes which made us poor.

The great cities along the Atlantic coast have been built up and are still being made more magnificent because their people are and have been our factors and brokers, our silent partners, *and have taken all the profits.* Your magnificent cities and your palatial homes have been built and paid for by our toil and our sweat. You may force us to seek other channels and other agents. The Mississippi and the Saint Lawrence can be made available means of reaching the sea with our products. Great lines of water transportation can be made to reach the ocean without touching your now great cities. Legislation had here may draw upon your wealth to construct them. We will ere long have the power to enact it whether you like it or not. It may be the part of wisdom to give us a chance now when we ask only what is reasonable, and to allow us the same right to determine what is best for our people that you claim to do for yours.

One thing is certain, abuse will not forward your views, hard words will not change votes. Whenever the western Representatives are satisfied that they are wrong they will put themselves right. Till they are, they will pursue the course which in their judgment will best promote the interest of the people they represent. I may be compelled, as I cannot do what I want, to vote for some such bill as the Senate has sent us, or as the committee presents, perpetuating the national-banking system. I shall do it with great reluctance, and only after I have made all the efforts in my power to tax them to the full value of the money furnished to them by the Government.

[Here the hammer fell.]

Mr. RANDALL obtained the floor.

DELTA OF THE MISSISSIPPI.

Mr. LAMAR, by unanimous consent, introduced a joint resolution (H. R. No. 84) to appoint a commission to examine into the subject of reclaiming the delta of the Mississippi River; which was read a first and second time, referred to the Select Committee on the Mississippi Levees, and ordered to be printed.

CURRENCY AND FREE BANKING.

The House resumed the consideration of the bill (H. R. No. 1572) in relation to currency and free banking.

Mr. MAYNARD. My associate on the committee, the gentleman from Pennsylvania, [Mr. RANDALL,] has fifteen minutes of his own time which I understand he desires to use himself. Before my colleague proceeds, I desire to make this proposition to the House: that if, after the gentleman from Pennsylvania has occupied his fifteen minutes, the debate by general consent can be permitted to go on in ten-minute speeches until after half-past three o'clock to-morrow, I will then call the previous question. If that arrangement cannot be made, I shall under the pressure brought for a vote attempt to have the previous question seconded when the gentleman from Pennsylvania gets through.

Mr. TYNER. On that understanding on the part of the gentleman from Tennessee [Mr. MAYNARD] I shall object to his proposition, for the purpose of bringing the House to a vote to-night.

The SPEAKER. The gentleman from Tennessee, who has charge of this bill, desires to submit this proposition: The gentleman from Pennsylvania, [Mr. RANDALL,] as a member of the Committee on Banking and Currency, is entitled to the floor for fifteen minutes remaining of his hour. And the chairman of the committee proposes that after his colleague shall have concluded, the debate be continued in speeches of ten minutes each until half-past three o'clock to-morrow, when he will demand the previous question. The Chair understands the gentleman from Indiana [Mr. TYNER] to object to that arrangement.

Mr. TYNER. I have objected on the understanding that the gentleman from Tennessee would demand the previous question immediately after the gentleman from Pennsylvania shall conclude his remarks. If that is the understanding in regard to the course he proposes the House shall take, then I will object to the ten-minute debate in order to bring the House to a vote to-night. But if it is the gentleman's intention to let the debate run in hour speeches, then I will withdraw my objection; my purpose being to get the House to a vote as speedily as possible.

Mr. MAYNARD. I will explain the theory on which I made the proposition. From the temper of the House and the evident desire to dispose of this question it is manifest that the House will become exceedingly impatient if every gentleman who has intimated a wish to be heard on this question shall consume an hour. The proposition I have made, that after the gentleman from Pennsylvania is through the debate be continued in ten-minute speeches until half-past three o'clock to-morrow, will give an opportunity to every gentleman who has placed his name on the Speaker's list, and to every gentleman who has spoken to me privately, to be heard, not in an argument, to be sure, but in a statement—for we all understand what ten-minute speeches are—and it is to accommodate, I believe, every gentleman who has intimated a wish to be heard to that extent that I made the proposition.

Mr. KASSON. I desire to say that if the gentleman from Tennessee does not intend to allow any amendments to be offered to the bill, I see no use myself in a ten-minute debate. If the temper of the House indicates anything, as we have had it exhibited to-day, it indicates a desire to test the sense of the House on some amendments to the bill. I regard some portions of the bill as operating with unnecessary hardship on the region of country I represent; and I want at least the opportunity, if no more time for lengthened debate is allowed, to ask the attention of the House for five minutes to the amendments which I think are called for. If the previous question is to be demanded and the gentleman wishes to take the sense of the House on this bill without amendment, I see no reason why he should not do it to-night as well as next week.

Mr. BUTLER, of Massachusetts. I understand that the gentleman from Tennessee proposes to allow a vote on amendments.

Mr. MAYNARD. I have said nothing about amendments. I have merely proposed to bring the debate to a conclusion.

Mr. BUTLER, of Massachusetts. I was about to suggest that if the gentleman proposes to allow amendments he should allow ten minutes debate on each amendment by the gentleman offering it and then call the previous question at once.

Mr. TREMAIN. It seems to me, whether amendments are allowed or not, that it is no more than fair to gentlemen who desire to put themselves right on the record on this proposition, the most important measure before Congress, that they should have at least ten minutes for that purpose. The eleven members of this committee who had preference under the rules of this House have uniformly, I believe, spoken in favor of this scheme. The debate has been substantially monopolized by gentlemen on that side of the question, and no doubt they are in harmony with a majority of this House; but I do ask whether it is not fair, whether it is not just and proper, that gentlemen who regard this bill and this whole scheme of inflation as dangerous in the extreme should at least be permitted to utter a protest in some form, and I wish that the gentleman who is chairman of the committee, instead of saying ten minutes, would allow at least fifteen minutes. In ten minutes one can scarcely do more than record his purpose as to the vote. The State of New York has only been heard through one of her members on this floor.

Several MEMBERS. That is a mistake.

Mr. TREMAIN. No matter how that may be, at all events the debate has been substantially on one side, and I ask whether it is not fair to the minority of this House that they should at least have an opportunity to be heard? "Strike, but hear," is all we ask.

Mr. CLEMENTS. I call for the regular order.

Mr. MAYNARD. I would remind the gentleman from New York [Mr. TREMAIN] that his colleague who occupies the seat where he now stands [Mr. MELLISH] has been heard on this question several times.

Mr. HALE, of New York. I wish to know if I have not the floor for the purpose of moving to adjourn, and if not, by what right any other gentleman claims it?

The SPEAKER. By the right of discussing the pending measure. The gentleman from Pennsylvania, [Mr. RANDALL,] a member of the Committee on Banking and Currency, is occupying the floor; but has yielded in order that some arrangement might be made about the future conduct of the bill.

Mr. HALE, of New York. I did not understand that the gentleman from Pennsylvania had taken the floor at all.

The SPEAKER. The Chair is merely allowing some conference to be had to see if an agreement cannot be made as to the disposition of the bill.

Mr. HALE, of New York. May I ask if the time of the gentleman from Pennsylvania has been running for the last eight or ten minutes?

The SPEAKER. It has, if the gentleman insists on it.

Mr. MAYNARD. I hope the gentleman from Indiana [Mr. TYNER] will withdraw his objection. A ten-minute debate would oblige a number of gentlemen who desire to place themselves on the record.

Mr. BUTLER, of Tennessee. Would it be in order to have Governor Dix's message read?

Mr. MAYNARD. I will make another proposition. If gentlemen are willing to come here to-night I will ask for an evening session, and we will continue the discussion then; and at the request of the gentleman from New York [Mr. TREMAIN] I will modify my proposition so as to propose that the discussion to-night shall be in fifteen-minute speeches; no vote to be taken.

The SPEAKER. The gentleman from Tennessee asks that there may be a session this evening for the purpose of discussing this bill, no vote to be taken thereon and no other business to be transacted, and the speeches to be limited to fifteen minutes.

Mr. TYNER. Will the gentleman from Tennessee indicate what time to-morrow he will ask for a vote?

Mr. MAYNARD. I have stated that if we could come to an agreement like that which I indicated I would extend the discussion until half-past three o'clock to-morrow, and that otherwise I would make no agreement on the subject.

The SPEAKER. Does the Chair understand that the arrangement suggested by the gentleman for an evening session will continue during to-morrow's session from half-past one until half-past three?

Mr. MAYNARD. Yes, sir.

The SPEAKER. Then the gentleman suggests that the evening session and the session of to-morrow from half-past one until half-past three be devoted to the discussion of this bill in fifteen-minute speeches, intimating that at half-past three o'clock he will call the previous question.

Mr. TYNER. That involves the consumption of only two hours in debate to-morrow, and I therefore will not object.

Mr. SHANKS. I object, if the speeches are to be fifteen minutes long to-morrow. A man who cannot say what he knows about this question in five minutes ought not to say anything.

The SPEAKER. The rules do not require that a gentleman shall give a reason for his objection.

Mr. SHANKS. I will double the time, and agree to ten-minute speeches.

Mr. MAYNARD. The House doubtless recollects the fable of the man who was going to market, accompanied by his son, with a certain animal; the rest of it will be remembered. I do not propose to make any further proposition.

The SPEAKER. The Chair will state the proposition again so that the House may understand what is objected to and what is not objected to. The gentleman from Tennessee asks that there shall be a session this evening, at half-past seven o'clock, which shall be devoted entirely to the discussion of the pending bill in fifteen-minute speeches, no vote to be taken thereon and no other business to be transacted, and that to-morrow, when the bill comes up under the order at half-past one o'clock, the discussion shall be continued, also in speeches of fifteen minutes, until half-past three, when he will ask the House to second the demand for the previous question. It will then be for the House to determine, of course, whether they will second that demand, and that will bring up the question whether the bill shall be open for amendments or substitutes. The gentleman having charge of the bill has a right to frame his own proposition and to ask the House to agree thereto. If there be no objection to that arrangement the Chair will consider it agreed to.

There was no objection, and it was so ordered.

The SPEAKER. The House, under the order just made, will meet this evening at half-past seven o'clock for discussion of the pending bill, no other business whatever to be transacted, and the gentleman from Wisconsin [Mr. MCDILL] will be in the chair, as Speaker *pro tempore*.

Mr. HALE, of New York. I move that the House do now take a recess.

The motion was agreed to; and accordingly (at five o'clock p. m.) the House took a recess until half-past seven o'clock.

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, in speeches not to exceed fifteen minutes each, upon the bill to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from Ohio [Mr. BUNDY] is entitled to the floor.

Mr BUNDY. I do not know really whether I want to make a speech or not.

Mr. MYERS. I have no doubt there are other gentlemen who are ready to speak.

Mr. BUNDY. There is only one part of the bill to which I wish to call attention, and I suppose I can do that in fifteen minutes, and may as well do it now as at any other time.

Mr. MAYNARD. Now is the accepted time.

Mr. BUNDY. I refer to that part of the bill which looks to a resumption of specie payments by the force of law. I know that those of us who are in favor of a proper amount of currency are stigmatized by the name of "inflationists." We do not accept that designation at all. As I understand it, at least so far as I am concerned and those who sympathize with me, we simply want a sufficient quantity of circulating medium to do the ordinary business of the country; and whatever that may be in amount, we want to have it made just as good as it is possible to make it.

It is also reported that we are in favor of inflation and against what they call resumption of specie payments. I do not understand that to be so. The only matter of difference between us, between those who favor resumption in their way and we in ours is this: We think that the best mode, and perhaps the speediest mode of getting to specie payments is through a proper expansion of the currency, so as to start off the business and the industries of the country; theirs is by contraction and the consequent destruction of the business of the country.

Now the reason why I am opposed to having anything in this bill that provides a time, I do not care when that time is fixed, for a forced resumption of specie payments, is because that at once makes the western country and the whole business of the West tributary to the East. If we can get at specie payments by the natural order of things, through the natural course of business, so that the paper currency comes up in value to gold, we will then have a resumption that will be worth something to the whole country.

Now I undertake to say, and I believe I am right in saying, that the gentlemen in the East, in New York especially, if you please, who are clamoring so loudly for specie payment, would not accept it through our plan. If we had the power to-day to tender them specie payment, if we had the power to bring up the circulating medium of the country, the paper currency, to gold, they would not be satisfied with it. If every dollar of paper was equal to a dollar in gold, without enforced resumption, they would not be satisfied with it. And why?

Some of us are old enough to remember the days of 1857, 1858, 1859, and 1860. In Ohio from 1856 to 1860 we had resumption of specie payments. With that resumption we had perhaps the most perfect system of carpet-bagging that has ever been seen in this country, not even excepting the Southern States. And with that we also had this: every person who got money at our banks, upon business or accommodation paper, was compelled to pay for it, in addition to the interest allowed by law, the cost of transporting gold from Ohio to New York City. That was a condition precedent to any bank accommodation. The cost of that transportation, including the charges of the middle-men, was about 1 per cent.; and 1 per cent. on a ninety days' discount was equal to 4 per cent. per annum. The reason we had to do that was because we had what was then called specie payments enforced by law.

Now, if we can have a resumption of specie payments under the plan that I have indicated, our paper currency would be just as good as it is now in paying debts in all parts of the country. Therefore the New York broker could not say to the western merchant, "Although your paper is good, yet because the law provides that you shall pay specie, you must pay the cost of transporting specie from the West to New York City." That is the reason why I do not wish to have forced resumption of specie payments by law; and I hope that before we get done voting upon this bill we will have it put in some such form that there shall not be forced resumption of specie payments by law.

Mr. FIELD. That is right.

Mr. BUNDY. Our currency now, whatever may have been said of it by gentlemen here, is the best currency this country ever had. There has been less fluctuation in prices while it has been a medium of exchange than there was in the best days of specie payments. And allow me to say that that constitutes the objection that these men have to it—it is because they cannot shave us every time we go to pay a debt in bank in the East or in the West.

Why, sir, I remember that in those days of specie payments I was once at Pittsburgh, and they would not take their own paper in payment of my hotel bill because Ohio money was worth then about 3 per cent. premium.

