

the pending bill and all amendments shall be taken at two o'clock to-morrow, and also that the notice previously given with regard to calling up the revenue measure shall remain in as full force to-morrow as if the attempt were made to get it up to-night.

Mr. CONKLING. In other words the Senator proposes to substitute for my motion a unanimous consent which has been refused, and therefore he drives me to test the sense of the Senate, which I now insist upon testing on the question whether we shall adjourn until eleven o'clock to-morrow, enabling the Senate then to govern itself as it shall deem best.

Mr. GORDON. Will the Senator withdraw his motion one moment? I will renew it. I just want to make one statement which will settle this matter, I think.

Mr. CONKLING. Will the Senator state his object?

Mr. GORDON. My object is simply this: I understand my friend from Virginia to want the vote upon this question fixed for an early hour in order that he may bring up immediately thereafter a bill which he has in charge.

Mr. WITHERS. No, the Senator from Delaware [Mr. BAYARD] has it in charge.

Mr. GORDON. Which the Senator from Delaware has in charge, but in which my friend from Virginia is very much interested. Now, what I wish to say is this: if we set an hour, say two o'clock to-morrow, we designate so many minutes to be occupied by the Senator from Maine in speaking upon this question. I simply want to say to the Senate that as he is the senior Senator probably upon this floor, having served longer than any one else, it certainly is due to him that the friends of this bill should give him as much time as he shall require to express his views. It is due to any Senator, and it certainly should be due to the man who is the senior of any gentleman who is here present; and though I am a friend of this bill and expect to vote for it, I appeal to the Senate, and especially this side of it, to give to that Senator the opportunity to express his views.

Mr. CONKLING. Now, Mr. President, I renew the motion.

The PRESIDING OFFICER. The Senator from New York moves that the Senate adjourn until eleven o'clock to-morrow morning.

Mr. GORDON. No, Mr. President, I did not mean to displace the request for a given time.

Mr. CONKLING. It displaces nothing; it leaves it exactly where it was except that it moves us forward to eleven o'clock in the morning. Now I insist on my motion.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The motion is not debatable.

Mr. SARGENT. Let us have the yeas and nays.

Mr. CONKLING. By all means let us have the yeas and nays.

Several Senators addressed the Chair.

Mr. SARGENT. I object to everything except the regular order.

Mr. CONKLING. That is right.

Mr. BRUCE. I want to give a notice as to calling up a bill.

The PRESIDING OFFICER. It is not in order. The Senator from New York moves that the Senate adjourn until to-morrow morning at eleven o'clock.

Mr. BAILEY. I ask the Senator from New York to withdraw the motion for one moment, and I will renew it. I wish simply to understand the established business for to-morrow, for I wish to vote to give the Senator from Maine an opportunity to speak; but there is a question of great importance to a large portion of this country to be determined by a bill now pending and notice was given that to-day a motion would be made to take it up. I wish to know whether that notice will be considered as in force for to-morrow. If not, many of us will be compelled to vote against the adjournment.

Mr. CONKLING. It leaves that question just where it would have been otherwise.

Mr. DAWES. Just where it was.

Mr. BAILEY. But the notice was given for to-day. Will that notice be considered as operative for to-morrow?

Mr. DAWES. As I understand it, the Senator from Delaware will be in exactly the same position to-morrow as he is to-day.

Mr. BAYARD. I so understand, and I shall vote chiefly in view of the convenience of the honorable Senator from Maine.

The PRESIDING OFFICER. The question is on the motion to adjourn until eleven o'clock to-morrow.

Mr. BRUCE. I ask the Senator from California to yield.

The PRESIDING OFFICER. The Senator from Mississippi wishes to be heard. Is there objection? The Senator from Mississippi will proceed. The Chair hears no objection.

Mr. BRUCE. I wish to give notice that on Monday, after the expiration of the morning hour, I shall endeavor to call up the bill (H. R. No. 4318) to provide for the organization of the Mississippi River improvement commission, and for the correction, permanent location, and deepening of the channel and the improvement of the navigation of said Mississippi River, and the protection of its alluvial lands.

The PRESIDING OFFICER. The question is on the motion of the Senator from New York that the Senate do now adjourn until eleven o'clock to-morrow.

The motion was agreed to; and (at eight o'clock and thirty-seven minutes p. m.) the Senate adjourned until to-morrow at eleven o'clock a. m.

HOUSE OF REPRESENTATIVES.

FRIDAY, February 14, 1879.

The House met at eleven o'clock a. m. Prayer by the Chaplain, Rev. W. P. HARRISON, D. D.

The Journal of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, announced that the Senate had passed joint resolutions and bills of the following titles, in which the concurrence of the House was requested;

Joint resolution (S. No. 59) to provide for the publication and distribution of a supplement to the Revised Statutes;

Joint resolution (S. No. 62) authorizing the printing of a portrait of the late Joseph Henry to accompany the memorial volume hereto-fore ordered;

An act (S. No. 979) in relation to the payment of arrearages of taxes and assessments in the District of Columbia; and

An act (S. No. 1691) giving the consent of Congress to an agreement or compact entered into between the States of Virginia and Maryland respecting the boundary of said States.

CHANGE OF NAME OF A VESSEL.

Mr. COBB, by unanimous consent, introduced a bill (H. R. No. 6433) authorizing the Secretary of the Treasury to issue an American register to the German-built brig Dos Hermanos, and authorizing the owners of said brig to change the name of the same from Dos Hermanos to H. Milne; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. CHITTENDEN, for five days.

SOLDIERS, ETC., OF THE MEXICAN WAR.

Mr. BANNING. I ask unanimous consent that the bill (H. R. No. 376) be taken from the Speaker's table and that the amendment of the Senate thereto be concurred in.

There was no objection, and the bill (H. R. No. 376) for the payment of the officers and soldiers of the Mexican war of the three months' extra pay provided for by the act of July 19, 1848, was taken from the Speaker's table.

The amendment of the Senate was read, as follows:

At the end of the bill add the following:

Provided, That the provisions of this act shall include, also, the officers, petty officers, seamen, and marines of the United States Navy, the revenue-marine service, and the officers and soldiers of the United States Army employed in the prosecution of said war.

The amendment of the Senate was concurred in.

Mr. BANNING moved to reconsider the vote by which the amendment of the Senate was concurred in; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

JAMES F. HARRISON.

Mr. HARRIS, of Virginia. I ask unanimous consent for the passage of a bill to remove the political disabilities of James F. Harrison.

There was no objection, and the bill (H. R. No. 6434) to remove the political disabilities of James F. Harrison, a citizen of Virginia, received its several readings, and (two-thirds of the members voting in favor thereof) was passed.

NATIONAL BENEFICIARY COLLEGE IN THE DISTRICT OF COLUMBIA.

Mr. BUCKNER, by unanimous consent, introduced a bill (H. R. No. 6435) to establish a national beneficiary college in the District of Columbia; which was read a first and second time, referred to the Committee on the District of Columbia, and ordered to be printed.

CAPTAIN JOSEPH IRISH.

Mr. ACKLEN. I call up the motion to reconsider the vote by which the bill for the relief of Captain Joseph Irish was laid upon the table. I ask that it be recommitted to the Committee on Foreign Affairs.

The SPEAKER. The Chair thinks it has been recommitted.

Mr. ACKLEN. No, it was not recommitted; it was laid upon the table, and in the absence of objection I suppose that it can now be recommitted.

The SPEAKER. To-day is private bill day, and the Chair is bound, under the rules and by the general wish of the members of the House, to consider private cases only.

Mr. ACKLEN. I understand it can be done by unanimous consent.

The SPEAKER. The Chair is informed that there is a motion pending to reconsider.

Mr. ACKLEN. I wanted the motion by which the bill was laid upon the table reconsidered, and the bill recommitted to the committee.

The SPEAKER. The Chair hears no objection, and the bill is re-committed to the committee.

ELECTION OF PRESIDENT AND VICE PRESIDENT.

Mr. SOUTHDARD. At the last session the Committee on Revision of the Laws in relation to the election of President and Vice-President

reported a constitutional amendment. It is impossible to have it considered at this session, and I ask that members be allowed to print remarks thereon.

Mr. CONGER. What constitutional amendment is it?