We have been characterized here as those who are heavily laden with articles of merchandise of some description and that we want to unload. The gentleman from Pennsylvania, [Mr. TOWNSEND,] a very fair-minded man indeed, made that charge directly to-day, that because we are in favor of a proper increase of the currency, that which the business wants of the country indicate, we want to speculate upon that which we have to sell. Why, Mr. Speaker, I hope no gentleman here legislates upon any such theory as that. I hope no one takes into account any personal advantages that are to accrue to him because of any legislation we may accomplish here. But it is not true that the speculators in produce, the speculators in substances to be sold in the market, are responsible in this matter. Why, Mr. Speaker, the resumptionists in the East are the very men that have brought this difficulty upon us. The long list of names that were sent us (and I presume I have a copy in my desk) comprised those Wall street men, those men who say, "We do not wants any more paper money." They are the men who undertook to do a pretty large thing, and they to-day are asking us to help them to unload. They undertook to corner all the currency of the country and hold it until this Congress should be compelled by the straitened circumstances of the country to resume specie payments. They are asking us now to help them unload; they want action immediately.

Now, Mr. Speaker, I do not propose to characterize the attitude of any gentleman here on this question as being unworthy of his position in this House. I do not know that we are obnoxious to the charge they make against us, that we want an indefinite inflation of irredeemable currency. We do not ask any such thing. But we do ask that the people of this country shall be the judges of their own matters concerning them personally. We have never yet delegated all these subjects to a comparatively few gentlemen in the eastern part of the country. Our theory is that the people of this country are capable of taking care of themselves. We take it for granted that they are until we come to this question of finances, and the very moment you come to that we are to be told here that the people have not the ordinary discretion to take care of their own interests; that if we give them an opportunity to establish a banking system which shall be free, they are going to lose all their discretion and adopt such a system, and extend it in such a way that it will break down of its own weight.

I take it the people will do no such thing. I take it that we are just as much interested as they in having a currency that shall be good, of uniform value all over the country, that shall approximate as nearly as possible to the precious metals; and I take it that the people of the West have just as much sense, as much judgment, as much virtue, as much honesty in managing their financial matters as those gentlemen in the East have. Are we afraid to trust the people on any other subject? It seems we are not. But the very moment we come to this subject, it seems we are not to be trusted at all; we cannot be trusted in Ohio or Illinois or Indiana or anywhere else with saying how much money we want to do our business with and what the quality of that money shall be.

Now, I do not know but that I have said all I want to say about this matter. I will add, however, that a good many comparisons which have been instituted here are, it seems to me, very far-fetched. I will allude to one or two. The gentleman from Pennsylvania [Mr. TOWNSEND] paraded this afternoon a quantity of the old continental money, to show the dangerous tendency of the times in regard to our greenbacks and our national-bank notes. Why, Mr. Speaker, is there any parallel between the two cases? Gentlemen have also referred to the French *assignats*. But they were founded upon what? Upon nothing, as it turned out. They had no government support, as our currency has. They were founded upon the confiscation of the property of the church, and the property of the emigrant nobles. Not only that, but the government that issued those obligations undertook to confiscate man of his immortality, the universe of its God.

[Here the hammer fell.]

[Mr. HYDE obtained leave to have printed in the RECORD remarks upon the pending bill.] (See Appendix.)

Mr. PENDLETON. Mr. Speaker, the subject of the currency seems to be the all-absorbing theme at the present time; it has been well said the country is looking to Congress for relief; but there is a great variety of opinions in regard to the duty of Congress upon this question, but judging from the vote in this House on the legalizing of the $44,000,000 of United States notes we may conclude that the cry for more paper money will prevail. Now, if we are to have more currency, in my judgment it should be of national-bank notes instead of legal-tenders, for I do not think we ought to break any pledges of the Government; and the act of June 30, 1864, which authorizes the issue of $200,000,000 Treasury notes, contains this provision:

> Nor 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.

This temporary loan spoken of was redeemed, so that $400,000,000 was the limit. Soon after this the Secretary of the Treasury commenced canceling and retiring the legal-tenders, but Congress, evidently fearing he might be contracting too fast, passed the act of April 17, 1866, which provided:

> That of the United States notes not more than $10,000,000 may be retired and canceled within six months from the passage of this act, and thereafter not more than $4,000,000 in any one month.

The Secretary of the Treasury had this authority until February 4, 1868, when it was suspended, he having retired $44,000,000.

Now, if these notes were *retired* and *canceled*, was not this the end of them? If this language means anything it must mean this. There was no necessity of passing this act of April 17, 1866, if it simply meant that the Secretary of the Treasury might be authorized to cancel these notes and issue new notes instead, for I doubt not he had been so doing before this act was passed.

If this House thought the Secretary of the Treasury had the authority to reissue these notes which had been canceled and retired for about six years, why were we called upon to pass an act to legalize this reissue?

I voted, reluctantly, to legalize the reissue of $26,000,000 United States notes, because this amount had already been paid out. I would however have much preferred that the Secretary of the Treasury should have been authorized to sell bonds, if necessary, and retired the amount of notes which he had felt compelled to reissue during the panic through which we have passed.

I could not vote to increase the circulation of the United States notes to $400,000,000, for that is going *from* instead of *toward* specie payments; but if we must have more currency, I prefer that we pass a free-banking law and give all a fair chance; indeed, I do not object to free banking, if we provide for *redemption in New York City* and for a proper *reduction of the United States notes*.

There is no mystery in banking; it is like any other business, simply a matter of debit and credit. If banking associations make promises to pay, they should pay them promptly according to agreement, just the same as business men are required to pay their notes, and when they stop paying they should be treated as failures. In short, if banks will pay their debts it is all we can ask of them. But I do object to the unlimited issue of paper money, without any wholesome restrictions requiring the redemption of the same. We have at this time more legal-tenders in circulation than national-bank notes, and one class of these notes is no better than the other; therefore the paying of a bank-note by exchanging it for a legal-tender note is like the man who paid his obligation by giving his note therefor, and then thanking God he had paid that debt!

For the purpose of improving this bill I propose the following amendment:

At the end of section 2 add the following:

Provided, That the Secretary of the Treasury is hereby authorized and directed to fund United States notes, known as legal tenders, into 5 per cent. bonds to an amount equal to three-fourths of the amount of the increase of the national-bank circulation, and shall cancel and destroy said United States notes.

Mr. Speaker, this amendment provides for funding an amount of legal-tenders equal to 75 per cent. of the increase of the national-bank circulation into a 5 per cent. bond, known as the ten-forty bonds, namely: for every $4,000,000 of additional bank-notes issued, $3,000,000 of United States notes, known as legal-tenders, are to be funded, canceled and retired.

This does not propose to contract but rather to increase the volume of circulation; but at the same time it will prepare the way for resumption of specie payments, it may be slowly, but it will be surely a step in that direction, and I think all will admit that the amount of United States notes must be reduced before the Government can resume specie payments.

This process will not interrupt the business of the country, because it gives increased facilities; this House having already added $44,000,000 to the volume of legal-tenders, which, with the increase of national-bank currency over the proposed destruction of legal-tenders, will probably increase the currency of the country some sixty to seventy million dollars within one year, which will surely be ample for the business wants of the country. This amount is upon the expectation of an increase of the national-bank circulation, say sixty-four millions the first year, and a reduction of legal-tenders of $48,000,000, which transaction will increase the volume of the currency $16,000,000, in addition to the aforesaid $44,000,000 of legal-tenders; so that at the end of the year we would have out of legal-tenders $352,000,000 and national-bank notes $418,000,000, making $770,000,000, besides the $48,000,000 of fractional currency, which, added, makes $818,000,000 in circulation. It seems to me this amount of currency ought to be sufficient to satisfy the demand for more currency, and the amount will continue to increase as the demand for banks increase, but the legal-tenders will decrease three-fourths as much as the bank-notes increase.

While I do not think we need any increase of the currency, I am willing to vote for the bill with this provision, because I think we will, as I said before, be moving in the direction of specie payments, and it will give elasticity to our currency and satisfy the cry of the masses for more money.

These 5 per cent. bonds would sell to-day above par in gold, or say 114 in legal-tenders, and if the Government should be prepared to retire them within fourteen years it would cost less than 4 per cent. interest; while the taxes of the banks paid the Government on circulation and deposits would be more than 2 per cent. on the amount of the circulation, as will be seen by the following table taken from the last annual report of the Comptroller of the Currency:

The national banks, prior to May 1, 1871, paid to the Commissioner of Internal Revenue a license or special tax of $2 on each $1,000 of capital, and an income tax on net earnings to December 31, 1871. The special or license tax from May 1, 1864, to May 1, 1871, amounted to $5,322,688.43; the income tax from March 1, 1869, to September 1, 1871, amounted to $5,539,289.17. The national banks also pay the following taxes to the Treasurer of the United States: One per cent. annually on circulation outstanding; ½ of 1 per cent. annually upon deposits, and ½ of 1 per cent. annually upon capital not invested in United States bonds. These taxes are payable semi-annually.

The following table exhibits the amount of taxes collected by the Treasurer annually from the organization of the system to January 1, 1873:

Year.	Circulation.	Deposits.	Capital.	Aggregate.
1864	$287, 740 45	$412, 953 99	$55, 631 63	$756, 326 07
1865	1, 371, 170 52	2, 106, 480 74	316, 829 01	3, 794, 480 27
1866	2, 638, 396 35	2, 668, 674 72	350, 545 29	5, 657, 616 36
1867	2, 934, 685 63	2, 518, 780 65	314, 899 42	5, 768, 365 70
1868	2, 955, 394 60	2, 657, 235 91	299, 126 21	5, 911, 756 72
1869	2, 956, 168 02	2, 525, 571 87	349, 147 97	5, 830, 887 86
1870	2, 941, 381 51	2, 694, 480 26	381, 598 67	6, 017, 460 34
1871	3, 092, 797 56	3, 027, 767 58	385, 247 07	6, 505, 812 21
1872	3, 282, 597 46	3, 144, 839 45	418, 883 75	6, 846, 320 66
Totals	22, 460, 332 00	21, 756, 785 17	2, 871, 909 02	47, 089, 026 19

This tabular statement shows that the national banks have paid taxes to the Treasurer of the United States, without any expense for collection, on their circulation, deposits, and capital, from the year 1864 to January 1, 1873, the sum of $47,089,026.19. It will also be seen by this table that the banks paid to the Commissioner of Internal Revenue prior to May 1, 1871, the sum of $10,861,977.60 for license and income tax, making the handsome sum of $57,951,003.79 paid by the banks to the Government since their organization.

Mr. FIELD. Will the gentleman allow me a question?

Mr. PENDLETON. Certainly.

Mr. FIELD. For what did the national banks pay this large amount of money?

Mr. PENDLETON. They paid it as taxation in the same way as the gentleman paid his tax on manufactures or whatever other business he may have been engaged in.

Mr. FIELD. Did the banks receive anything in return?

Mr. PENDLETON. No, sir; banks continue to pay their taxes semi-annually.

Mr. FIELD. No benefits?

Mr. PENDLETON. No, sir.

Mr. FIELD. Then I do not see why they should have paid this taxation.

Mr. PENDLETON. Did not the gentleman pay his taxes? And did he receive any benefit from paying those taxes?

Mr. FIELD. I think I did.

Mr. PENDLETON. What benefit?

Mr. FIELD. I enjoyed the benefit of the protection of the Government.

Mr. PENDLETON. Would not the gentleman have enjoyed that benefit without paying taxes?

Mr. FIELD. Did not the banks get something more than anybody else?

Mr. PENDLETON. No, sir.

Mr. FIELD. That is all.

Mr. PENDLETON. The banks have received franchises.

Mr. FIELD. O, have they?

Mr. PENDLETON. But not for the purpose of paying taxes.

Mr. FIELD. Well, the banks do receive franchises?

Mr. PENDLETON. Certainly they do.

Mr. FIELD. That is the point I wanted to bring out.

Mr. PENDLETON. Yes, sir; the banks have received the franchise of being enabled to do business for twenty years. This was given to them by the law.

And yet there are gentlemen on this floor who want to increase the tax of the banks until they will be compelled to surrender their franchises, and yield their business to private bankers, in some places; in the larger cities and towns they could live and prosper without issuing bills, but in the smaller towns and villages they would be obliged to wind up their business, for a country bank without circulation cannot do a profitable business.

To show how profitable these banks have been to their stockholders, I insert another extract and tabular statement from the last annual report of the Comptroller of the Currency, as follows:

The national banks are required by the act of March 3, 1869, to make semi-annual returns to this office of their dividends and earnings. From these returns the following table has been compiled, exhibiting the aggregate capital and surplus, total dividends, and total earnings of the national banks, with the ratio of dividends to capital, dividends to capital and surplus, and earnings to capital and surplus for each half-year, commencing March 1, 1869, and ending September 1, 1873:

Period of six months ending—	No. of banks.	Capital.	Surplus.	Total dividends.	Total net earnings.	RATIOS. Dividends to capital.	Divid'nds to capital and surplus.	Earnings to capital and surplus.
						Per cent.	Per cent.	Per cent.
September 1, 1869	1, 481	$401, 650, 802	$82, 105, 848	$21, 767, 831	$29, 221, 184	5. 42	4. 50	6. 04
March 1, 1870	1, 571	416, 366, 991	86, 118, 210	21, 479, 095	28, 996, 934	5. 16	4. 27	5. 77
September 1, 1870	1, 601	425, 317, 104	91, 630 620	21, 080, 343	26, 813, 885	4. 96	4. 08	5. 19
March 1, 1871	1, 605	428, 699, 165	94, 672, 401	22, 205, 150	27, 243, 162	5. 18	4. 24	5. 21
September 1, 1871	1, 693	445, 999, 264	98, 286, 591	22, 125, 279	27, 315, 311	4. 96	4. 07	5. 02
March 1, 1872	1, 750	450, 693, 706	99, 431, 243	22, 859, 826	27, 502, 539	5. 07	4. 16	5. 00
September 1, 1872	1, 852	465, 676, 023	105, 181, 942	23, 827, 289	30, 572, 891	5. 12	4. 17	5. 36
March 1, 1873	1, 912	475, 918, 683	114, 257, 288	24, 826, 061	31, 926, 478	5. 22	4. 21	5. 41
September 1, 1873	1, 955	488, 100, 951	118, 113, 848	24, 823, 029	33, 122, 000	5. 09	4. 09	5. 46

From the foregoing statement I cannot see the propriety of increasing the taxes of the national banks, for out of these dividends, in most cases, the local taxes have to be paid. Stockholders of banks ought to get larger returns from bank stock than from mortgages, for their is a greater risk.