Mr. SOUTHARD. An amendment relating to the method of electing the President and Vice-President.

There was no objection, and leave was granted accordingly.

Mr. CLARK, of Missouri. I call for the regular order.

NANCY DOUGLAS.

Mr. ROBERTS. I hope the gentleman will yield to me for a moment to allow me to offer from the Committee of Accounts a resolution which I send to the Clerk's desk.

The Clerk read as follows:

Resolved, That there be paid out of the contingent fund of the House to Nancy Douglas, widow of H. Douglas, late an employé of this House, a sum equal to his pay for three months, and the proper funeral expenses.

The resolution was entertained and agreed to.

Mr. ROBERTS moved to reconsider the vote by which the resolution was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ORDER OF BUSINESS.

Mr. CONGER. I call for the regular order.

The SPEAKER. The regular order being called for, the morning hour will begin at fifteen minutes past eleven o'clock. This being Friday the business during the morning hour is the call of committees for reports of a private nature, beginning with the Committee on Military Affairs, where the call rested at the close of the morning hour on the last private bill day.

CONDEMNED CANNON FOR MONUMENTAL PURPOSES, ETC.

The first business in order was the bill (H. R. No. 1811) donating condemned cannon to Bayard Post, No. 8, Grand Army of the Republic, of Trenton, New Jersey, to be placed in a lot in Greenwood Cemetery, Trenton, held as a free burial-place for ex soldiers, sailors, and marines; reported from the Committee on Military Affairs with an amendment.

The bill authorizes the Secretary of War to deliver to Bayard Post, No. 8, Grand Army of the Republic, of Trenton, New Jersey, ten condemned cannon, to be placed in a lot in Greenwood Cemetery, Trenton, held by said post as a free burial-ground for ex soldiers, sailors, and marines who have been honorably discharged from the United States service.

The amendment was to strike out "ten" and insert "four" as the number of condemned cannon to be donated.

The amendment was agreed to; and the bill, as amended, was ordered to be engrossed and read a third time; and it was accordingly read the third time, and passed.

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

The latter motion was agreed to.

Mr. BANNING, from the Committee on Military Affairs, reported back, with a favorable recommendation, the joint resolution (H. R. No. 207) authorizing the Secretary of War to send artillery and camp equipage to the soldiers' reunion at Cambridge, Ohio.

The joint resolution authorizes the Secretary of War to send, from some convenient Government arsenal, to be used at the national soldiers' and sailors' reunion at Cambridge, Ohio, to be held in August, 1879, four pieces of artillery, and such tents, muskets, and blank cartridges as can be conveniently spared; said cannon, tents, muskets, &c., to be returned, after the holding of the reunion, in as like good condition as when received.

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

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

The latter motion was agreed to.

Mr. BANNING. I am instructed by the Committee on Military Affairs to report sundry bills, some with and some without amendments, donating condemned cannon for monumental purposes in different parts of the country. In order to proceed more rapidly I ask consent that they be read by their titles only and passed. There are quite a number of them and the committee have agreed unanimously to report them.

Mr. REED. I do not think we can pass more than one bill at a time.

Mr. CONGER. The only objection is that applications for this same kind of cannon—

The SPEAKER *pro tempore*, (Mr. EDEN.) The bills will be read.

Mr. CONGER. I do not object to the proposition of the gentleman from Mr. Ohio, [Mr. BANNING.] But I desire to say that applications from other places for these cannons have been refused heretofore, and the bills have been reported adversely from the Committee on Military Affairs.

Mr. BANNING. The committee have reported all the bills this time.

Mr. CONGER. They did not last session.

Mr. BANNING. That may be.

Mr. CONGER. I know I made the request for this same thing for the cemetery in the place where I live, and it was refused.

The SPEAKER *pro tempore*. The Chair is of opinion that it will be necessary to read each bill separately; some of them are reported with amendments.

Mr. BANNING, from the Committee on Military Affairs, reported back, without amendment, the bill (H. R. No. 5531) granting condemned cannon to Saint Clair Post, Grand Army of the Republic.

The bill authorizes the Secretary of War to deliver to Saint Clair Post, Grand Army of the Republic, at Saint Clair, Pennsylvania, six condemned cannon, mounted, for monumental purposes.

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

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported back, with an amendment, the bill (H. R. No. 3871) donating condemned cannon to the city of Boston for monumental purposes.

The bill authorizes the Secretary of War, if the same can be done without detriment to the Government, to donate twenty twelve-pounder bronze guns to the city of Boston for the purpose of ornamenting the grounds on which is the city's monument in honor of her deceased soldiers and sailors.

The amendment was to strike out "twenty" and insert "ten" as the number of cannon to be donated.

The amendment was agreed to; and the bill, as amended, was ordered to be engrossed and read a third time; and it was accordingly read the third time, and passed.

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported, without amendment, the bill (H. R. No. 4013) donating condemned cannon to Lyon Post, No. 10, Grand Army of the Republic, to be placed in a lot in Siloam Cemetery, Vineland, New Jersey, to be held as a free burial-place for ex soldiers, sailors, and marines.

The bill authorizes the Secretary of War to deliver to Lyon Post, No. 10, Grand Army of the Republic, of Vineland, New Jersey, one condemned cannon, mounted, to be placed in a lot in Siloam Cemetery, Vineland, New Jersey, held by said post as a free burial-ground for ex soldiers, sailors, and marines who have been honorably discharged from the United States service.

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

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported, with amendments, the bill (H. R. No. 4772) granting condemned cannon to Grand Army Post No. 3, Taunton, Massachusetts, for monumental purposes.

The bill directs the Secretary of War to deliver, if the same can be done without detriment to the public service, six condemned cannon and twenty-four cannon-balls to the William H. Bartlett Post, No. 3, Grand Army of the Republic, of Taunton, Massachusetts, for the purpose of ornamenting the burial-grounds of deceased Union soldiers.

The amendments were to strike out "six" and insert "four" as the number of condemned cannon to be delivered, and to strike out the words "and twenty-four cannon balls."

The amendments were agreed to; and the bill, as amended, was ordered to be engrossed and read a third time; and it was accordingly read the third time, and passed.

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported, without amendment, the bill (H. R. No. 6179) donating four condemned cannon to the town of Sutton, in the State of Massachusetts.

The bill authorizes the Secretary of War to deliver to the town of Sutton, in the State of Massachusetts, four condemned cannon, to be used in the erection of a soldiers' monument in said town, and to accept the receipt of the selectmen of said town for said cannon.

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

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported, without amendment, the bill (H. R. No. 5011) authorizing the donation of ten condemned bronze cannon to aid in the erection of a monument to the memory of General George A. Custer at the Military Academy at West Point.

The bill directs the Secretary of War to deliver to the commandant

of the United States Military Academy ten condemned bronze cannon, if the same can be spared without detriment to the public service, to be disposed of by him as he may see proper for the purpose of aiding in the erection of a monument to the memory of General George A. Custer on the grounds of the Military Academy at West Point.

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

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported, without amendment, the bill (H. R. No. 4836) granting condemned cannon to the village of Quincy, Michigan, for a soldiers' monument.

The bill authorizes the Secretary of War to deliver to the trustees of the village of Quincy, in the State of Michigan, four pieces of condemned iron cannon, to be used for a soldiers' monument in the village cemetery of said village.

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

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported back, without amendment, the bill (H. R. No. 5021) donating condemned cannon to the Danville Light Battery A, Illinois National Guard.

The bill authorizes the Secretary of War to deliver to the Danville Light Battery A, Illinois National Guard, at Danville, Illinois, four condemned cannon, mounted, for monumental purposes.

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

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported back, without amendment, the bill (H. R. No. 4752) donating condemned cannon to Weiser Post, Grand Army of the Republic.

The bill authorizes the Secretary of War to deliver to Weiser Post, Grand Army of the Republic, at Shakopee, Minnesota, four condemned cannon, mounted, for monumental purposes.

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

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported back, without amendment, the bill (H. R. No. 4002) donating a condemned cannon and cannon-balls to Post No. 145, Grand Army of the Republic, district of Massachusetts.