Mr. Speaker, I introduced a bill some time since to provide for the repeal of the sixth section of the act of July 12, 1870, which provides for transferring national-bank circulation from the East to the West and South.

Mr. MAYNARD. This bill repeals that section.

Mr. PENDLETON. I am glad to hear it.

Much has been said against the eastern banks for holding more currency than their proportion. They took up this currency not until they were urged to do so by the late Secretary of the Treasury, Hon. S. P. Chase, and not until the West and South neglected to take it, and our banks expected to retain for twenty years as the law provided. Almost every bank that was organized became an agent to sell the bonds and seven-thirty notes for the Government, and these banks sold more than their proportion, I presume, of those securities; but, nevertheless, they sold no more than the Secretary of the Treasury wanted them to sell. Nor did they take any more of the circulation than he was willing to furnish.

I have incorporated as a part of my remarks an extract from the last annual report of the Comptroller of the Currency showing the difficulties of transferring this currency. He says:

These requisitions will be made upon the banks located in the following States and cities:

Four in the city of New York	$5,018,000
Thirty-seven in the city of Boston	13,320,000
Twenty-one in the State of Massachusetts	2,659,000
Seventeen in the city of Providence	2,818,000
Fifteen in the State of Connecticut	1,185,000

This will reduce to $1,000,000 the circulation of all banks in the city of New York having an excess over that amount, and the circulation of all banks in Massachusetts and Rhode Island to $300,000. If these banks do not return the amount of circulation within one year after the requisition is made upon them, it is made the duty of the Comptroller of the Currency to sell at public auction, upon twenty days' notice, the bonds deposited by such associations as security for said circulation equal in amount to the circulation to be withdrawn, and not returned in compliance with the requisition. With the proceeds of the bonds the Comptroller is required to redeem the notes of these banking associations as they come into the Treasury. The notes of these banks are so scattered through the whole country that it will be impracticable for them to return their circulation without an expense not contemplated by the act; and it will, therefore, be for the interest of the banks to provide the Comptroller of the Currency with the requisite amount of legal-tender notes with which to redeem their circulation as it comes into the Treasury. To this extent the act may be executed; but the notes to be redeemed will not come to the Treasury for redemption to any considerable amount, and therefore but a small proportion of the twenty-five millions will be placed at the disposal of the Comptroller for redistribution to the banks of the South and West. The result will, therefore, be great embarrassment to the banks to whom the currency has already been issued, without providing any relief for organizations elsewhere, as contemplated by the act. The Comptroller, therefore, repeats the recommendation contained in his previous report, that section 6 of the act of July 12, 1870, be repealed, and that twenty-five millions additional circulation be authorized to be issued and distributed among the States, as heretofore provided.

Now, Mr. Speaker, let us see what will be the effect of withdrawing $25,000,000 currency from the East.

This $25,000,000, less 15 per cent. reserve deducted, namely, $3,750,000, leaves $21,250,000 loanable funds for business interests at the East from this circulation. Let us look at the other side:

These banks will have to furnish in legal-tenders $25,000,000 to the Comptroller, which will call for $27,778,000 bonds; these will sell in market on an average for $117 per $100—some being 5 per cent. and some 6 per cent. bonds—which would amount to $32,500,000. Therefore we see that these banks will have to withdraw from the circulation of the country $25,000,000 of legal-tenders and deposit for their bonds, and then take $32,500,000 of legal-tenders from New York City, where they would sell their bonds and replace the $25,000,000 that was withdrawn, thereby giving them $7,500,000 more capital. To this we will add the amount of reserve, namely, $3,750,000, which will make $11,250,000 more working capital. In other words, these banks, with their bank circulation, before withdrawal, could loan from it, as before shown, $21,250,000. After withdrawal they can loan $32,500,000 to their customers, being more than 50 per cent. increase. Surely this will be no damage to their patrons, but it would be a contraction of the currency of the whole country from the time the $25,000,000 of legal-tenders were deposited in the United States Treasury until the bank circulation could be called in and reissued to banks in the West and South. The time it would take to accomplish this result we have no means of ascertaining, but I doubt if it can be done within five years at least.

From the foregoing we can see that the withdrawal of this currency will interrupt the business of the East during the time they are changing the legal-tenders from the East to the Treasury and obtaining the bonds and converting the same into legal-tenders; also, that the banks will lose the profit on this circulation, say about 2 per cent. per annum. At the same time, as I have shown, the banks will be able to increase their loans to their customers.

I trust this bill may be so amended as to remove some other objections which my time will not allow me to point out.

Mr. ALBRIGHT. Mr. Speaker, I do not know I should have attempted to speak on the important question before the House if it had not been for the remarks made this afternoon by my distinguished colleague from Pennsylvania, [Mr. TOWNSEND.] I understood him to say the people of the section of the country he represented are in favor of contraction; that they do not desire any more currency, but are in favor of some process by which specie payments shall speedily be resumed. I come from a section of Pennsylvania where the people are largely engaged in the mining of coal and in the manufacture of iron. I was home but a few days ago, and while there I did not find a single operator in coal-mining or a single manager of furnaces, rolling-mills, factories, or machine-shops who did not say to me, "Give us more currency, because during the last five years with the currency the country had we were prosperous; we were developing our mines and building up our furnaces and rolling-mills and extending railroads." The laborers say the same thing; that before the war, when they were paid at the end of the month, they had eight dollars, but now they have twenty-two dollars above current expenses, and that they can buy more goods and do more for their families with twenty-two dollars in currency than with eight dollars of specie before the war. That is what the laboring men say in the section of the country from which I come.

And this matter of coal, Mr. Speaker, is not an unimportant item in Pennsylvania. In the three counties adjoining the one where I live there are mined twenty-two million tons of anthracite coal every year, which, when put into New York and Philadelphia, and to the furnaces, rolling-mills, &c., is worth five dollars a ton and upward, thus requiring over $100,000,000 annually to move this coal to market.

But it was not on that particular point I wished to speak. Specie payment of course is desirable. Everybody looks forward to the day when specie payments will be resumed. But can we resume specie payments by legislative enactments? Can you pass laws by which you can put gold and silver into the pockets of the people, except as you pass protective laws to employ the labor of the country in order to develop the mines of the country and build up furnaces and other establishments that will put the raw material of the earth into marketable form?

There are at this time in my judgment three insuperable objections to specie payments. The first is that we have not gold enough in the country to-day; the next is that we are importing more than we are exporting; and, in the third place, because we are paying $125,000,000 in gold to Europe upon our bonded indebtedness, I mean upon the bonded indebtedness of the United States as well as of our various corporations.

England and Germany hold the best of our bonded securities, that is, those bonds which pay the highest rate of interest. When you get your bonds home, we will then be on the way to specie payments. When you can get the balance of trade in favor of the United States, specie payments will soon follow, and without any legislation at all.

But we are told by gentlemen that England is paying specie; that France also is paying specie although France has just emerged from a great and exhaustive war. They say that England, Germany, and France are paying specie, and why cannot we do the same thing in this country? In the first place, I answer that, while the debt of England is as great as that of this country, it is held by the English people. The people of England hold the bonds or consols of England, and the interest paid on that indebtedness is paid at home. And the same is true in regard to Germany. Instead of our holding the bonded indebtedness of the nation ourselves, one-half of it is held abroad; and all the great railroad enterprises and developments which have been built up in this country during the last ten or fifteen years have been built mainly with capital borrowed in Europe.

These are the reasons, Mr. Speaker, why, in my judgment, we cannot now resume specie payments. Make the country prosperous; develop our great agricultural regions; open up the coal mines; cultivate the cotton-fields; encourage in fact all the vast industries of this country; build up wealth; fill our country with a busy population, and then there will be no trouble about specie payments.

I desire to say further, Mr. Speaker, we have not the amount of money England has with which to resume specie payments; we have neither the same amount in the aggregate nor *per capita*. And I have a statement here to which I call attention:

Total currency volume of the United States	$869,000,000
Less gold and paper reserves	200,000,000
Total actual circulation	669,000,000
Circulation *per capita*, $16.72.	
Total currency volume of England	$884,943,000
Less reserves	112,259,000
Total actual circulation	772,684,000
Circulation *per capita*, $24.28.	
Total currency volume of Germany	$1,296,000,000
Less reserve	205,000,000
Total actual circulation	1,091,000,000
Circulation *per capita*, $26.80.	
Total currency volume of France	$1,650,000,000
Less gold and silver reserve in bank	540,000,000
Total actual circulation	1,250,000,000
Circulation *per capita*, $34.72.	

It will be seen from this statement that while the United States has $869,000,000 of volume of currency circulation, England has $884,000,000. We have sixteen dollars and a fraction *per capita*; England has twenty-four dollars, Germany has twenty-six dollars, and France has thirty-four dollars. Now, if we had currency in the United States equal to what England has *per capita*, or Germany, or France, we would have, according to the *per capita* of England, $971,000,000 in currency; or if we had what France has *per capita*, we would have $1,488,000,000; or if we had what Germany has we would have $1,072,000,000.

Now, does anybody pretend to say that a country new and vigorous, such as this is, and desiring to be developed, does not need more money than England or Germany or France? We have a greater area of territory. We have seventy-six thousand miles of railroad, while England has but fourteen thousand miles. As I have said, we are largely indebted for our railroads and public improvements to Europe, while England has paid for the whole of hers. Now, is it possible that a new country, which must be built up in every direction, does not need more money than an old country, whose houses and railroads and public improvements are almost finished?

If you have not gold enough to do the business of the country, what do you intend to do the business of the country with? What better can you get than the promises of a government; because a government note is a mortgage upon every farm and upon every workshop in the country, and the people believe that the government will at last pay these promises? Because of the waste and prostration which a great and wonderful war produced, this country for the time being was and is crippled. The Government, however, is lending its credit to the people that its great resources may be developed. That is the idea which a great many men in Pennsylvania and in other portions of the country entertain upon this question.

But gentlemen say that if you increase the currency you inflate it. Not necessarily; because forty-two million people need more money than thirty-five millions or thirty-two millions. By some statistics which I have here, and which I understand have been very carefully collated, it appears that the currency of the United States in 1865 was over two billions; made up of United States notes, fractional currency and national-bank notes, compound-interest legal-tender notes, temporary-loan certificates and certificates of indebtedness, Treasury 5 per cent. legal-tenders, Treasury notes and legal-tenders past due and not presented, State-bank notes, and three-year Treasury notes, which in the aggregate amounted to $2,111,678,689. To-day you have but one-fifth of that. While you have some eight hundred millions of money, two hundred millions of it is tied up by reserves and gold, while, as I understand the distinguished chairman of the committee which has this bill in charge, a large quantity of money is in the hands of poor people who are hoarding it, so that the country at this time perhaps has not more than four hundred millions of money with which to do the great business of the country.

Now, sir, I do not believe that an expansive, developing country like this is to be tied down to a certain sum of money, and that you say you have reached the ultimate point and that there is no use of going any further. I believe that as we are growing and expanding we must provide some ways and means by which the people can grow and prosper, too. If you have not gold, what better substitute can you find than United States notes and national-bank notes?

Mr. MAYNARD. If the gentleman will allow me to interrupt him, I would remind him that in those parts of the country where there are no banks—and there are whole regions of country where there are no banks for a hundred miles—all the money people have they hold in their pockets, and a number of amounts of fifty and a hundred dollars come to a great deal in the aggregate.

Mr. ALBRIGHT. I have no doubt of that. The same is true of the mining districts of Pennsylvania. The county commissioners of the county in which I live desired to borrow money. Though they had banks there they could not borrow from the banks, and they went to the miners, and in a few days they raised from twenty to thirty thousand dollars which the miners were willing to loan the county on the county bonds. And what is true of one county is no doubt true of others.

I have not time to discuss this question as I would like, but the opportunity to speak at length does not present itself, and therefore I desired to say what I have said so that I might be understood upon this question when I shall vote.

I offered an amendment to-day to the fifth section of this bill, in which I propose that the reserve of banks may be invested in a 3.65 per cent. currency bond which the banks may hold and convert at pleasure. Of course they would hold that bond. Gentlemen say to me, "Why, the Government does not want to give the bond when it has no need for the money." That would be true if the Government were not a debtor. But the Government would take that money and buy the gold-bearing bonds, and fund or float a hundred millions of currency bonds which the banks would absorb; so that the Government would be actually saving and making money by that process, and would in a great degree prevent the contraction which happens at certain seasons.

And then I propose in this amendment another thing; and that is that the banks shall not pay interest to banks upon deposits. That was one of the great reasons why there was a panic last year. Money was hoarded in the cities. It was to the interest of the banks in the country to get as large a deposit in the cities as possible, because they were getting interest at the rate of 4 per cent. The banks in the cities desire to make still more, and lend that money at rates of perhaps 8, 10, and 12 per cent., so that the money became scarce in the country and plentiful for speculative purposes in the cities.

The amendment I propose will prevent that. There will not be such a desire on the part of the banks to send their money to the cities, because they get no interest on it; but it will enable them to get very nearly that amount of interest from the Government, and it will enable the Government in that way to get afloat a currency bond and redeem an equal amount of gold-bearing bonds.

[Here the hammer fell.]

Mr. HOSKINS. Mr. Speaker, in the short time allowed me I shall not attempt an extended essay on political economy or theoretically discuss the subject of finance, but in a plain, practical manner, as a practical man, give my views upon the pending bill.

The subject-matter of the bill reported by the Committee on Banking and Currency and now under consideration is one of vital interest and importance to every section of the Union; for the least disturbance of values, either by increasing or decreasing the purchasing power of money, is at once felt in every department of business, alike by producer and customer. We should therefore approach the consideration of this subject not with reference to advantages likely to accrue to sections or localities, but with an eye single to the ultimate good of the whole country.

Gold and silver are made the standard of values the world over, and by which all other values are measured; and any other medium of exchange adopted by the Government in its place should be based upon this standard or its equivalent. Irredeemable paper money, although at present perhaps a necessity, is not the kind of currency demanded by the wants of the people. Therefore any legislation had upon the question of the currency should be in the direction of increasing its value and bringing it nearer to the gold standard; and any legislation looking in the opposite direction, however well intended and however greatly clamored-for by sections of the country, is not the work of wise statesmanship, and in the end will prove deceptive and unsatisfactory.

I am aware that to a certain extent the industries of the country are embarrassed, and that there is distress among the working classes. But this does not arise from the want of sufficient currency to meet the demands of business. This distress and embarrassment spring mainly from illegitimate and reckless speculations on the part of people who are not satisfied to continue in the regular and safe channels of trade and commerce receiving a reasonable compensation for their investments, but who desire suddenly to become rich, and to accomplish that object are willing to take all kinds of risks; and when the bubble bursts wide-spread disaster is the result not only to themselves, but to the laboring man as well.

Now, then, we are asked to do something to better this condition of things; to do something to revive business and prevent the recurrence of disturbances and panics like that of last autumn. The practical solution of this problem is the work before us. Will the measure now under consideration accomplish the purpose?

Section 2 provides—

That section 22 of the said act (the national banking act) and the several amendments thereto, so far as they restrict the amount of notes for circulation under said act, be, and the same are hereby, repealed.

Under this section what is known as free banking is authorized, any man being permitted to start a national bank who can furnish and deposit with the Comptroller of the Currency the necessary United States bonds. Now the term free banking sounds well, and under certain conditions may be both right and proper; but if free banking means the unlimited issue of irredeemable paper money, to go to swell the amount of irredeemable currency now in circulation, it is in my opinion a delusion and a snare and can only work disaster to the people.

I know it is often said that *free banking* is not intended as a measure of inflation, but only to supply the demands of commerce and to furnish the people with banking facilities suitable to their necessities. Now this is all very nice to say, but why do you want more banks, except to put in circulation more currency. Individual banks are and can be established all over the country; and these banks are doing all kinds of banking business, the same as national banks save in this one matter of circulation; so the people are accommodated with banking facilities where a bank can be made profitable.

Should this bill become a law, every bank with circulation established under it will increase the volume of currency to the amount of its circulating notes; and this increase may go on until the national-bank notes outstanding may reach $500,000,000 or $1,000,000,000. No man can tell to what extent this irredeemable currency may expand, as there is no limit, no control, as to amount, by the Government. All history and experience teach that as you increase the volume of irredeemable currency in the same proportion you enhance the nominal price of all commodities, thereby encouraging wild schemes of speculation and visionary enterprises. And this is what is called *stimulating* the industries of the country. This policy renders a fixed standard of values impossible. And while this condition continues the wise and prudent man must stand near the shore, because when this volume of irredeemable currency is liable to fluctuate from day to day, thereby increasing or decreasing its purchasing power, no man is safe. If I purchase a piece of property to-day I cannot tell what it will be worth to-morrow, because the value of currency is constantly changing, and our best calculations may prove deceptive.

There is nothing that works greater injury and damage to the masses, to the producer and the consumer, to the merchant and the manufacturer, to the man of wealth and the laboring man, than this constant changing and unfixedness of values brought about by the unlimited issue of irredeemable currency. That great and learned statesman, Daniel Webster, when speaking upon this subject once, said that "it is one of the greatest of political evils;" that "it is against industry, frugality, and economy, and fosters the evil spirits of extravagance and speculation; and that of all the contrivances for cheating the laboring classes of mankind none has been found more effectual."

Mr. Speaker, in my judgment legislation by this Congress should be with a view to remedy and prevent these fluctuations in the value of our currency, and so far as possible place it upon a firm basis, a basis recognized by all nations in the civilized world. When we attain to this business will stand on an equally sound basis, and all branches of industry will be healthy and the people prosperous.

The exact amount of currency required for the business interests of the country cannot be determined by legislation. Neither is the amount material, when it is based on the standard of the world; as it then becomes redeemable, and for all the purposes of life is as good as gold.

But we are often told, on this floor and elsewhere, that the "panic" was brought on by the contraction of the currency, and that more is needed to prevent any sudden revulsion like that of September last. Now I utterly dissent from this idea, believing the facts do not warrant this conclusion. By reference to the annual report of the Treasurer of the United States, made to the Secretary of the Treasury, for the fiscal year ending June 30, 1873, we find that since the year 1869 there has been no contraction whatever, but rather a small increase in circulation.

On page 329 of this report we have a comparative statement of total outstanding legal-tenders for the last twelve years. But for my purpose I shall only take the years 1869 and 1873, and we shall see how this matter stands. This report shows that there was outstanding of legal-tenders, including fractional currency, on the 30th day of June, 1869, $391,649,558.61, while on the 30th day of June, 1873, there was outstanding, also including fractional currency, the sum of $401,527,267.94, showing not a contraction during this time, but an absolute increase of $9,877,709.33. During this interval of four years, from 1869 to 1873, the country as a whole was prosperous and all branches of industry were remunerative and apparently healthy, when all at once, and to the casual observer without warning, the crisis came and the country was shaken to its very center. Banks, insurance companies, and merchants failed or else suspended, and for a time everything seemed on the very verge of ruin.

Now, then, can this revulsion, sudden and unexpected, be accounted for on the theory that there had been a contraction of the currency, when in fact there had been no contraction; or upon the other equally fallacious one, the want of sufficient currency to meet the legitimate business of the country, when the people had never been more prosperous than during the four years immediately preceding the panic? In view of the history of the times, and the facts to which I have briefly referred, it seems to me no sane man can successfully maintain this position.

No, the panic came upon us from other causes and for other reasons. Paper money had become plenty, and stimulated by a desire to increase profits faster than regular legitimate business would permit, large investments had been made, involving great risk and hazard; credits had been unduly extended to corporations engaged in enterprises requiring the expenditure of millions before any return could be made, and being unable to meet obligations as they became due, a collapse was inevitable. The failure of one or two large concerns of course carried with them many smaller ones. Like a mill upon a stream giving way all below feel the shock, and wide-spread disaster to the whole country followed.

The Committee on Banking and Currency, evidently apprehensive that free banking without redemption would be disastrous to the best interests of the country, provide by the third section of the bill—

> That every association organized, or to be organized, under the provisions of this act, 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.

In my judgment this section practically will be found of very little utility as a preventive of the almost unlimited issue of national-bank notes, and consequently a large inflation of the currency. This Congress has fixed the amount of legal-tenders that can be issued at $400,000,000; and it is the opinion of practical bankers that upon this basis $600,000,000 or more of national-bank notes can be put in circulation, and redemption as proposed by this bill easily maintained, without increasing the relative value of greenbacks. This would give a circulation of $1,000,000,000, sufficient to again unsettle the price of all commodities and set everything kiting.

Again, what is the object of or what is to be gained by this kind of redemption? Legal-tenders are worth no more than national-bank notes. Both are irredeemable, and for all practical purposes are of the same value. You redeem one kind of irredeemable currency with another kind of irredeemable currency of like value, and what does it amount to in a business point of view? It is like taking a dollar from one pocket and putting into the other, thinking that by the operation you have saved something to yourself, or else accomplished some public good. By this system of redemption, with the volume of legal-tenders at $400,000,000, you can never appreciate them so they will be worth more than national-bank notes, and hence this kind of redemption will be no check upon inflation. I look upon this bill as throwing the door wide open to an unlimited issue of irredeemable currency without practical redemption, *inflation* almost *pure* and *simple;* a policy to which I am unalterably opposed, believing, as I do, that a single step in this direction is fraught with danger to the best interest of the whole country, and especially to the poor laboring man, who earns his scanty living by daily toil.

While I am opposed to the bill now under consideration in its present form, I desire to say that I am not opposed to the principle of free banking, nay, would favor it, provided we could at the same time reduce the volume of greenbacks in the same proportion we increase the national-bank note circulation. With free banking, I would retire and cancel legal-tenders as national-bank notes are issued, until the whole amount outstanding should not exceed $200,000,000. This slow but gradual retirement of greenbacks would so appreciate them that before this point is reached they would stand at par with gold, while the aggregate amount of currency in circulation would not be changed a dollar. By this slow and almost imperceptible process the industries of the country would not be disturbed; because, knowing the policy of the Government, every man would shape his business relations to meet this order of things.

When the legal-tenders stand at par with gold no one wants the precious metals; and then more than $150,000,000 of gold, now locked up and only known as merchandise, would at once enter into circulation, increasing the volume of the same to that amount—a truth nearly lost sight of by our friends on the other side. Redemption would then mean something, because it would be made in gold or its equivalent, legal-tenders, and a redundancy of currency by way of national-bank notes under the operation of a free-banking law could not then be maintained, for the reason that, when more was issued than demanded for the wants of trade and commerce, they would immediately be sent home for redemption.

A free-banking law standing upon the basis here suggested I would favor; but a free-banking law with a system of redemption of no practical value to stand as a check against the unlimited issue of irredeemable paper currency, I repeat, can never meet my approval.

I do not favor the plan of the extremists on either side of this question. I am not in favor of any violent contraction, because that would tend largely to a shrinkage of values, and thereby unjustly oppress the debtor class and produce a general derangement and stagnation of business. Neither do I favor any kind of inflation, because in proportion as you increase the volume of irredeemable currency you depreciate its value, thereby working injury to the creditor class. If the increase be very considerable, this depreciated currency becomes plenty, and the nominal price of everything is increased, all sorts of extravagance are indulged by the people, reckless speculations are stimulated, extended credits are given on doubtful security, and the country well on the high road to another financial crash like the one just past. If this is not so, then history is a farce and experience a solemn mockery.

What the country needs is not more currency, but a better one; a currency that can at all times be converted into coin. I have no sympathy with that class of extremists who constantly denounce the legal-tenders as dishonored notes. They are not dishonored notes, for behind them stands the accumulated wealth of the nation pledged to their redemption at the earliest practicable moment. And yet to carry out this solemn pledge, made over and over again by the law-making power of the land and to keep good faith with the people, all legislation should be with a view to an appreciation of these notes and to their ultimate redemption in coin. Any legislation in the opposite direction is a step backward, in violation of good faith and against the judgment of mankind.

When we can make the greenback of to-day what it was when the first $150,000,000 were issued, to wit, convertible into gold-bearing bonds, or when it stands at par with gold, then can we remove all restrictions and establish absolute free banking, because redemption will then regulate the volume of currency required.

Mr. Speaker, the country needs rest, needs certainty, needs stability. As legislators, we should keep in mind this great central thought that it is our solemn duty to give to the people a currency good alike for the rich man and for the poor man; a currency equal in value to the standard of the world. This desirable end cannot be reached in a day nor a year, perhaps not in many years; but any step taken should be forward, and anything less than this will in my judgment work evil, and only evil, to the national interests of the country.

Mr. WHITEHEAD. I desire to submit a few remarks on this question; not, however, that I claim to be a financier, and if I were I do not think I should put myself to the trouble to commence with the beginning of the English government and come down to the present day either upon maps, as was done by the gentleman from Pennsylvania, or otherwise to show what was the proper currency of the people of *this* country.

I do not think that I could be convinced, though one rose from the dead, that our people have currency enough. How gentlemen have confused this matter I know not; but one thing I do know, that there has been a confusion, whether produced by argument or whether it proceeds from causes that have never heretofore been discovered in the currency Department I am unable to say.

I intend to speak only for my own section of country; for I suppose on this subject, from the number of speeches that have been made, every man can take care of himself. I propose, then, to speak only in regard to my own people. Now gentleman have tried to persuade me of the truth of a great many things I never heard of before. I have understood loyalty to mean a very different thing from what I have heard spoken of as being loyalty on this floor. I have understood capital always to be a very different thing from what it has been asserted to be here.

My friend from Indiana [General COBURN] said to-day very truly that we did not want capital. If you mean by capital property, valuable property, why, sir, in my own State we have iron mines enough, if the iron was made into money, to redeem the entire public debt. But we cannot get the money to pay anybody to work to dig the iron out of the ground. We have this year fifty million pounds of tobacco, and it is now being crowded on the market, and there is not enough money in the banks there to buy one-fourth of it.

I understand, sir, very well the key-stone of this arch of returning to specie payments which gentlemen talk of. They do not want to return to specie payments; they never intended to return to specie payments; I do not believe there is anybody here who really wants to return to specie payments; and when gentlemen talk of returning to specie payments they have no more idea of going *there* than they have of going to heaven.

Mr. BARBER. We all want to go *there*.

Mr. WHITEHEAD. Perhaps you do all want to go there, and your hope to get there is a good deal stronger and your faith better founded than that of these gentlemen who talk about returning to specie payments. I have heard a story of a gentleman who heard that a bank was getting a little into trouble; it was in the days of the old State banks. He put a great roll of notes on the counter and told the cashier he must have the specie for them. There was a little run on the bank and the cashier tried to pursuade him that the bank was perfectly solvent, that the notes would pass quite readily, and nobody would refuse them, as nobody now refuses greenbacks. And, by the way, I am loyal on this subject. I never refused a greenback since the war. I do not know that I would have refused one during the war if I could have gotten hold of it. The gentleman, however, insisted on getting specie, and had $2,000 worth of silver paid over to him. He tied up that large amount in his handkerchief, and as he was taking it away the handkerchief burst open, the silver was scattered everywhere, and the boys gathered around to pick it up, and he had to beg the cashier to take it back. And so it is with greenbacks now. You do not want specie. The greenback buys everything you need to buy. And I, at least, am not here to say that the faith of this Government is not pledged for its redemption if any man wants it. I shall not say, like some gentlemen who hardly consider it right to call me loyal, that the money of this Government is a printed lie. I will not say that the money issued by this Government, with the faith of the Government pledged on its face for its redemption whenever it is proper to redeem it and best to redeem it, is a falsehood, and known to be a falsehood. I will not say I believe that when this Government in its day of trial to you and of trial to me, too, issued this money and pledged its faith for its redemption, that it was a fraud on the part of the Government when they issued it, and it was bought up by the men who now hold it and depreciate it. I, at least, do not say that the Government intends to commit a fraud.