The bill authorizes the Secretary of War to deliver, if the same can be done without detriment to the Government, one condemned cannon and four cannon-balls, for monumental purposes, to Post No. 145, of the Grand Army of the Republic, district of Massachusetts, the same to be placed in Woodlawn Cemetery, in the town of Attleborough, in said State.

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

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported back, without amendment, the bill (H. R. No. 5176) to donate condemned ordnance to the Union Township Monumental Association at Milford Centre, Ohio.

The bill directs the Secretary of War, if the same can be done without prejudice to the public service, to deliver to the Union Township Monumental Association of Union Township, Union County, Ohio, four abandoned or condemned cannon, with their carriages, and sixteen cannon-balls to accompany each, to be placed at the corners of the soldiers' monument in the cemetery at Milford Centre, Ohio.

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

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported back, without amendment, the joint resolution (H. R. No. 129) authorizing the Secretary of War to deliver to the town of Avon, Livingston County, New York, four cannon for the soldiers' monument in said town.

The joint resolution directs the Secretary of War to deliver to the authorities of the town of Avon, county of Livingston, and State of New York, four of the abandoned cannon belonging to the Government, either six or twelve pounder cannon, as such authorities may select, to be placed at the corners of the soldiers' monument erected by said town.

Mr. MCKINLEY. I move to amend by adding the following as a new section:

That the Secretary of War be authorized and directed to deliver to the city of Canton, Ohio, four condemned cannon for the soldiers' monument in said city.

Mr. BANNING. There is no objection to that amendment.

The amendment was agreed to.

The joint resolution, as-amended, was ordered to be engrossed for a third reading; and was accordingly read the third time, and passed.

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

The latter motion was agreed to.

Mr. MCKINLEY. I move that the title of the bill be amended in accordance with the amendment already inserted in the body of the bill.

The motion was agreed to.

Mr. BANNING also, from the same committee, reported back, with an amendment, the joint resolution (H. R. No. 134) authorizing the Secretary of War to deliver to the city of Winterset, Madison County, Iowa, four cannon and carriages for the soldiers' monument in said city.

The joint resolution directs the Secretary of War to deliver to the authorities of the city of Winterset, county of Madison, and State of Iowa, four of the abandoned cannon belonging to the Government, either six or twelve pounder cannon, with their carriages, as such authorities may select, to be placed at the corners of the soldiers' monument erected in the Monumental Park in said city.

The amendment reported by the committee was to insert after the word "directed" the words "if the same can be done without prejudice to the public service."

The amendment was agreed to.

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

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

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported back, with an amendment, the bill (H. R. No. 4803) donating four condemned cannon and sixteen cannon-balls to Monongahela Cemetery, to be placed in a lot held as a free burial-ground for ex soldiers, sailors, and marines.

The bill directs the Secretary of War to deliver to the Monongahela Cemetery, Monongahela City, Washington County, Pennsylvania, four condemned cannon and sixteen cannon-balls, to be placed in a lot in said cemetery held by a post of the Grand Army of the Republic as a free burial-ground for ex soldiers, sailors, and marines who have been honorably discharged from the United States service. The bill also requires that the said Monongahela Cemetery, a body-corporate in law, shall receipt for such condemned cannon and cannon-balls.

The amendment reported by the committee was to strike out in line 9 the words "and sixteen cannon-balls."

The amendment was agreed to.

Mr. BREWER. I move to amend by adding as a new section the following:

That the Secretary of the Interior be authorized and directed to deliver to the city of Pontiac, Michigan, six condemned cannon for a monument to Major-General L. Richardson and other Union soldiers buried in the cemetery of the city of Pontiac, Michigan.

Mr. BANNING. I understand that cannon have been already appropriated for this monument. If so, I must object to the amendment.

Mr. BREWER. That is a mistake.

Mr. CONGER. No such appropriation has been made.

Mr. BANNING. I was informed that such an appropriation was made last year.

Mr. BREWER. This cemetery is in my town, and I cannot be mistaken about the matter.

Mr. BANNING. I withdraw the objection.

The amendment was agreed to.

Mr. FORT. I move to amend by adding the following:

And a like number to the city of Lacon, Illinois, for a like purpose.

Mr. BANNING. I must ask the gentleman whether there is a monument at this place, and whether there has not been an appropriation of cannon for it.

Mr. FORT. No appropriation has been made for this purpose. We have an association, and they are getting ready to put up a monument.

The amendment was adopted.

Mr. CUMMINGS. I move to amend by adding the following as a new section:

That the Secretary of War be authorized and directed to deliver to the city of Des Moines, Iowa, four condemned carriages and cannon to be placed in the cemetery around the monument to General Nathaniel B. Baker.

Mr. BANNING. Have we not already appropriated for this monument?

Mr. CUMMINGS. No, sir.

Mr. GARFIELD. I desire to inquire whether these amendments relate to any places where monuments have not already been erected. If they do, it seems to me it would be as reasonable to make a dona-

tion to every town in the United States, which would be, of course, impracticable. I will inquire whether the amendment now pending is for a place where there is a monument.

Mr. CUMMINGS. Yes, sir.

The amendment was adopted.

Mr. TIPTON. I move as an amendment to the bill a provision for a like number to the board of supervisors of McLean County, Illinois, for a like purpose.

Mr. BANNING. I would like to ask the gentleman from Illinois the question whether any heretofore have been appropriated for this purpose?

Mr. TIPTON. Not one.

The amendment was adopted.

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. BANNING moved to reconsider the vote by which the bill, as amended, was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

The SPEAKER *pro tempore*. If there be no objection the title of the bill will be amended to read "and for other purposes."

There was no objection, and it was ordered accordingly.

Mr. BANNING also, from the same committee, reported back a bill (H. R. No. 4337) authorizing the Secretary of War to deliver to the city of Port Huron, Michigan, certain condemned cannon and balls for a soldiers' monument in Lakeside Cemetery, with an amendment.

The bill, which was read, directs the Secretary of War to deliver to the city of Port Huron, Michigan, eight condemned cannon and eight balls, to be used for a soldiers' monument in Lakeside Cemetery, Port Huron, Michigan.

The amendment of the committee was to strike out "eight condemned cannon and eight balls," where they occur in the fourth and fifth lines, and in lieu thereof to insert "four condemned cannon."

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. BANNING moved to reconsider the vote by which the bill, as amended, was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported back a bill (H. R. No. 1277) donating condemned cannon and cannon-balls to the Colchester Monument Association, of Colchester, Connecticut, for monumental purposes, with an amendment.

The bill, which was read, authorizes the Secretary of War to deliver, if the same can be done without detriment to the Government, to the Colchester Monument Association, of Colchester, State of Connecticut, four condemned cannon and twenty cannon-balls, to be placed on a monument erected in honor of the deceased soldiers of said Colchester.

The amendment of the committee was to strike out the words "and twenty cannon-balls," where they occur in line 7.

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. BANNING moved to reconsider the vote by which the bill, as amended, was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. BANNING also, from the same committee, reported back the bill (H. R. No. 1278) donating condemned cannon and cannon-balls to Ledyard Monument Association, of Ledyard, Connecticut, for monumental purposes, with an amendment.

The bill, which was read, authorizes the Secretary of War to deliver, if the same can be done without detriment to the Government, to the Ledyard Monument Association, of Ledyard, State of Connecticut, four condemned cannon and twenty cannon-balls, to be placed on a monument erected in honor of the deceased soldiers of said Ledyard.

The amendment of the committee was to strike out the words "and twenty cannon-balls," where they occur in the bill.

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. BANNING moved to reconsider the vote by which the bill, as amended, was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

A. F. ROCKWELL.

Mr. BRAGG, from the Committee on Military Affairs, reported back favorably a bill (H. R. No. 2457) for the relief of A. F. Rockwell, aid-de-camp on the staff of General Buell.

The bill, which was read, authorizes the Secretary of War to recognize A. F. Rockwell as first lieutenant and aid-de-camp from the 26th day of October, 1861, to the 17th day of September, 1863; this to

complete his record for service rendered, and authorize the accounting officers of the Treasury to admit the accounts on which he has been paid for the period embraced between said dates.

The Clerk proceeded to read the accompanying report.

Mr. GARFIELD. Nobody has asked for the reading of the report. This case is a perfectly plain one, and there can be no objection to the passage of the bill. I happen to know all about it.

The SPEAKER *pro tempore*. If there be no objection, the report will be printed.

There was no objection, and it was ordered accordingly.

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. BRAGG 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.

FRANCIS O. WYSE.

Mr. BRAGG also, from the same committee, reported back favorably the case of Francis O. Wyse, late lieutenant-colonel Fourth Regiment United States Artillery.

Mr. BRAGG. I ask by unanimous consent that the petition be laid upon the table and the Senate bill, which is in the same terms, be taken from the Speaker's table and passed.

There was no objection.

The bill (S. No. 830) for the relief of Francis O. Wyse was taken from the Speaker's table and read a first and second time.

The bill, which was read, authorizes and directs the Secretary of War to place on the list of retired officers of the United States Army the name of Francis O. Wyse, as retired lieutenant-colonel of the Fourth Regiment of United States Artillery; provided, however, he shall receive no other pay, compensation, or allowance of any kind under the provisions of this act for the time intervening between the 25th of July, 1863, to the date of the approval of this act.

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. BRAGG 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.

JOHN A. SHAW.

Mr. BRAGG also, from the same committee, reported back, with a favorable recommendation, the bill (S. No. 217) for the relief of John A. Shaw.

The bill was read. It authorizes and directs the Secretary of War to place the name of John A. Shaw on the rolls as first lieutenant of Company G, One hundred and twenty-second Regiment Illinois Volunteer Infantry, as of the date of November 18, 1864, and with the same force and effect as if said John A. Shaw had been duly mustered into service as such first lieutenant on said 18th day of November, 1864.

The bill in its second section authorizes and directs the proper accounting officer of the Treasury Department to pay to said John A. Shaw the pay and allowances of first lieutenant of infantry from said 18th day of November, 1864, to the 22d day of April, 1865, less any pay and allowances, or either, already received by him for such period.

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

Mr. BRAGG 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.

JAMES SHIELDS.

Mr. BRAGG also, from the same committee, reported back, with an amendment, the bill (H. R. No. 5580) to authorize the President to appoint James Shields, of Missouri, a brigadier-general in the United States Army on the retired list.

The bill was read. It authorizes and directs the President to appoint James Shields, of Missouri, formerly a brigadier-general and brevet major-general during the Mexican war, and a brigadier-general of volunteers during the late civil war, a brigadier-general in the United States Army on the retired list, with rank and pay from and after the date of the passage of this act; and suspends all acts and parts of acts inconsistent herewith so far as to enable the President to make said appointment.

The following was the amendment reported by the committee:

Add to the bill these words:

Which appointment when made shall be in lieu of the pension he now receives.

Mr. WHITE, of Pennsylvania. I was not present in the committee when it was agreed to report this bill. I opposed it last year, and in order to be consistent I object to its passage at this time.

The SPEAKER *pro tempore*. Does the gentleman from Wisconsin yield to the gentleman from Pennsylvania?

Mr. BRAGG. I do not, but call for the previous question.

Mr. WHITE, of Pennsylvania. I make the point of order that the bill increases expenses and by Rule 112 should have its first consideration in Committee of the Whole.

Mr. FRANKLIN. I hope the gentleman from Pennsylvania will withdraw the point of order and let the bill be put upon its passage.

Mr. RICE, of Ohio. General Shields was a true Union soldier. The resolution of the gentleman from Massachusetts [Mr. BUTLER] so said when General Shields was nominated for Doorkeeper of this House.

Mr. WHITE, of Pennsylvania. I have no doubt he was a true Union soldier; but I voted against the proposition last year and I am opposed to it now.

The SPEAKER *pro tempore*. The question is not subject to debate while the point of order is pending.

Mr. BRAGG. I ask the gentleman from Pennsylvania to give me his attention for a moment. This bill is to authorize the President to place on the retired list an officer whom I understood the party represented by the gentleman from Pennsylvania to be very much in favor of at the last session. If the point of order be insisted upon now from the republican side of the House, it will kill this bill; and I would not like to see my friend from Pennsylvania placing himself in the attitude of throwing out in this way a bill of this kind, reported favorably, for the benefit of so distinguished a soldier as the present Senator from Missouri.

Mr. BANNING. It is well known that this is not a party bill. It is to do justice to an old soldier, and I hope the objection will be withdrawn.

Mr. WHITE, of Pennsylvania. In answer to the kind observation of my good friend and colleague on the Military Committee, General BRAGG, I wish to say this—

The SPEAKER *pro tempore*. No debate is in order, except on the point of order. The gentleman must confine himself to the point of order.

Mr. WHITE, of Pennsylvania. I am talking to the point of order. My friend from Wisconsin said he regretted his friend from Pennsylvania should object to placing a good Union soldier on the retired list. I sympathize with the gentleman in his friendship for Union soldiers, and I know he is perfectly sincere in that regard; at the same time I am desirous to be consistent with myself. My friend will remember that when the proposition was submitted last session to elect General Shields Doorkeeper instead of the present incumbent, I did not vote for him, but voted for a badly wounded soldier from East Tennessee. I preferred this person to General Shields. It was a matter of preference between Union soldiers. When the bill was presented to place General Shields, last session, on the retired list, I was one of the seven members of this body who voted against it. I voted against it because I thought it a dangerous precedent. I thought if it was established it would be followed by the applications of hundreds of brave wounded officers and soldiers for similar benefits. I have some such in my district. I do not object to General Shields in any way as a soldier or a man. In taking this action I merely follow my convictions as a member of the American Congress. I am quite consistent with my record and my own convictions of duty. I find nothing in General Shields's record to make him an exception from many other gallant soldiers now in the country. I voted to increase his pension to \$100 per month, which he now gets, and voted cheerfully. In doing this I think we were kind and generous. I insist on the objection I have made.

Mr. FRANKLIN. I do not believe the gentleman from Pennsylvania is sincere in making the point of order; for the effect of it is to kill this bill. This is a meritorious bill, and should pass.

Mr. MAISH. I demand the regular order.

The SPEAKER *pro tempore*. The Chair will enforce the regular order. The Clerk will read Rule 112.

The Clerk read as follows:

All proceedings touching appropriations of money, and 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 a Committee of the Whole House.

Mr. BRAGG. The bill simply authorizes the President to make this appointment; it does not require him to do so.

Mr. SPRINGER. Mr. Speaker, I would suggest that this question as to the point of order might properly be referred to the House, in order that the House might take the responsibility of passing upon it so as to relieve the Chair from that responsibility. This is a matter affecting a Senator at the other end of the Capitol, and I think the comity which always has prevailed between the two Houses should require that we should not subject one of our colleagues at the other end of the Capitol to the severity of this rule. Therefore, I hope the gentleman from Pennsylvania will withdraw his point of order, and if he will not do so that the Chair will submit the question to the House whether we will consider the bill in the House.

The SPEAKER *pro tempore*. The Chair feels bound to decide the point of order.

Mr. COX, of New York. I hope the gentleman from Pennsylvania will withdraw it.

Mr. BUTLER. I rise to make a parliamentary inquiry. I desire to know whether as soon as the morning hour is over a motion would not be in order to go into Committee of the Whole and put all other business aside to take up this bill. I think the House should adopt that course when one man puts himself against the whole House.

The SPEAKER *pro tempore*. The Chair does not know of any rule under which the House could do what the gentleman from Massachusetts suggests. The point of order being insisted on the Chair has no alternative but to rule upon it. This bill does require an appropriation of money, and consequently the Chair feels bound to decide

under Rule 112 that it must have its first consideration in Committee of the Whole.

Mr. COX, of New York. I have no doubt the Chair has decided rightly, but I renew the appeal to the distinguished and courteous gentleman from Pennsylvania [Mr. WHITE] to withdraw his point of order.

Mr. WHITE, of Pennsylvania. I recognize the courtesy of my friend from New York, but under the circumstances I cannot withdraw the objection.

Mr. FRANKLIN. The action of gentlemen on the other side of the House shows that they were not in earnest when they voted to make General Shields Doorkeeper. It was mere clap-trap, and on the part of many arose from a desire to place this side of the House in a false position.