These gentlemen are more loyal than I am! I should like to see them show it here now. These men claim to have more faith in this Government than I have! Let them show it, then, in some other way than by branding the money of their own Government.

Well, sir, I do not intend to be scared either. Gentlemen from New York tell us that this is not democracy. We have been told by several gentlemen that because we say we want more of this money, and that greenbacks are good enough for us in old Virginia, and that we are not suffering particularly, and are not anxious to get rid of the national-bank notes that we have, that we are not democratic. Now I rather think, sir, I have suffered about enough for what is called the democratic party down my way to have made these gentlemen take to their heels and into the republican party, if they had suffered it. These gentlemen vaunt their democracy when their pockets are touched. The New York Herald and other papers threaten war. There is going to be another rebellion up that way, and I suppose it will commence in New England or in New York. Well, I have not much to say on the subject of war. The Lord willing, I do not want to see any more of t; but if it does come from that quarter, I will be on the loyal side and I will help to see that they are whipped back into this Union in the quickest time ever made.

Sir, there seems to be a great deal of difficulty here as to what caused the panic, and gentlemen persist in saying that it was too much paper money. Well, I do not pretend to controvert their sources of information; but one thing I say, that we were perfectly satisfied in my section of the country that what caused the panic was a scarcity of money. There are plenty of United States bonds down there, bankers tell me; but if they had sold them they would have had to sell them at a sacrifice, and if they had tried to hypothecate them they colud not have gotten a cent even in New York. It was not, then, a plethora of paper money, it was a scarcity of paper money that caused the panic.

Now I think I can give a better reason for what caused the panic than this inflation of paper. If things had been as they were in the days of the confederacy when the paper got so low that forty dollars were worth only one, and when a man who went to market carried a basketful of money and brought back the marketing in his pocket, if it had so depreciated that every one had so much paper that you could not buy anything with it and a panic had taken place, then there would have been some show for saying that a plethora of money was the true reason. But when it is remembered that the depositors in the banks of the city of New York formed in line like an army before the doors of the banks and could not get their money out, because the banks did not have this "irredeemable paper" to pay them with, how was that a plethora of money? These gentlemen get very brave when they come here, but a greater set of cowards were never seen than they were, shivering in New York before the doors of banks and clamoring to the President to let out the $44,000,000 of reserve, and when they were bringing a pressure to bear upon the Secretary of the Treasury to do that which the gentleman from Rhode Island says was a violation of law, which his conscience will not let him sustain. Who made the Secretary of the Treasury violate the law? Who begged him to let out the $26,000,000? The gentlemen who appeared before the Committee on Banking and Currency, the distinguished chairman of which sits before me, who besieged the door of his committee-room to get him to report a bill here contracting the currency now, which they begged the Secretary to inflate then, and do it illegally, against law and against the business interests of the country. They inflated themselves by issuing their certified checks to keep their banks from breaking, and pledged each other to take those certified checks as money. They issued near $40,000,000 of certified checks in and around New York, and by organizations all over the country made an agreement that every bank should take the certified checks of another bank as cash, when the people stood at the doors of their banks begging them to pay their debts in these "irredeemable lies" of the General Government.

And now they talk about inflation. They come here and preach to us that we are dishonoring the country; they come here and preach through their Representatives and through the press that we are dishonoring the Government of our country, because we say in answer to the cries of the farmer, the laborer, the manufacturer of this country that to carry on their business there must be more of this irredeemable paper, as they call it, which the laborers, the farmers, and the manufacturers all take so gladly. They threaten us through the press, and upon this floor, with the consequences that must ensue to the country. They seem to think that they have the honor of the country in their keeping. They have got it in their pockets; that is the honor they are afraid of hurting. They know they bought that paper at three for one when the country was flooded with paper money, from 1861 to 1865, when in the North and South there was a flood of paper money; and when in April, 1865, the paper held by these men here—who furnished the officers while the West furnished the men for your Army—these men who made the money on shoddy contracts, these men who made money by the war, while the South was destroyed and the West was injured, when on that memorable day in April, in tears and sorrow, our money turned to ashes and theirs to gold—they come here now and say you shall make that gold even if it grinds the faces of the poor.

As the gentleman from Kentucky before me [Mr. BECK] said to-day, "Is that fraternal love?" Our paper money turned to ashes; theirs turned to gold. Now they come here, having conquered us in the South, having taken control of us by military authority and reconstructed us when we stood submissive as lambs; having brought us back kindly by the hand they said—but they had a thundering big switch in the other hand—they said that they had brought us back and intended to take care of us. They brought us back into the Union; and now they say, "Well, your money turned into ashes, you lost all your property, while our money turned into gold, and we made a great deal of it by the war, and by the help of Providence and the Congress of the United States we are going to keep ours gold, and we do not care whether you have any or not." And you call that fraternal love, kindness, and charity!

Is that the way to take care of a poor neighbor? I verily believe, Mr. Speaker, that I am like the man in the Bible who went down from Jerusalem to Jericho and fell in a certain place among a certain class of people, wounded and sick, and was left on the bank. Here comes one of these Samaritans from New England and passes away off on one side. Then comes a Levite from Connecticut—I expect he had a nutmeg with him—and he passes by.

We are told that we do not want any money; that we are mistaken; that the people in Virginia have made a mistake; that it is capital they want and not money. Well, what sort of capital? We have lands; we have tobacco and a plenty of it; we have good brandy and a great deal of it; we have fine iron mines, and we are trying to work them. A few northern men have come down there among us, with what? With capital? With money, and have put a few of these mines to work. We have not enough of what we call money. We have a plenty of property as a basis for money, and if it could be turned into money we would have money enough. But it is not the sort of thing that you can turn into money. We want money. They say we want capital. I do not care whether you call it capital or not. What we need is a circulating medium, a sufficient amount of currency for the wants of the people of the State.

We pay into the Treasury of the United States Government every year $7,353,000 internal revenue, and we pay into the treasury of the State and for county taxes upward of $4,000,000, making a total of $11,992,000 which we pay each year for taxes. Our circulating medium is but $3,900,000. Now, how can we pay our taxes of $10,000,000 with $3,000,000? We have to get it from somewhere. Where do we get it? We have to borrow money as a State to pay our taxes. Now, when you have to borrow money to pay your taxes do you think that you have money enough? And when a State has to borrow money to pay its taxes to the General Government, do you mean to tell me that that State has money enough? We have crops there which would pay ten times that amount, yet the currency is not there to buy those crops. What are we forced to do then? We are forced to ship our crops to New York. There is the cat in this meal-tub.

[Here the hammer fell.]

The SPEAKER *pro tempore*. The time of the gentleman has expired.

Mr. MYERS. I hope the gentleman will be allowed to proceed.

Mr. WHITEHEAD. I will close up in a minute or two. I believe I was about to make a speech, but I will change my mind. We have to ship our crops to New York, Philadelphia, and Baltimore for the purpose of selling them to get money to pay our taxes. There is the tobacco of the manufacturer. Twenty cents a pound is more than the average cost of the original leaf article in most instances. Now, to put the stamps on his tobacco he must send somewhere to get the money to pay for the stamps in order to be able to get it out and sell it, and he must borrow money. Where does he get it? He hypothecates his tobacco in order to borrow the money. And so it is with the leaf tobacco and with all the other crops. And what do they in New York get? They get all the profit of the transportation; they get all the commercial profits, the brokerage, the insurance, everything of that kind goes there finally. All the profits of the crops of my State now land in these great cities, except the poor profit which the land-owner and the laborer makes.

Mr. MAYNARD. They do not charge you any interest, of course.

Mr. WHITEHEAD. They do not! In other words, under the operation of the currency system of the United States, as now executed upon the South and West, we are "hewers of wood and drawers of water" to these capitalists, having left to us the bare labor of our hands, while they take all the profits that make States great commercially. If our crops were sold in the city of Richmond and the currency circulated there in the hands of our merchants, the profits of the crops would inure to our State except what the consumer pays when the article is retailed out. This profit made from the West on the one hand and the South on the other by the exchange of these commodities through the influence of the currency system in these cities has made these cities rich and left the West and South poor.

The recent panic was caused simply by the fact that men had bought more than they could pay for with the currency that was on hand. There was not currency enough. Though the credit of the people was good, though the credit of the banks was good, though the credit of the merchants was good, there was not enough currency to move the crops and distribute them to the country. This was not found out until the crash came. Then it was discovered that there was not currency enough in the banks to meet the wants of the country; and that deficiency produced the panic.

One thing is certain: we have not in my State currency enough. That is shown to be so by the fact that our taxation is more than twice the amount of our circulation. But gentlemen say, "If you had the means there you could get currency." We could get it there if we had some better system than the present. There ought to be some system of relief under which a single set of men would not have a controlling monopoly. Why, sir, as to this system of national banks, I never in my life heard of but one man who considered it sound philosophy; I never heard of but one man who considered this principle on which the national banks are organized as a fair thing; and that was "Beau Hickman." He spoke of a gentleman "living upon the interest of the money he owed." That is just what the national banks do. The national bank buys up we will say $100,000 of United States bonds, bearing 6 per cent. interest in gold; and upon the deposit of those bonds in the Treasury it gets $90,000 in bank-notes, printed without cost to it. Now, while it is drawing interest on the $100,000 of bonds, it turns around and lends out $90,000, getting in my State until lately 8½ per cent. interest. Now there must be a "screw loose" in that operation. By that means the capitalist gets 14 per cent. on his money. This, I reckon, is a part of the "franchise" of which my friend from Rhode Island [Mr. PENDLETON] spoke. The negroes down in my country used to speak of a "franchise," which they regarded as some heavenly kind of a benefit. Now I want to know whether the gentleman from Rhode Island considers that one of the "franchises" of a national bank is the right to shave the people of Virginia at 14 per cent. That is the result of the operation. In other words, the bank lends out the $90,000 that it owes. Such a thing is not right; it is a monopoly. In whose hands is this monopoly chiefly centered? In the hands of people who have forty or sixty dollars *per capita* of circulation—the New England States. The result is that this system is a grind-stone in their hands, with the faces of the southern and western agriculturists against the stone.

Gentlemen say, "Why do you not establish banks, if you wish them?" We hear that now; we did not hear it a year ago. It was then said that there was not enough currency to establish any more banks down there. The Eastern and Middle States have drawn more than their proportion, and they do not want to give up the excess. Why? Because it is a good thing to have plenty of currency in New York and Philadelphia and Boston, but it is not a good thing to have it in the South and West. A curious state of affairs and bright example of Christian justice!

Upon this question I want to put myself upon the record for my State; and I speak for all parties down there, black and white, republican and democratic. The people of Virginia know that they have not currency enough to manage their affairs—to move their crops and carry on their other business. They want more. If you want to know what sort of currency we prefer, I say that we are truly loyal and will take the genuine legal-tender greenbacks, if it is the same thing to gentlemen of New England, who until lately claimed to have all the loyalty. Lately they have changed their minds about this paper money of the Government, which they say is a "printed lie." But we will take it in the State of Virginia at par, as equivalent to gold. More of this currency is what we say is necessary to give us prosperity.

Mr. Speaker, when you reduce the production of tobacco and cotton you will hear something in regard to the balance of trade which the distinguished gentleman from Wisconsin [Mr. MITCHELL] spoke about the other day. The balance of trade against us will be increased just as the exportation of cotton and tobacco is decreased.

Let me finish this point and I will conclude. The effect of a contraction of the currency upon the planting interests of the South amounts to this. There is plenty of land, plenty of the most productive land for cotton and tobacco; but if you narrow the facilities of the men who were brought up and thoroughly understand that interest, who know exactly how to plant and raise profitable crops of cotton and tobacco if they have a fair opportunity to do so, you will to that extent contract and shorten those crops. There will be a continual decrease in the production of cotton and tobacco in the country just as the currency is contracted. That will necessarily be so, because in the South those who raise cotton and tobacco are many of them in debt and have been relying on the borrowed capital of the banks for the purpose of carrying on the planting industries. Many are in debt now, and for the purpose of raising crops must have credit. If, therefore, you should seriously contract the currency and refuse to allow them facilities for raising their crops, you will compel them to give up the raising of large crops of cotton and tobacco, and force them to plant corn and raise their own meat instead of buying it from the West. In that way it will react upon the productive interests of the West; and it will be an injury not only to the South and West but to the whole country, because if we produce less cotton and less tobacco there will be less for the purpose of exportation, and when there is less cotton and tobacco exported we will receive less gold and silver in return, or a less quantity of goods in exchange, and the balance of trade will be against the United States and increased every succeeding year.

Now, in order that the people in the South may raise increased crops of cotton and tobacco it is necessary that the people who are engaged in that interest should have sufficient currency to successfully carry on their operations. You cannot take new men and carry on the planting interest. If you wish to increase the crops of tobacco and cotton, it is better to retain the men who understand the business. Our people in the South are in debt. There are judgment liens upon their lands, as we are told in the West; there are mortgages upon their farms. It is not an inflation of the currency therefore to enable them to procure the means by which they can pay off these debts. And it is for the purpose of relieving the working, the laboring people not only in the South but in the West and all over the country, that we ask for an increase of the currency and greater facilities for its distribution.

It is not an injury to the people of New England if we in the South and West are willing to raise our crops and receive payment in legal-tender currency. If they want to sell their crops for gold and silver we do not object to it, provided they allow us to sell ours for currency when we choose to do so. They are largely the creditor class, and of course they may wish to have gold and silver, but for us who are largely the debtor class paper money is the best. We do not object to the people of New England and the Middle States raising their crops and manufacturing their commodities and requiring gold and silver when they sell them; but we want the privilege of selling ours for paper in our own market towns, in order that we may pay our debts and the State get the benefit of the trade in its own productions.