Sir, that brave and distinguished soldier did not desire any such position. It was an honor not commensurate with his distinguished services, and I feel authorized in saying that he would not have accepted. He wanted no such honors. He had been a member of the grandest deliberative body in the world; had rendered highly honorable services both in the field and in the councils of his country, and deserved a higher recognition. Now is the time to prove your sincerity; now is the time to bestow this honor to which he is so justly entitled. We will give it to him if you will allow. One objection is fatal to it now; but I trust before the session closes that an opportunity will occur to place this bill upon its passage when one objection will be powerless to defeat it.

Mr. WHITE, of Pennsylvania. The gentleman is entitled to all the capital he can make out of my action in that matter.

Mr. FRANKLIN. Did not your side of the House vote for General Shields?

Mr. WHITE, of Pennsylvania. I did not.

Mr. BRIDGES. I rise to a question of order. I would ask the question whether this is a common country town meeting, or whether it is the House of Representatives of the United States? [Laughter.] From the great confusion here I should judge it to be the former.

The SPEAKER *pro tempore*. That is not a parliamentary inquiry.

Mr. COX, of New York. It is a very pertinent question.

The SPEAKER *pro tempore*. If the House will be in order the Chair will proceed with business, and gentlemen, if they insist upon conversing, must retire to the cloak-room, for it is utterly impossible to proceed with business in the prevailing confusion.

Mr. COX, of New York. I rise to a parliamentary inquiry. What has become of the bill in relation to General Shields?

The SPEAKER *pro tempore*. It went out on the point of order.

Mr. FRANKLIN. Then the other side have defeated it.

The SPEAKER *pro tempore*. The gentleman from Missouri is not in order.

DANIEL M. FROST ET AL.

Mr. MAISH, from the Committee on Military Affairs, reported back the bill (H. R. No. 1704) for the relief of Daniel M. Frost and the heirs and executors of William M. McPherson, of the State of Missouri, with a recommendation that it do pass.

The bill was read, as follows:

Be it enacted, &c. That Daniel M. Frost and the heirs and executors of William M. McPherson are hereby released and discharged from all claim and demand on the part of the United States upon them, or either of them, by reason of said Frost and McPherson having been sureties upon the official bond of Augustus W. Gaines, paymaster in the Army of the United States, who died in February, 1860.

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. MAISH 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.

MICHAEL O'BRIEN.

Mr. STRAIT, from the Committee on Military Affairs, reported back, with an amendment, and with a recommendation that it do pass, the bill (S. No. 658) to authorize the restoration of Michael O'Brien to the rank of first lieutenant in the Army.

Mr. MILLS. I make the point of order that that bill must go to the Committee of the Whole.

Mr. STRAIT. I think the bill is not subject to the point of order.

Mr. MILLS. Well, I will withdraw the point of order.

The amendment reported by the committee is as follows:

That the President be, and he is hereby, authorized to nominate and, by and with the advice and consent of the Senate, appoint Michael O'Brien, late first lieutenant First Regiment of Artillery, a first lieutenant of artillery in the Army of the United States, with his original rank and date of commission; and that he shall be assigned to the first vacancy occurring in his grade in the artillery arm of the service: *Provided, however*, That he shall receive no pay for the period he was out of the service.

The amendment was agreed to.

The bill, as amended, was ordered to a third reading; and was accordingly read the third time, and passed.

Mr. STRAIT 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.

GRANT OF LAND.

Mr. MAISH, from the Committee on Military Affairs, reported back,

with a favorable recommendation, the bill (H. R. No. 6416) granting the right of way to the county of Warren, in the State of Mississippi, and to the Memphis and Vicksburg Railroad Company, through the United States Cemetery tract of land near Vicksburg, Mississippi.

The bill was read, as follows:

Be it enacted, &c., That the right of way is hereby granted to the county of Warren, in the State of Mississippi, and to the Memphis and Vicksburg Railroad Company, chartered by the State of Mississippi, for a public wagon-road and a railroad through the United States Cemetery tract of land near Vicksburg, Mississippi, from the south line to the north line of said tract, around and outside of the wall of the cemetery grounds, and on the western boundary of said tract of land; and that this act take effect and be in force from and after its passage.

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

Mr. MAISH 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.

ISHAM C. TAYLOR.

Mr. MAISH also, from the same committee, reported back, with amendments, and with a recommendation that it do pass, the bill (H. R. No. 3779) for the relief of Isham C. Taylor.

The bill was read, as follows:

Be it enacted, &c., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Isham C. Taylor, of Illinois, the pay and allowance of a second lieutenant of infantry from December 25, 1862, to April 1, 1863, and from April 1, 1863, to the 8th day of May, 1863, less the pay of a sergeant of infantry, which was received by him for said time, out of any money in the Treasury not otherwise appropriated.

The amendments of the committee were read and agreed to, as follows:

In line 7, after the word "and" and before the word "from," insert "first lieutenant of infantry;" so that it will read:

And first lieutenant of infantry from April 1, 1863, to the 8th day of May, 1863, less the pay of a sergeant of infantry, which was received by him for said time, out of any money in the Treasury not otherwise appropriated.

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. MAISH 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.

CEMETERY AT COLUMBUS, OHIO.

Mr. McCOOK. I desire to report from the Committee on Military Affairs the bill (S. No. 1307) directing the Secretary of War to purchase a lot of ground, situated near the city of Columbus, Ohio, now used by the United States as a cemetery.

The bill was read, as follows:

Be it enacted, &c., That the Secretary of War be, and he is hereby, authorized and directed to purchase from the present owners a certain lot of ground, containing two and one-half acres, more or less, situated near the city of Columbus, Ohio, on the site of what was formerly known as Camp Chase, and used by the United States as a burial-place for the rebel prisoners who died while confined in the said Camp Chase (Ohio) military prison; and the sum of \$500 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for this purpose.

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

Mr. McCOOK 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.

ORDER OF BUSINESS.

Mr. BRIGHT. Has the morning hour expired?

The SPEAKER *pro tempore*. It has.

Mr. BRIGHT. I desire, then, to move that the House resolve itself into Committee of the Whole on the Private Calendar.

Mr. McCOOK. I would suggest to the gentleman that one-third of the hour allotted to the Committee on Military Affairs has been consumed by other matters.

Mr. BANNING. The bills the committee have to report are important measures that ought to be passed and will not be passed unless we are allowed to report them now. I trust that the gentleman from Tennessee will withdraw his motion.

Mr. BRIGHT. Debate is not in order, but in reply to the gentleman I would say that there are parties here who are entitled to pay out of the Treasury; the payment has long been delayed and justice requires that it should be paid.

Mr. McCOOK. I ask unanimous consent to report some bills that are of great importance. I am sure I shall not have another opportunity to do so.

Mr. BRIGHT. How long will it take?

Mr. McCOOK. Five minutes, perhaps.

Mr. BRIGHT. I will yield for that length of time.

The SPEAKER *pro tempore*. Is there objection?

Mr. MACKEY. I object.

The SPEAKER *pro tempore*. The morning hour has expired.

Mr. BRIGHT. I move that the House now resolve itself into Committee of the Whole for the purpose of considering the business on the Private Calendar.

Mr. YOUNG, of Tennessee. I desire to make a parliamentary inquiry.

The SPEAKER *pro tempore*. The gentleman will state it.

Mr. YOUNG, of Tennessee. Is it in order now, the morning hour having expired, to move to proceed to the business on the Speaker's table?

The SPEAKER *pro tempore*. For private business only.

The question was taken upon the motion of Mr. BRIGHT; and it was agreed to.

The House accordingly resolved itself into Committee of the Whole, Mr. MILLS in the chair.

The CHAIRMAN. The House is now in Committee of the Whole for the purpose of considering business on the Private Calendar.

Mr. FRANKLIN. I move that all bills on the Private Calendar be laid aside for the purpose of proceeding now to the consideration of the bill reported this morning for the relief of General Shields, to place him on the retired list.

The CHAIRMAN. That can be done by unanimous consent only.

Mr. PATTERSON, of New York. I object.

Mr. BRIGHT. I object to that. Let us proceed with the business on the Calendar in regular order.

ALBERT GRANT.

The first business on the Private Calendar was the bill (H. R. No. 504) for the relief of Albert Grant; reported with an amendment from the Committee of Claims by Mr. ELLSWORTH.