Mr. EAMES. Mr. Speaker, on the 9th of last February I introduced a bill which was referred to the Committee on Banking and Currency, to the provisions of which I desire very briefly to call the attention of the House.

In any legislation by Congress upon the finances of the country it is desirable, if possible, to accomplish two things:

First, to take a step in the direction of resuming specie payment; or, in other words, to bring the currency to the standard of gold; and,

Second, in accomplishing this not to reduce or contract the present volume of currency, but rather, if possible, to increase this volume for the business purposes of the country, if this may be done without any additional issue of legal-tenders or national-bank notes.

The bill to which I have referred will increase to a considerable extent the volume of currency without any change in the present limit of legal-tenders and national-bank notes, and will gradually place both on a par with coin.

It provides that the coin received and not required for the obligations of the National Government shall be kept in the United States Treasury, and it requires the national banks to retain as a reserve, instead of the legal-tenders, a portion of the coin which they receive from the United States for interest on the bonds deposited as security for their circulation.

This bill is in the direction of keeping the solemn pledge of the National Government to make provision at the earliest practicable period for the redemption of United States notes in coin, and it proposes to place the national banks in a position which will enable them to resume specie payments. This can be done only by accumulating gold and silver, without which no step toward resumption can be taken; and there is no difficulty either on the part of the National Government in reserving its surplus of coin, or on the part of the national banks in retaining a part of their interest in coin.

The national banks will only be required to retain a portion of what they receive in coin from the National Government as interest on their bonds, and the only loss which they will sustain will be the premium on gold, which will be but a small amount. The effect will be to put the banks in a position which will enable them to redeem their notes in coin. The gold thus retained will take the place of the legal-tenders now held as a reserve, and they will pass into and become a part of the circulation for the purposes of trade and commerce. This will make a large increase of legal-tenders in circulation.

There is now deposited in the United States Treasury upward of four hundred millions of bonds as security for the circulation of the national banks; some bearing interest at 6 per cent. and others at 5 per cent.

This increase or addition to the circulation, if all these bonds were at 6 per cent., would be twenty-four millions per annum, and if all were at 5 per cent. would be twenty millions per annum; and if only one-half of this interest was reserved in coin by the national banks the addition to the circulation would be twelve millions per annum at 6 per cent., and ten millions per annum at 5 per cent.; or even if only one-quarter of this interest should be reserved the addition to the present circulation would be increased, if the bonds were all at 6 per cent. six millions, and if 5 per cent. five millions per annum; a larger annual increase than would be secured by the bill proposed at the last session of Congress by the Comptroller of the Currency to increase the national-bank circulation to the amount of twenty-five millions at the rate as proposed of five millions per annum for a period of five years.

The bill also proposes to retain in the United States Treasury any surplus of coin not required to meet the national obligations in coin. It may be in the present condition of the Treasury that the national Government will require its surplus coin to meet its present obligations in coin; but it is unreasonable, as it appears to me, to suppose that the Treasury in the near future may not be able to reserve, without injury to itself or the business interests of the country, an amount of coin which in a few years would enable it to pay upon demand in coin its legal-tenders. There is now in the United States Treasury gold to the amount of about eighty-six millions, and by the last statement of the Secretary of the Treasury two millions of the public debt have been paid during the last month. With the return of prosperity to the business interests of the country there can be no reasonable doubt but that the National Government may be able to reserve an amount in coin which will restore the legal tender in its purchasable value to par with gold.

Since March, 1869, over three hundred millions of the public debt have been paid. If for a few years to come the receipts are applied simply to the current obligations of the National Government and the interest on the public debt, including such amount as may be necessary to keep intact the sinking fund, there will be no difficulty in retaining sufficient gold in the United States Treasury to answer the purposes of this bill and to enable the United States to keep its pledge to the country and the world to redeem in coin the outstanding legal-tenders.

With this reserve in gold in the United States Treasury and in the vaults of the national banks, the legal-tenders and the national-bank notes would soon be at par, and when once the public confidence in this respect is restored, both legal-tenders and national-bank notes will be preferred to gold as a circulating medium for all the purposes of supplying the capital which is required to develop the industrial and commercial interests of the country.

Practically it requires but a small amount of gold and silver to place the legal-tenders and national-bank notes on a par with coin, and to restore the confidence which is necessary to keep them at this point in their purchasable value.

This is true of every specie-paying country in the world, and it has always been true in this country, whatever may have been the nature of the currency used as a circulating medium, whether issued by banks under State or national laws.

It may be said that the accumulation of gold in this way in the United States Treasury and in the vaults of the national banks will raise the premium on gold, depreciate the purchasable value of the legal-tenders and national-bank notes, and thus prove injurious to the business interests of the country.

But why should this be the effect if the accumulations are gradual and comparatively in small amounts, as is provided by this bill? The product of the mines of the country is from fifty to sixty millions per annum. This amount is sufficient to meet any balance of our indebtedness to foreign countries, which for years past has not exceeded if it has averaged this amount. The interest on the public debt as well as the amount required for the sinking fund will hereafter as heretofore be met by the duties on imports; and this small retention of gold, it seems to me, would not disturb the business of the country, nor would it appreciably affect the price or premium on gold.

The proposition of the bill to which I have referred is plain. It seems to me that it is practicable, and if so it ought to be adopted, because it will result in an increase of the currency without any additional issue of either greenbacks or national-bank notes. It is a step in the direction of resumption of specie payment. It keeps the pledge of the National Government and of the republican party, and it accomplishes these ends without disturbing the existing relation of the circulating medium to capital, labor, trade, or commerce. It leaves the legal-tenders at the present limit of three hundred and fifty-six millions; it leaves the national banks to their present issue of three hundred and fifty-four millions. It keeps, I repeat, the solemn promise of the National Government to provide as soon as practicable for the redemption of the legal-tenders in coin; and it leaves the national banks the privileges to which they are justly entitled under existing law, and upon the faith of which, as secured by existing law, they invested their capital in the time of the nation's great peril.

Having thus called the attention of the House to the provisions of this bill, I desire, Mr. Speaker, to reply to the complaints which have been made in the course of the debate of the inequality and injustice of the distribution of the national-bank circulation. Nearly every member of the House who has favored an increase of circulation has presented tables exhibiting how much *per capita* in proportion to population, how much per square mile in proportion to territory, and how much in proportion to revenues derived by the National Government, the Middle and New England States have received of the national-bank circulation, and comparatively in these respects how small a part the Western and Southern States have received.

These tables, upon such comparisons, no doubt show that the larger part of this circulation is in the Middle and New England States, and upon such comparisons this inequality is made the occasion of charging the national banks in these States with a great wrong and injustice to the other States, and also is made an excuse for increasing the present limit of the circulation of legal-tenders and national-bank notes either by free banking or by other schemes of inflation indefinitely, or to a fixed limit beyond the present issue.

This complaint, in my judgment, is without just cause, whether considered with reference to the necessities of the country when the national banks were established or in the light of the equitable distribution of this circulation under the provision of the law, or the direction which it must have taken if left to the inevitable laws of trade and commerce.

The national system of banking was organized in June, 1864.

Mr. MAYNARD. Was not the original national-bank act passed in 1863?

Mr. EAMES. The act of 1863 was in force for a very short time, and was repealed by the act of 1864. Very few of these banks were organized under it. I know that in the section of country where I reside there were few of them organized under that act. It was not until after the act of March 3, 1865, these banks commenced to organize under this national system.

Mr. MAYNARD. Eighteen hundred and sixty-four?

Mr. EAMES. March 3, 1865, I mean.

Previous to that time the capital which was then invested in the national banks was employed for the purposes of trade and commerce under the laws of the several States. Under the State laws a system of banking existed which supplied the circulation which was required under regulations which made the bills of the State banks safe to the holders and sufficient for the business purposes of the States in which they were located. It was a safe, convenient, and reliable mode of supplying circulation based upon specie payment, and with limitations and restrictions which made these banks safe, and guarded them against any excess of issue by a system of redemption under which in case of excess the bills were returned to the banks of issue for redemption either in specie or its equivalent.

But the necessities of the National Government in its struggle for the life of the Republic suggested the present system of national banking. The revenues of the national Government were rapidly diminishing; its expenses were daily increasing; its legal-tenders, Treasury notes with and without interest, and its bonds were depreciating in the market and had reached their limit either for sale or circulation; its credit was seriously impaired, and it could neither pay nor borrow what was necessary to meet the enormous daily expenditures incurred in defense of the Republic.

At this period, and as a means of restoring the national credit, the national banks were established, requiring the purchase and the deposit in the United States Treasury of a very large amount of national bonds. The States were not inclined to make the change in their existing system of banking, and comparatively few did make the change until by the act of March 3, 1865, a tax of 10 per cent. upon their circulation left them no choice, and in fact compelled them to organize under the national banking law. By this act of March 3, 1865, the State banks were taxed out of existence and forced to accept the provisions of the national law with all its restrictions, limitations, and burdens.

The circulation was limited under the act of June 3, 1864, to 90 per cent. of the bonds deposited, and under the act of March 3, 1865, was to be furnished to each association in proportion to its paid-up capital, if the capital was $500,000 or under 90 per cent. of the par value of the bonds; to each when the capital exceeded $500,000 but was not over a million, 80 per cent.; to each where the capital exceeded one and was less than three millions, 75 per cent.; and to each whose capital was over three millions, 60 per cent.

They were required to keep as a reserve in lawful money 25 per cent. in banks of redemption in certain cities named in the act, and 15 per cent. in the other banks organized under the act. Before declaring a dividend they were required to carry one-tenth of their semi-annual net profits to a surplus fund, until it amounted to 20 per cent. of their capital stock.

The stockholders were made individually liable for all debts, contracts, and engagements of the bank to the extent of their stock, in addition to the amount invested in the stock.

A tax of 1 per cent. was imposed upon the circulation; ½ per cent. on the deposits; ½ per cent. on the capital in excess of the bonds; 5 per cent. on the dividends and surplus earnings; and a license tax of ⅕ of 1 per cent. on their capital; from which sources since their organization millions of revenue have been derived to the National Government annually, of which, derived from the tax on circulation alone, upward of $15,000,000 are in the national Treasury to meet and defray the expenses incurred under this system of banking.

It was under these circumstances that the State banks were forced to accept the provisions of the national banking law and to invest their capital in and organize under the national system of banking then established. Complying with all these provisions, they became entitled to such proportion of the circulation, as then limited, in accordance with the provisions of the law then in force for its distribution. And that is now all they have, and that I venture to assert they are in justice entitled to hold without just cause of complaint from any part or section of the country.

One hundred and fifty millions were distributed according to representative population, and one hundred and fifty millions according to existing banking capital, resources and business, and under these provisions the national banks received only what they were justly entitled to receive. The additional fifty-four millions were reserved for such parts of the country as had not applied for any part of the three hundred millions. This distribution was made under the law. If there was anything unjust or unequal, the injustice or inequality was of the law under which the distribution was made, and upon the faith of which the investments were made by the State banks which organized under it.

The rule of distribution was just and equitable. It can hardly be claimed that the distribution should have been made according to the number of square miles of territory within the limits of a State, or solely upon the basis of population. Based as it was under the law on population, banking capital, resources and business, it was perhaps as equitable and equal a distribution as could have been devised, and if redistributed now the principle which was then adopted would not probably be changed.

Upon this basis the circulation, within the limits fixed by law, was open to the States then in the Union, without distinction, and all the States which desired to make the investment of their capital in United States bonds and organize under the law had a fair and equal opportunity to secure their just and equal proportion of the circulation.

The Southern States were then out of the Union, and had no desire to make any investment in the direction of defending the integrity of the Union or saving the life of the Republic.

The Western States did invest, no doubt, to the extent of their wants or ability, or declined to do so because they could employ their capital in more profitable investments, and some of these States, even after having organized under the law, were not inclined to avail themselves of its privileges, as is evident from the fact that they voluntarily relinquished the circulation which they had received, and went into liquidation.

The other States needing the capital took their just portion, and they retained and used it, and this is the only ground upon which the complaints against them rest. They hold only what is justly their own, and what they have fully paid for. This complaint ought not to have been made, or the comparison between the States should extend to the differences which exist in the wealth of the people *per capita*, and it would be as just in this respect as is the charge of inequality and injustice in the distribution of the national-bank circulation. And yet this alleged inequality is made the occasion for increasing the currency irrespective of whether the business interests of the country demand such increase or not.

There seems to be a misapprehension of the real profits which are derived from banking under the national system. These national banks hold as actual capital for loan and discount only about seventy-five dollars for an investment in United States bonds that are worth $120 for each $100 of their face. They are subject to onerous taxes upon their capital, circulation, deposits, and earnings.

Their average dividends have not exceeded 10 per cent. on their capital and surplus earnings for the last five years under the existing laws. The purchase of United States 5 per cent. bonds, at a premium of fifteen dollars on the hundred, in exchange for 90 per cent. of their par value in national-bank notes, from 15 to 25 per cent. of which is required to be kept as a reserve, apparently does not offer a very strong inducement for the investment of capital with a reasonable expectation of deriving from it a very large profit.

But, Mr. Speaker, the investments made by the national banks in 1864 were made upon the faith of the provisions of the national banking law then in force. The banks which now hold the circulation which they then received ought in justice to retain it for the twenty years for which their charters were granted.

The act of 1864 under which the national banks organized and received the circulation which they now have provides in the eighth section as follows:

> Such association shall have power to adopt a corporate seal, and shall have succession by the name designated in its organization certificate, for the period of twenty years from its organization, unless sooner dissolved according to the provisions of its articles of association, or by the act of its stockholders owning two-thirds of its stock, or unless the franchise shall be forfeited by a violation of this act.

To withdraw any portion of it now, or in any way to legislate so as to prejudice their rights and privileges under the law on the faith of which the original investments were made, before one-half of this period has expired, is a wrong and injustice; and the law requiring the withdrawal of any part of their present circulation ought to be repealed, whether it be wise or not to increase the existing circulation or to restrict it to its present limits. The withdrawal of this circulation will be an injury to these banks. It is doubtful if any other portion of the country will derive any benefit from it.