The bill directs the Court of Claims to reopen and readjudicate the case of Albert Grant and Darius C. Jackson, (doing business as A. Grant & Co.,) upon the proofs heretofore submitted to the said court in said cause; and provides that if said court, in such readjudication, shall find from such evidence that the court gave judgment for a different sum than the evidence sustains or the court intended to enter, it shall correct such error and adjudge to the said Albert Grant such additional sum in said cause as the proofs shall justify. The amendment was to add to the bill the following:

Provided, That judgment shall not be rendered in said case for over the sum of \$14,000, and for no sum whatever except for extra work and materials furnished.

Mr. HENDEE. Let the report be read.

The report was read, as follows:

The majority of the Committee of Claims, to whom was referred the bill (H. R. No. 504) for the relief of Albert Grant, submit the following report:

In 1867 Albert Grant and another party, whose name it is unnecessary to mention in this connection, as said Grant is now the only person interested, entered into a contract for the erection of a fire-proof storehouse at Philadelphia, and to furnish all the materials, at a total cost of \$138,000.

To provide for the erection of this building Congress had made an appropriation of \$146,000

By the contract with Grant no extra charge for modifications was to be made unless agreed upon in writing. Extra work was done and extra materials furnished, which increased the cost beyond the contract price and also the appropriation; this, too, without any written agreement.

He was paid the full amount of his contract, and also the further sum of \$2,286.30 for extra work and materials, making the whole amount paid before the commencement of the suit hereinafter named \$140,286.30.

He commenced his suit in the Court of Claims very soon after the completion of his original contract, claiming in his original petition \$37,511.39 (over and above the \$2,286.30 paid) for extra work and materials, and \$27,000 for damages sustained in consequence of unreasonable hindrances and delays caused by the agents of the Government in charge of the work.

He afterward filed an amended petition, in which he claimed for extra work and materials \$47,038.86, and for damages \$46,493.73; making, in all, \$93,532.59.

The court allowed \$34,225.14 for extra work and materials, and rejected the whole claim for damages, upon the ground that the delays and consequent loss and damages resulted from the fact that Grant had obeyed the orders of a subordinate who had no authority to control him in his work, and therefore Grant should not have listened to him or been influenced by him.

From this judgment the United States appealed to the Supreme Court.

Very soon after the entering up of the judgment in the Court of Claims, Grant's attorneys discovered an error in the amount of the judgment as rendered; but, in the mean time, and before they had any opportunity of effecting a correction of the record, the cause was taken to the Supreme Court, as above stated. And, not deeming it necessary to save the interests of the claimant, his attorneys did not join in the said appeal, as they supposed, and not without good reasons, that the whole case would be fully heard before the Supreme Court, and a proper and just judgment rendered; and therefore the attorneys for Grant rested quietly, and made no effort to correct the record.

The error made in rendering, or, more properly, your committee think, entering up, the judgment was a serious one to Grant, being in fact many thousands of dollars. That is to say, the judgment should have been rendered for the sum of \$48,241.48 for extra work and materials; the court, by mistake in calculation, or some oversight, allowed the claimant but \$34,225.14, and for the difference, or \$14,016.07, he claims he is entitled to relief.

After the taking of this case to the Supreme Court by appeal, as before stated, and after waiting such a length of time, the claimant lost his right of appeal, the United States waived the appeal it had taken, and the case went back to the Court of Claims, and then it was too late for the claimant to obtain relief in either court; he could neither obtain a correction of the record in the Court of Claims nor an appeal, as both were lost to him by the lapse of time.

The all-important question now arises, what reasons have we to believe that a mistake or error was made in the entering up of the judgment in the Court of Claims?

The fact is before us that the judgment was for extra work and materials furnished, and the lowest estimate put upon the same by any witness on the trial in the Court of Claims (and there was a very full and searching trial of the case and many witnesses upon this point) would have authorized a judgment for no less a sum than \$48,241.48; that the witness for the Government who put the same lowest of any witness on the trial in favor of the claimant stated it at that amount.

There appears to have been on file among the papers of the case in court an estimate made by the Government architect, an estimate which agrees exactly with the judgment rendered; but this same individual was, subsequently to making said statement, a witness on the trial of said cause; and his estimate under oath, taken as a basis for the judgment, would have given the claimant \$14,016.07, the very amount he claims the judgment should have been rendered for, and in this position he is confirmed by the attorney who tried the case for the Government, who makes the following statement in the case:

DEPARTMENT OF JUSTICE,
Washington, January 11, 1865.

SIR: Your note to the Assistant Attorney-General in regard to the claim of A.

Grant has been handed to me, as I had charge of the defense of his suit against the Government in the Court of Claims.

Whether the court made a mistake in rendering the judgment in Grant's case is rather a matter of inference than of positive knowledge. When the judgment was rendered I supposed the court had made a mistake, and wondered why Grant's counsel did not move for a correction of the judgment.

The figures given by the court in the judgment are not found in the testimony of any witness, but are taken from a report made by Mr. Fraser before the suit was brought.

Mr. Fraser was a witness in the case, and in his testimony he estimates the value of the extra work done by Grant at \$46,738.86. This was the lowest estimate made by any witness.

Very respectfully,

ALEXANDER JOHNSTON,
Special Assistant Attorney-General.

Hon. J. C. BURROWS,
House of Representatives.

This letter was addressed to a former Congress, as will be seen, when this same matter was under consideration by the Committee of Claims.

Your committee also submit the following from Judge Casey, who was chief-justice of the court at the time the judgment was rendered, being a reply to letter of inquiry by said Grant:

WASHINGTON, D. C., January 13, 1875.

DEAR SIR: I have yours of yesterday. I have carefully examined your case in the Court of Claims, for compensation for building a fire-proof storehouse at the Philadelphia arsenal for the United States, and in connection with my memoranda kept at the time, two items of claims were made: 1, about \$50,000 for extra work; 2, near same amount for damages for delays, losses, and interest, on account of changes, &c. The original estimate by the Government architect for the damages and extra work to something over \$40,000.

The survey and actual calculation of the cost and value of this work, at the contract prices, after it was done, as made by four different architects, was an average of over \$48,000, that of the Government architect being \$47,000. The court, after trial, rejected the claim for damages, and allowed that for extra work. The mistake in the amount of the judgment, which should have been for \$47,000, arose, I am sure, from adopting the architect's prior estimate, instead of his subsequent actual calculation of the cost of the work. My attention was not called to this error until after the judgment had been certified and paid.

I am quite sure that you should have had \$14,000 in addition to the judgment rendered in the case, for compensation alone, without any interest or damage.

I am, very respectfully, yours,

JOSEPH CASEY.

Captain A. GRANT.

These are the facts of this case, and we can come to no other conclusion than that the claimant is entitled to relief at our hands; that this Government cannot honorably refuse to allow the claimant to have a standing in the court where the error against him occurred, so that the court which rendered the erroneous judgment should have an opportunity to do now that which it should have done before.

Therefore, the majority of the committee report the bill so referred to us with an amendment, and recommended that it do pass as amended.

MR. HENDERSON. Not having been able to concur with the majority of the Committee of Claims in this report, I desire to make a very brief statement of my objections to the passage of this bill.

In 1866 Congress appropriated the sum of \$146,000 for the purpose of erecting a fire-proof building at or near the Schuylkill arsenal, in Philadelphia. Albert Grant & Co. entered into a contract to erect this building for \$138,000, being \$8,000 less than the amount appropriated for the purpose.

There was some difficulty between the contracting parties and the Government authorities in regard to the materials to be used as well as in regard to the manner of erecting this building. Finally some changes were made, different material procured, and the contractors went on and erected the building. They then brought suit in the Court of Claims for the sum of \$47,038.86 less \$2,286.30, which had already been paid them for extra work and material furnished. The suit was tried and the court allowed a sum of \$34,225.14. From this decision of the court an appeal was taken by the United States, which appeal was afterward dismissed.

After the appeal was dismissed, Albert Grant came to Congress and asked for an allowance of an additional sum of \$14,000 for extra work, alleging that an error had been committed by the Court of Claims; and also asked for some \$46,000 for damages. In 1872 a committee of this House reported against making any allowance for the alleged mistake by the Court of Claims, but did provide for adjusting the damages which the Court of Claims had refused to allow. I find also that a committee of the Senate made a similar report.