It is true, Mr. Speaker, that a national bank is a convenience to any locality where it is established; but aside from this it makes no difference practically where these national banks are located. Their circulation will be employed wherever the interests of business demand it. And I venture to assert that if a new distribution should be made of the national-bank circulation upon the principles of the distribution under the act of March 3, 1865, or upon any sound financial principle, the result would be between different sections of the country as great an inequality as now exists.

Upon any such principle the State which I here in part represent would get more than if the distribution was made according to the square miles within her limits; more than if distributed in proportion to her population; perhaps as much as she now has, and then no more than her just proportion according to the demands of her industries and the capital employed in them, and her ability to purchase the bonds required as security for the circulation issued.

Her present circulation is less now compared with her wealth than it was before the national banks were established. In 1862, as appears by the last report of the Comptroller of the Currency, the ratio of her circulation to wealth was 4.7 per cent. In 1873 it was 4.5 per cent. This inequality, therefore, is neither a just cause of complaint against the existing national banks, nor does it furnish any excuse for increasing the limit of circulation as now fixed by law.

It is not my purpose, Mr. Speaker, to discuss the merits of the other plans which have been presented as a remedy for existing evils in the finances of the country. To retire the national-bank notes and issue in their stead legal-tenders, or to issue three sixty-five bonds as currency or as a medium of exchange and thus make the National Government the money agent of the country, is, as it seems to me, a step in the direction of uniting the purse and the sword. It would be far better to retire the greenbacks and issue an equal amount of national-bank notes, and thus divorce the National Government from its unnatural position of acting as the financial agent of the country in furnishing a circulating medium. Free banking is an experiment, and unless based on specie redemption it cannot be foreseen with any reasonble certainty to what extent it will increase the circulation of national-bank notes. In the present financial condition of the country and its industrial and commercial interests, it is no time to enter upon untried experiments.

The bill which I introduced, and to the provisions of which I have called the attention of the House, makes no radical change. It is the suggestion of one of my constituents, a successful business man, familiar with the principles of banking under the State and national systems, and possessed in an eminent degree of that rare quality known as good, sound common sense. It appears to me that no better plan has been suggested. It requires but one thing, the retention by the national banks and the National Government of a small amount of gold, without which under any plan which may be proposed there is no hope of resuming specie payments. I have brought it to the attention of the House in the hope that it will receive its careful consideration, and meet with its approval. Although it is a step in the direction of resumption, it increases the volume of currency without adding to the present issues of legal-tenders or national-bank notes.

[During the delivery of Mr. EAMES'S speech, his time having expired, Mr. DUNNELL yielded him a portion of his time.]

Mr. DUNNELL. Mr. Speaker, I do not rise to discuss the currency question; nor have I had the purpose to do so. I should have said nothing at all during this discussion but for some remarks which were made to-day by the gentleman from Pennsylvania, [Mr. TOWNSEND.] I may say, however, before alluding to his remarks, that my constituents expect me to vote for some increase of the currency. They would be glad to have a properly guarded system of free banking. In that direction I shall vote if I am able to do so with the bills and amendments which are before the House.

The gentleman from Pennsylvania [Mr. TOWNSEND] in his remarks to-day gave some data in regard to the railroads of the State which I have the honor in part to represent upon this floor. I have feared those remarks would be open to a wrong construction and do dishonor to my State. Hence I am inclined to make reference to them.

He said the net earnings of the seventeen hundred miles of railroad in Minnesota in the past year had not been paying the running expenses within more than $3,000,000. It should be here stated that there were expended in that State during the past year much more than $3,000,000 in the construction of new roads or in the extension of roads already in existence. It could not be expected, therefore, that these would give a return upon the money thus expended during that year.

It should also be stated that the roads which have been built in Minnesota for the last two or three years have been built on the frontier of the State; many, many scores of miles built out beyond any inhabitants, out on the vast prairies which we expect very soon to see occupied and well cultivated. Those roads do not now pay. The gentleman might have stated that fact, and not left the impression that the young State of Minnesota was at all in a condition of bankruptcy, or that she was not indeed in a highly prosperous condition. My State was never more prosperous than it is to-day.

One sentence in that extract which the gentleman says he took from the North American Review does injustice to my State. The covert allusion is made there to certain State indebtedness. With our seventeen hundred miles of railroad, our State rapidly filling up, with an increase of twenty, thirty, or forty thousand inhabitants each year, we do not look upon any indebtedness of ours as at all crushing our industries, or at all blighting our fair and brilliant prospects as a State.

I felt that I was called upon, therefore, to make the remark that it should be remembered that in our State, not yet fourteen years old, as a State, we have seventeen hundred miles of railroad; that we have between twenty and thirty million bushels of wheat to send to market this year; that we have made these rapid strides during this time. And I may say here, Mr. Speaker, that not a decade will pass by before these roads will pay good dividends; before all along their lines there will be thrifty towns and well-settled farming communities. I have made these remarks simply in reply to the gentleman from Pennsylvania. I know he did not intend to do injustice to my State. But the extract, unexplained, would seem to imply that Minnesota had been unmindful of her obligations, or was indeed in a very bad financial condition.

We want a little more currency out there. Under the Senate bill we are to get some $200,000 more. That probably will meet our demands for the present. We are willing to accept the action of the Senate in this respect. But gentlemen from the East must remember that we of the West need somewhat more of currency. I hope they will concede it to us cheerfully. We need it and can use it in the development of the new West and so help augment the wealth of a common country.

Mr. THOMAS, of Virginia. I do not propose to inflict a speech on the House at this late hour of the night, but wish to state one or two conclusions at which I have arrived in listening to the lengthened and protracted debate on this currency question. There are some facts, sir, which stand out so apparent that we would have to close our eyes and shut our ears not to see and hear them. From some sections of the Union comes the cry of "more money" almost with a unanimous voice upon this floor. From other sections the cry is, "No more money, but the quality of money improved." Why, sir, is this difference of opinion on this great question? It can be narrowed down still further when we come to scrutinize this question with a little more accuracy and look into it more closely. You may go into a community and there you will find among members of that community the same divergence of opinion that we find here among different sections of the Union. You will find the citizen who is in difficulty there by extravagance, unfortunate speculation, or in consequence of some calamity that may have overtaken him, wants more currency. His cry is he wants more money. He has not got money enough to pay his debts, and he thinks the volume of currency ought to be expanded, that he may be enabled in some way to realize some portion of the currency for his share in the event of the expansion that he hopes to take place. When, on the other hand, you see the prosperous man, the man of energy and activity, the man who is thriving in his trade and in his pursuits, who is out of debt, you find that he does not want any more currency; he is satisfied to let things remain just as they are now. But this he does want, this he asks—and I state it as the opinion I believe of the entire trading community that I have the honor to represent here—that this question shall be finally settled; that we shall cease to agitate it and discuss it; that we shall bring it to a vote, and do what we are going to do, so that the capital now locked up may go into circulation and supply that very deficiency of which so many gentlemen now complain.

I ask, sir, has it been shown by any man on this floor that there is less currency in the United States now than there was in the summer of 1873? Was there any complaint of scarcity of money then? No, sir. Every branch of industry then throughout the entire land was prosperous. The mines were being fully developed, machinery of all kinds was in active operation. Commerce was flourishing. Agricultural pursuits were being rapidly invigorated. This was the state of things until the panic of September, 1873, came on. Since then this cry of scarcity of currency has been raised. Why has that cry gone up? Has it been because the currency has been contracted? Has it been drawn in since then? Has any of it been burned up or destroyed? No, sir. Beyond the ordinary casualties of trade and the destruction of small amounts of currency by fire or the sinking of steamboats, or something of that kind, not a dollar of this currency has been destroyed. It is now in the hands of our people. Why does it not go into circulation? It is because we want confidence restored. The business men, sir, of the country want to see and to know what is to be the result of all this financial agitation, all this speaking and talking upon the banking question of the country. When that question is settled the man who has the money now will put it into circulation that he may realize the whole benefit of the profit resulting from proper and legitimate trade. That is what we want to put money into circulation.

I listened, Mr. Speaker, with a great deal of pleasure to the interesting and amusing speech of my colleague on the other side of the House, [Mr. WHITEHEAD.] In some things I agreed with him and in others I wholly disagreed with him. I was really a little surprised at one position he took. He told us correctly that we paid about $7,000,000 of revenue to the National Government under the internal-revenue laws. We pay about two and a half millions to our State under our system of State taxation, and we pay some three millions annually for county and township taxes. He asks the question how we can pay that out of about three and a half millions of bank circulation that we have in the State; and his answer was that we make up the difference by borrowing the balance. In that last proposition I totally disagree with my honorable colleague.

Mr. WHITEHEAD. I see that my colleague misunderstood me.

Mr. THOMAS, of Virginia. Of course I am willing to be corrected.

Mr. WHITEHEAD. I know from what my colleague says that he supposed I meant by the word "borrowed" that men borrowed individually to pay their taxes. I did not mean that. I meant and said that it was borrowed by the State of northern capitalists, not that individuals borrowed it.

Mr. THOMAS, of Virginia. I accept with pleasure the explanation of my colleague and it comes to what my observation is, and I think his observation will confirm me in it. You may go into the State of Virginia, and in the district I have the honor to represent here, in the midst of the tobacco region, and look at the currency of the United States in circulation there, and nineteen dollars out of every twenty of it I undertake to say come from beyond the limits of Virginia, and has not been issued by the banks in our own State. That is where our money comes from.

Go to the town of Danville, the leading tobacco market in my district, and there you will find capitalists from Saint Louis, from Louisville, Kentucky, from New Orleans; and you will see one from New York, and another from Philadelphia, and some from Canada, coming with money in their pockets to buy the leaf-tobacco, for which that region is celebrated, for fancy chewing-tobacco. There is where the money comes from; there is where we get our circulating medium. It is not based on the capital of the banks within our limits. If it was so it would not be adequate to the payment of half our debts. That money is not borrowed; we give our produce for it. It is paid to us for our tobacco and all the surplus produce of that country which we put in market, and for which we receive in the main fair and remunerative prices.

Sir, I say here now that I do not claim that the people of Virginia are so very poor as we are sometimes told we are. It is true we suffered the calamity of war. We lost our slave property. We are now passing through the transition from slave to free labor, and all the incidental disadvantages of that transition have been upon us for the last ten years. But I am happy to say that we are rapidly passing through; that we are seeing ahead of us brighter and better days; and all our people want is stability in the currency, to know what kind and amount of currency we are to have, so that the capitalist may arrange his plans and his schemes of investment; so that the agriculturist may rear his products with a view of knowing the amount of money he will probably receive for it, and its purchasing value when he has received it for his surplus products.

Sir, it is not the amount of money so much as that we want to know whether it is to be more or less, that we may put our house in order and be ready for the change when it comes upon us.

Sir, suppose we increase the banking capital; suppose we put it at any amount we think proper; suppose you increase the national-bank circulation up to $500,000,000, how can we of the South get capital there unless we have means to purchase bonds, upon the faith of which these notes are issued? We must rely upon capital; and it will be idle to talk about an increase of the currency with a view of bettering our condition financially if it is to be bettered by expanding the currency for us.

We can only get banks by having capital with which to buy bonds to place on deposit in the Treasury, upon which the national-bank notes are issued at the rate of ninety dollars in currency for one hundred in bonds. And when we have money to buy the bonds, we have all the money we want, and there is no necessity for laying it out in banking capital, which actually diminishes the amount of currency in our midst; for the money must be used to buy the bonds, and we get but ninety dollars in currency for one hundred in bonds.

Mr. WHITEHEAD. Will my colleague allow me to ask him a question?

Mr. THOMAS, of Virginia. Certainly.

Mr. WHITEHEAD. I would ask my colleague if he regards the two leading republican papers in the State of Virginia, the State Journal and the Lynchburgh Press, as expressing properly the opinion of the republican party?

Mr. THOMAS, of Virginia. I think they represent the men who are in debt, and not those who are out of debt and want to keep out of debt.

Mr. WHITEHEAD. The gentleman does not answer my question. Do they represent the general sentiment of the republican party in Virginia?

Mr. THOMAS, of Virginia. I will answer that question. In my judgment, the great body of the republican party in Virginia are not in debt, because they have not had the credit which would enable them to get into debt. Those who are in debt constitute but a small fragment of the entire republican party in the State.

Mr. WHITEHEAD. My colleague still does not answer my question. I ask him if in Virginia the State Journal and the Lynchburgh Press are in favor of expansion of the currency, of more currency?

Mr. THOMAS, of Virginia. I understand that they are. I see the State Journal daily, and that is the conclusion I deduce from its editorials. But I say in that respect it does not represent what I believe to be the true interests and sentiments of the great majority of the republican party in Virginia.

Mr. WHITEHEAD. That is not my question. I will ask another. Is there more than one paper of the opposite side in the State of Virginia that is not in favor of an expansion or an increase of currency; that is, the Petersburgh News?

Mr. THOMAS, of Virginia. I will answer the question of my colleague, and I will even go further and say that every paper in the State of Virginia might ask for a greater volume of currency. I will not dispute the fact that there are a large number of papers and a large portion of our citizens who want more currency, as they say. But when you come to examine the reason, and ask them why they want more currency, it is because they want to pay their debts in a currency that costs less than that for which they gave their notes and bonds. I consider this the true standard; when I give my bond for $100, either in currency or in property to be measured in currency, no act of legislation should release me from paying the last cent I contracted to pay not nominally in currency, but actually in currency of the same purchasing power that was in existence at the time I entered into the contract.

So, on the other hand, I hold it to be demoralizing if you permit a man to contract a debt and stimulate him with the idea that you will so inflate the currency as to enable him to pay that debt with less than he received. That is discouraging to industry. I hold that the true doctrine is this, in relation to the industries of our country of all kinds: Let the currency be sound, free from fluctuations; let every man be able to deposit a dollar in a bank or elsewhere with the confident assurance that it will not diminish in value, that he will not be stimulated to speculate upon it, for fear it may become less valuable by depreciation; let him be encouraged to accumulate his gains day by day, and add to his earnings until his savings are sufficiently large in amount to enable him to buy something of value to himself or to his family.

Money, it is true, may at times be easily acquired. But money so acquired is spent with the same kind of ease, and it is not accumulated in our hands. This complaint of a lack of currency, in my judgment, and as far as my observation goes, rests upon the fact that there are many persons in this country who want to make money but are not willing to wait the slow, regular, consistent course of honest industry. They want to make it by speculation of some kind or other, and what they want is more money to go upon, and they think if you will swell the volume of the currency by some indefinable process a portion of it will find its way into their pockets when they have nothing to give for it, and thus they will be enabled to engage in some wild speculations that may or may not inure to their benefit.

[Here the hammer fell.]

[Mr. FIELD addressed the House. His remarks will appear in the Appendix.]

Mr. MELLISH. Mr. Speaker, I find that thoughtful men judge that no currency measure is likely to be adopted that will do any good. The chances are that any change likely to be made will work mischief. If currency matters should grow worse, as they certainly will with the adoption of the report of the committee, at the next session mine or some similar plan will come up with invincible strength. But it seems to me to be scarcely less than an insult to the intelligence of the House to suppose that, looking through the vision of unprejudiced intellectual operations, members will not fail to discern that the committee's bill is framed in the interest of the bank monopoly and will be disastrous in its effects upon the business and industry of the country.

I believe I have presented the true plan for a national currency. Will it not pay off at once about $380,000,000 of the national debt, or about 20 per cent. of the total? That is not a small matter, but it *is* among the least valuable features of the plan. It will relieve the people forever hereafter from the fears of a possible suspension of bank redemptions and from the fearful mischiefs of actual suspensions. It would secure the people from the manifest and manifold ills which grow out of a changing volume of currency; and inasmuch as the currency could not pass out of the country, it would always have the same purchasing power in the country; and finally, and best of all, the currency would be of the same value in every town in the Union and in the purse of every inhabitant of our broad land. If it were once established and in general circulation the people would never give it up. Industry would thrive, production would increase, commerce would flourish, and wealth accumulate, so that within a few years the balance of trade would be in our favor, and we should very soon become the money-lending instead of a money-borrowing people.

I call the attention of the House to the circumstance that our fractional paper currency amounts to nearly $50,000,000; that it is approved and preferred to metallic currency by everybody; and that it is very nearly identical with "the money of the United States" provided by the bill I have advocated. It contains no promise to pay; is redeemable in paper money which is itself irredeemable; is receivable in payment of certain dues to the United States in sums less than five dollars, but is not a tender in payment of debts. Yet it is popular, and it is believed would be at full par with silver coin if it had the quality of legal tender. And it is said over $10,000,000 of fractional currency has been lost or destroyed—so much clear gain to the Government.

An amount equal to nearly the whole volume of greenbacks each year passes into and out of the public Treasury in public dues and in liquidation of the debts of the country. And a currency thus steadily redeemed every year by the party issuing it will have a better redemption than any currency yet known in this country.

Of course the question of the currency is and always will be a great theme, one very difficult to treat, and one which I do not now for lack of time propose to discuss in even a cursory manner. Fortunately the popular mind is no longer under the spell of gold, and can think of money other than of the metallic type. But, as I said, I do not propose to discuss the general subject at this time, and shall have accomplished all that I desire in obtaining the floor when I have stated that I heard and read the speech of the gentleman on the committee from Michigan, [Mr. HUBBELL,] and found that in his reference to my remarks on the bill to provide the money of the United States and to regulate its value he satisfied himself with irony instead of trying to satisfy the House with sensible argument. If he is content with that I have no doubt the House is. If an opponent's arguments are not worthy of *candid* response they are not worthy of any notice. I will merely add that a debater who resorts to irony, ridicule, or denunciation does so because he cannot afford to allow the positions of his antagonist to remain unanswered, and does not feel competent to refute them.

My colleague [Mr. COX] yesterday in a carefully elaborated speech—the commas and semicolons being duly set in their places in print before it was read in the House—having paid his respects to me, albeit in a left-handed manner, I take the first opportunity to repay the obligation. It is eminently Coxian and good natured, and I do not complain of it at all. I hope my response will not be construed in any different spirit. The gentleman from New York City, my colleague, [Mr. COX,] is a phenomenon. In his case the sun rose in the West, and he had a splendid career for a while. His unexampled wit, his extraordinary erudition and altogether resplendent eloquence, had been heard in the prairie country so much, so often, and so long, that, like a redundant currency, it fell off in value as it increased in volume. And having a sharp insight to the main chance and a pretty clear apprehension of surrounding circumstances, he concluded to seek new fields of enterprise, and took up his carpet-bag and emigrated to New York. Having proved not altogether a success among the clear-headed independent population of the West, he set himself down and selected a constituency in the city of New York. He offered himself to Tammany Hall—to the Tammany Society (which, by the way, is an eminent charitable organization in the city of New York, made up of wise sachems and extraordinary braves, such as Matt. Brennan, who is just out of jail, John Morrissey, the statesman-prisoner Tweed, and like characters) just at the time when, by an exposure of its financial enterprises, most all of its leading men had been convicted of felonies or escaped conviction by prompt emigration. Tammany had the sense to see that the young and versatile orator of the West would be a brilliant trump-card. They were not mistaken. Though a carpet-bagger, they adopted him and embraced him, and sent him here; and here he is, in his own language, "fresh as a dew-drop glittering on a rose," and quite as weighty in the counsels of the House.

It will not be denied that he is possessed of a versatility of talent, a keen faculty of party management. He contested the speakership with his veteran colleague on the basis of opposition to the salary-grab. Having ascertained that "that cock would not fight," he received his pay, it is alleged and has not been denied, for the first month of his service in this Congress at the rate of $36,000 a year. Having accomplished this financial achievement, "honors were easy" between him and the "back-pay" men. Though he was evidently yesterday confused on financial matters, he was clear-headed enough when he was drawing his pay at the rate of $36,000 a year. And it is to be hoped that this treasure is laid up where his famous "moths" do not corrupt. I claim for my colleague great versatility of talent. Who doubts it? Not only an orator, a financier, he is also the funny man of the House. Though he has not donned the motley, it is evident enough that he has proved himself entitled to wear it. If not by "the adamantine necessity of nature," certainly by "the eternal fitness of things," "motley's his only wear."

He unblushingly boasts, if I understand him, that he voted against issuing greenbacks when the exigencies of the country were such that it was indispensably necessary they should be issued in order to carry forward the war. Probably if the gentleman's record were to leap to light it would be found that this was but one of a long line of unpatriotic votes during the war.

A gentleman having built and ensconced himself in so fragile and unsubstantial a political house of glass can hardly expect to be allowed to sit in his open window and throw stones at passers by with impunity. To uncover his record would be to expose him to criticisms which a wise prudence would shun, even though in a case where "shame being lost, all virtue is lost."

The gentleman charges me with the atrocious crime of having beaten two Democrats in my district in the congressional canvass. I hope I do not exceed the modesty of nature when I say that I am confident I could have beaten six. I prefer to have been sent here from having run upward of a thousand ahead of the republican ticket, to have been sent here as the accident of an accident, and that accident the accident of death. At least I trust I should not have attempted to profit by a dispensation of Providence at the rate of $36,000 a year.

Now, my colleague is in the habit of introducing nursery rhymes in his speeches. Following his precedent, I venture to present him one upon which he is at liberty to practice in his leisure moments, (it may be sung to the tune, "Mary had a Little Lamb:")

My colleague had a little month,
A little month, or so;
He seized a pile of good greenbacks,
Shouting, "Reform! Heigh-ho!"

And then, on motion of Mr. DUNNELL, (at ten o'clock and fifteen 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. ADAMS: The petition of John Mitch, late private Fourth Kentucky Volunteers, for arrears of pension, to the Committee on Invalid Pensions.

By Mr. BARRERE: The petition of Seth W. Freeman and 66 others, of Brimfield, Peoria County, Illinois, for increase of currency and free banking, to the Committee on Banking and Currency.

By Mr. BECK: The petition of C. D. Carr, John T. Miller, of Lexington; Woodford & Tablatt, of Owensborough; H. Johnson & Son, of Lebanon; T. M. Jenkins & Co., of Henderson; W. B. Belknap & Co., Bridgeford & Co., J. S. Lithgow, George W. Chamberlain, of Louisville, and a large number of others from various cities and towns in Kentucky, praying that the duties on tin plates may be changed from *ad valorem* to specific, to the Committee on Ways and Means.

By Mr. BUTLER, of Massachusetts: The petition of citizens of Salem, Massachusetts, for the erection of a new post-office building in that city, to the Committee on Public Buildings and Grounds.

By Mr. CLAYTON: Resolutions of the Legislature of California, relative to cheapening telegraphic facilities, to the Committee on the Post-Office and Post-Roads.

By Mr. DAVIS: The petition of Linton A. Andrews, of Harper's Ferry, West Virginia, for payment of rent for use of his property for hospital purposes, to the Committee on Claims.

By Mr. FRYE: The petitions of J. Winslow Jones and others, of Portland, Maine; Bion & Stetson and others, of Lewiston; Aiken & Co. and others, of Ellsworth; Wood, Bishop, and others, of Bangor; S. S. Brooks & Co. and others, of Augusta, in favor of a specific duty of one cent a pound on tin plates; also, that all tin plates hereafter imported into the United States shall have the gross weight branded on the box, to the Committee on Ways and Means.

By Mr. HANCOCK: The memorial of the Chamber of Commerce and of citizens of Indianola, Texas, for an appropriation to create a greater depth of water upon the bar at Pass Cavallo, to the Committee on Commerce.

Also, the memorial of citizens of Bee County, Texas, of similar import, to the Committee on Commerce.

Also, resolutions of the Legislature of Texas, asking an appropriation to improve the navigation of Soda Lake and Cypress Bayous, to the Committee on Commerce.

By Mr. KELLEY: The petition of sundry dealers, importers, and workers in tin plates in New York, of similar import, to the Committee on Ways and Means.

By Mr. ORR: The petition of certain citizens of Iowa, for a mail route from Rolfe, Pocahontas County, to Spencer, in Clay County, Iowa, to the Committee on the Post-Office and Post-Roads.

By Mr. PARSONS: The petition of certain messengers of the Supreme Court, for an appropriation to cover balance of compensation due them, to the Committee on Appropriations.

By Mr. PIERCE: The petition of Rev. E. P. Marvin and others, of Boston, Massachusetts, for a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. POLAND: The petition of E. and T. Fairbanks & Co. and others, of Vermont, for the substitution of specific for *ad valorem* duties on tin plates, to the Committee on Ways and Means.

By Mr. PURMAN: The memorial of the city council of Pensacola, Florida, for the enactment of national quarantine laws and for the better protection of the harbor of Pensacola, to the Committee on Commerce.

By Mr. SENER: The petition of Noah Fairbank, of Caroline County, Virginia, for a pension, to the Committee on Invalid Pensions.

Also, the petition of Louisa C. Goffigan, of Northampton County, Virginia, for compensation for supplies furnished United States troops during the late war, to the Committee on War Claims.

By Mr. YOUNG, of Kentucky: The petition of Elizabeth Hull, for a pension, to the Committee on Invalid Pensions.

IN SENATE.

THURSDAY, *April* 9, 1874.

Prayer by Rev. E. D. OWEN, of Washington, D. C.

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

EXECUTIVE COMMUNICATION.

The PRESIDENT *pro tempore* laid before the Senate a letter of the Secretary of the Treasury, transmitting, in answer to a resolution of the Senate, information in relation to receiving and disposing of revenue stamps and public moneys; which was referred to the Committee on Finance, and ordered to be printed.

PETITIONS AND MEMORIALS.

Mr. EDMUNDS presented a petition of citizens of Franklin County, Vermont, praying that Uriah Bundy may be granted a pension; which was referred to the Committee on Pensions.

Mr. PATTERSON presented the petition of Frank Arnim, of South Carolina, praying for compensation for capturing the lost ledger of the southern confederacy; which was referred to the Committee on Claims.

Mr. SARGENT presented a resolution of the Legislature of California, praying for an appropriation by Congress for the improvement of the harbor at Oakland, in the San Francisco Bay; which was referred to the Committee on Commerce.

Mr. BOGY presented the petition of the administrator of John A. Stevens, deceased, praying compensation for property destroyed by United States troops; which was referred to the Committee on Claims.

Mr. HAGER. I present a petition of sundry citizens of California, praying for the sale of grazing lands in the mineral sections of that State, which is a prayer substantially for the passage of a bill introduced by my colleague for the purpose indicated. I move its reference to the Committee on Public Lands.

The motion was agreed to.

Mr. HAGER presented a concurrent resolution of the Legislature of California, instructing the Senators and requesting the Representatives from that State to use their earnest endeavors to procure the passage of a law to so reduce the charges for transmitting messages by telegraph as to pay only a fair profit over working expenses and a reasonable rate of interest on the appraised value of the lines now in operation throughout the Union; which was referred to the Committee on Foreign Relations.

Mr. WEST presented the petition of William Moses, of New Orleans, Louisiana; Felix Halff, of Galveston, Texas; and Leon Rouff, of Indianola, Texas, praying that jurisdiction may be given the Court of Claims to hear and determine their claims for cotton seized by the Government of the United States, and to render final judgment thereon; which was referred to the Committee on Claims.

REPORTS OF COMMITTEES.

Mr. RAMSEY, from the Committee on Post-Offices and Post-Roads, to whom was referred the bill (H. R. No. 955) for the relief of J. L. Tedrow, of Clarke County, Iowa, reported it without amendment.

Mr. INGALLS, from the Committee on Pensions, to whom was referred the bill (H. R. No. 2452) to equalize pensions in certain cases, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 735) to increase the pensions of soldiers and sailors who have been totally disabled, reported it with an amendment.

Mr. WRIGHT, from the Committee on Finance, to whom was referred the bill (H. R. No. 2081) to facilitate the exportation of dis-