The objection I have to the passage of this bill is, in the first place, I am not satisfied in my own mind that any mistake was made by the Court of Claims; and, in the second place, if a mistake was made by the court, it seems to me to be too late now to attempt to correct it, especially when nearly the entire body of that court has been changed since that time, and there is now scarcely a member of the Court of Claims who was then a member of that court.

MR. WHITE, of Pennsylvania. Are the witnesses dead?

MR. HENDERSON. I do not know as to that. They say it is proposed that the court shall, from the evidence now on file, determine whether a mistake was made or not; and if they find that a mistake was made then they shall correct that mistake.

Now, I say that it is very clear to my mind, from the opinion of the court itself, which I have before me, that the court intended to do exactly what it did do. It is said that there is no evidence in the case on which to found the judgment of the court. I say that it appears from the opinion of the court itself that the court did not find the judgment upon the evidence, but upon the estimate which was made by Mr. Fraser, the Government architect. The court say:

On the whole case we reject the claim for damages, and award judgment for the extra work actually done and materials furnished, which, according to the estimate—

Not according to the evidence—

Which, according to the estimate of Mr. Fraser, the defendant's own architect,

we find, after rejecting all items that may be legitimately referred to the contract, to amount to the sum of \$34,225.14.

The estimate here referred to was made by Mr. Fraser, the architect of the Government, and he testifies that he made the estimate low in order that it might be allowed. It is true, Mr. Fraser afterward increased that estimate, but he was induced to make the first low supposing that by making it so it would be more likely to be allowed by the Department; and probably the judges thought his first judgment was the best. But it is clear, Mr. Chairman, that the court took the estimate of Fraser rather than the evidence in the case.

Now the difference between the majority of the committee and myself is simply this: I think the court intended to allow just the amount they did allow, and no more, and that at any rate it is too late, after so great a lapse of time and when many of the former members of the Court of Claims are no longer members of it, to attempt to correct an error of this sort.

Furthermore, I find by a very able report made upon this same case in the Senate in 1876 that the claimant on a contract to erect a Government building for \$138,000 has already received \$215,418.07. In the first place, he received \$138,000, the original amount of his contract, and \$2,286.30 for extra work on this building. He then received, under the judgment of the Court of Claims, which was paid, \$34,225.14, and he was allowed and paid as damages \$40,906.63; so that he has been actually paid \$215,418.07 on a contract to erect a Government building for \$138,000.

I do not wish to make any factions opposition to this bill. I am perfectly willing it should be considered, but I have felt it my duty to make this statement, because I believe it will be a very dangerous precedent to open up a judgment of a court long after the judges who rendered that judgment have passed away, and when the evidence upon which it was founded may no longer be accessible. I do not think this claimant could find anywhere in the country a court of equity which upon a bill for relief would allow him the hearing he now asks at the hands of this body, for the reason he had a complete and adequate remedy at law and did not avail himself of it. And now, Mr. Chairman, he has already appealed to Congress and has been concluded by the judgment of both the Senate and House of Representatives.

Take the statement of Judge Casey, who was a judge of the Court of Claims when this judgment was rendered, and who died only the other day. He says that clearly a mistake was made of \$14,000. Now, I say that most clearly there was no such mistake, because here is the opinion of the court as delivered by Judge Milligan; and he says:

On the facts of this case, which are briefly stated in the opinion, the claimants seek, first, \$47,038.86, less \$2,286.30 for extra work and materials furnished on the building.

Now, that would only leave \$44,752.56 as the amount which the claimant sought to recover in that court. He was allowed by the court \$34,225.14; so that, according to his own claim as finally amended by him, there could only have been a mistake of \$10,527.42. Now, I say if this bill be passed it certainly ought to be amended in this particular, for there could have been no mistake of \$14,000; the amount of the error could not possibly exceed \$10,527.42.

But the objection I make is that the error, if there was one, was not corrected in time; that no effort was made to correct it in time; and that now, after the lapse of so many years, we would establish a dangerous precedent if we should allow this matter to be re-examined by a new court, so far as the members of it are concerned. I think the bill ought not to pass.

MR. HUMPHREY. Mr. Chairman, it seems to me that in a case of this character we should proceed carefully. In the first place, according to the practice of all courts, after a judgment is entered up, a party within a limited time if he believes a mistake has been made can ask to have that judgment opened, and it can be modified without changing substantially the decision of the court. It is strange that in this case the plaintiff or his attorneys did not discover the mistake, if any, in this judgment and did not move within the time limited that the judgment be opened. It was the duty of the attorneys to see that the judgment was properly docketed; and it is very remarkable that for so long a time after the entering of the judgment no discovery of an error was made by the plaintiff or his attorneys. But if there was actually a mistake made and it was not discovered within the time allowed for opening and amending the judgment, there was still a remedy. I understand that there is no limitation upon the power of a court of equity to open a judgment which has been obtained either by fraud or mistake; that if a party comes into a court of equity with clean hands there is no limitation to the time within which such a court may give relief, unless some statute or act of Congress fixes a limit, and I know of none.

MR. HENDERSON. I do not think a court of equity would relieve where a party had an adequate remedy at law and had not pursued it.

MR. ELLSWORTH. Let me ask the gentleman from Wisconsin [Mr. HUMPHREY] where is there a court of equity that could reach this matter?

MR. HUMPHREY. Is there no court of equity under the General Government?

MR. ELLSWORTH. No, sir; there is no court of equity that can give relief.

MR. HUMPHREY. Then, for Heaven's sake, let us go to work and

make one. But I say it would be a most dangerous precedent for Congress after this length of time to act upon this case and open this judgment, when the presumption is that the judgment was founded upon evidence and was in accordance with the evidence. Although one of the justices who heard this case, and who has lately died, has stated that there was a mistake in the judgment, yet it seems to me that even if there is no court of equity competent to reach the case, that is no reason why we should open the judgment at this late day.

There are hundreds of cases before the present Congress which have as much merit as this one. There are numerous cases before the Committee on Public Buildings and Grounds where the legal claim is much stronger. Every one of them has been reported unfavorably by that committee. Not one has been acted on by this House favorably and probably none ever will be. I know of cases which present stronger claim for the action of Congress. This man has received a larger amount than the contract called for, and on principle it seems to me dangerous to reopen this judgment of the Court of Claims.

Mr. BRAGG. I desire to ask the gentleman from Wisconsin a question.

Mr. HUMPHREY. What is it?

Mr. BRAGG. If the case be opened, at all so the court once again takes jurisdiction of it, will it not allow the parties who are seeking relief against the Government opportunity to bring in evidence anew when the evidence of the Government may possibly be dead or disposed of or lost?

Mr. HUMPHREY. I did not exactly hear the latter part of the gentleman's question.

Mr. BRAGG. Would it not give the court an opportunity, if Congress gave it jurisdiction of the case, to make an order by which new evidence could be taken?

Mr. HUMPHREY. Certainly it would. It would let new evidence in, and perhaps the very testimony of the Government to meet that new condition of affairs might not be within reach.

I wish to say in conclusion, Mr. Chairman, that one of the great bulwarks provided by the law is the limitations by which stale demands are ruled out, and there is no other safety on the part of the people and the Government than to adhere rigidly to those limitations. There is sufficient protection in the courts of equity in the States where there are no limitations, and where, if there is ground of real equity and parties can be shown to have been injured, the courts will exercise jurisdiction and reopen judgments.

Mr. ELLSWORTH. I had this matter in charge, Mr. Chairman, as a subcommittee of the Committee of Claims, and gave it thorough examination, and I am satisfied if there is a claim before this Congress which ought to be allowed it is this one. This man Grant only comes here for the purpose of being permitted to go back with his case to the Court of Claims for the purpose of having a judgment corrected if that court shall find a mistake was made.

My friend, the gentleman from Illinois, [Mr. HENDERSON,] tells us it is too late. Is it ever too late for this Government to do right? Is it ever too late to do justice between parties? Can there ever come a time when this Government will cease to do right? Now look at it. Chief-Justice Casey, of that court, says he knows a mistake was made. He was on the bench. He heard the testimony. He knows all about the case. He says a mistake was made of \$14,000. Why should not that error be corrected by the Congress of the United States? Why should we not permit this case to go back to the Court of Claims so that justice may be done? I want this House to listen to the certificate of Justice Casey.

Mr. BUTLER. Chief-Justice Casey.

Mr. ELLSWORTH. Yes, Chief-Justice Casey, only dead a few days since. Let me read his certificate:

WASHINGTON, D. C., January 13, 1875.

DEAR SIR:—

This letter is addressed to Captain A. Grant.—

I have yours of yesterday. I have carefully examined your case in the Court of Claims for compensation for building a fire-proof storehouse at the Philadelphia arsenal, for the United States, and in connection with my memoranda kept at the time two items of claims were made: First, about \$50,000 for extra work; second, near same amount for damages for delay, losses, and interest on account of changes, &c. The original estimate by the Government architect for the damages and extra work to something over \$40,000.

The survey and actual calculation of the cost and value of this work at the contract prices, after it was done, as made by four different architects, was an average of over \$48,000, that of the Government architect being \$47,000.

I may say here the claim for damages was over \$50,000. It was an honest claim which the court did not allow and which they are not now asked to allow. The court decided they would not allow claims for damages; in my judgment a wrong judgment.

The court, after trial, rejected the claim for damages and allowed that for extra work. The mistake in the amount of the judgment, which should have been for \$47,000—

The chief-justice of the Court of Claims says, "I am sure there is no mistake about it." There is no doubt of it—

arose, I am sure, from adopting the architect's prior estimate instead of his subsequent actual calculation of the cost of the work. My attention was not called to this error until after the judgment had been certified and paid.

The chief-justice again says:

I am quite sure that you should have had \$14,000 in addition to the judgment rendered in the case, for compensation alone, without any interest or damage.

Chief-Justice Casey, now in the silent land, tells you in this certifi-

cate that he is quite sure Captain Grant should have had \$14,000 in addition to the judgment rendered in the case, for compensation alone, without any interest or damage. Is not that clear?

Mr. BRAGG. Will the gentleman let me ask him a question?

Mr. ELLSWORTH. Certainly.

Mr. BRAGG. Why was it these parties have slept so long on their rights instead of applying to the court to reopen the judgment or for a rehearing?

Mr. ELLSWORTH. I will tell the honorable gentleman they had an attorney of little experience, William M. Evarts, and he did not sufficiently attend to this case. [Laughter.] I will tell you why. Of course William M. Evarts knows all about the law and the practice, but another man who was associated with him to look after the matter did not attend to it. If the gentleman had listened to the reading of the report he would know all the points in the case. The Government appealed from that decision after rendition of the judgment. The attorney on the ground supposed the case being in the Supreme Court would remain there awaiting final determination and adjudication and rehearing; but, on the other hand, the Government after waiting so long a time—

Mr. BRAGG. How long?

Mr. ELLSWORTH. Just wait a moment. After waiting so long a time with their case in the Supreme Court, Grant could not take an appeal himself.

Then it is beyond the reach of Grant in the Supreme Court or in the Court of Claims either.

Mr. BRAGG. How long ago did that happen?

Mr. ELLSWORTH. It was only a short time ago.

Mr. BRAGG. How many years?

Mr. ELLSWORTH. I cannot tell you now precisely. This certificate of Judge Casey is dated in 1875.

Mr. BRAGG. That was after the judge left the bench.

Mr. ELLSWORTH. All that Grant asks is that this case shall go back to the same court to be corrected. But gentlemen say the case has been adjudicated upon and it is too late now to do right. That is a question for Grant. The trouble will devolve upon him, some of the court having died, to prove the facts; it will be more difficult for him to make out his case; all that depends upon Grant himself to make it out. The court have no right to do anything except to make the correction if Grant proves there was a mistake. If that fact is proved, then they have a right to make the correction; not otherwise.

There is nothing but right in what this gentleman asks Congress to do. It is a fact, Mr. Chairman, if this had been a case between two individuals that Mr. Grant had an honest and just claim for damages of over \$50,000; but the court only allowed him for extra work and materials, and he has not obtained them. There is a mistake of over \$14,000, or nearly that amount, for work and materials, without any claim whatever for damages.

Mr. HENDERSON. If my friend will allow me for a moment, I wish to say this: my friend speaks about an amount of \$50,000. I wish him to understand that Congress did pass an act subsequently allowing this question of damages to be adjudicated, and it was adjudicated, and, as I understand, \$40,000 were paid for damages, and not \$50,000.

Mr. ELLSWORTH. I said there was \$50,000, over and above what he obtained, and there was nothing ever paid him for damages.

Mr. HENDERSON. He only claimed \$46,000.

Mr. ELLSWORTH. The gentleman is mistaken.

Mr. BRIGHT. I do not think there is any difficulty in coming to just conclusion in relation to this matter. At a former session, as a member of the Committee of Claims, I made a report upon this report, which is substantially the report now before the committee. After thorough investigation, I became satisfied that the prayer of the claimant should be granted, to wit, that we should give him a new day in court. A bare statement of the case, Mr. Chairman, I think will be conclusive.

This claimant entered into a written contract with the Government for the erection of a building at Philadelphia. By the terms of that contract no allowance was to be made for extra work unless agreed upon in writing. Under the superintendence of the engineer extra work was directed and performed, and expenses were incurred by the contracting party. The accounting officer of the Government settled with him and paid him only according to the terms of the written contract. That forced him into the Court of Claims. In addition to the amount claimed for labor and materials there was also a claim for damages. In the adjudication of the case the Court of Claims decided the question of damages against the claimant. So far as the claim for extra work and materials was concerned, the court decided in favor of the claimant, giving him a judgment for \$34,225.14.

After the rendition of that judgment it was discovered by the judge and by the special Assistant Attorney-General for the Government at the time that there was a probable error committed in the rendition of the judgment, in the amount of it. It is only necessary to ascertain how this error crept into the judgment, and that is easily explained in this way: As a matter of course the engineer who had to measure and superintend the work had to be a witness before the court and his testimony would be controlling and would substantially form the basis of the judgment of the court. Before the bringing of the suit

this engineer had made an estimate, not under oath, of the work and the labor and the materials that had been furnished. When he was introduced as a witness he made a revised measurement and estimate of the work and he made his report upon them. Hence there were two estimates pending before the court; one was for \$34,225.14, the other was for \$48,241.48.

The court intended to render a judgment for the amount testified to by this officer under oath before the court; but instead of rendering the judgment for that amount, \$48,241, it was entered for the smaller amount, \$34,225. Before that error could be corrected in the court the Government had taken an appeal from the decision of the Court of Claims to the Supreme Court of the United States. It was not an appeal in the nature of a writ of error simply to bring the legal questions under review for correction, but it was an appeal which took the whole case by transfer from the jurisdiction of the Court of Claims to that of the Supreme Court of the United States. It then became impossible for the correction to be made in that court. There was no case pending there after the appeal had been taken. So the party was without remedy, and he could only come here and make a statement of his case; and he presents such facts as would influence the action of any court to give him a new trial. Upon a bill of review the error would be corrected; but the claimant was cut off from these ordinary remedies of the courts, and there was no remedial power except that of the Congress of the United States; and when he comes here he does not ask Congress to supplement the judgment and give him the money, but simply to reinstate him in court, so that if there has been an error committed this error may be corrected, and if there has been no error, why, as a matter of course, the Government of the United States loses nothing by granting the request of one of its citizens.

That is the whole case.

Now, as to the lapse of time; I have some knowledge of this case. I know the persistent and indefatigable efforts of this citizen in wrestling with the Government for the satisfaction of his claim.

He has been here in season and out of season, and it does not lie in the mouth of the Government to shelter itself, when the delay has been occasioned by the action of the Government, behind the pitiful subterfuge of a legal technicality. It is unworthy of a great government so to protect itself against a citizen who has a just claim, and who only asks to be heard before one of its own tribunals.

There is nothing wrong in the case and I hope the bill will be passed.

Mr. HENDERSON. I have said before that if I was satisfied in my own mind that a mere clerical error had been made in entering this judgment I would not be opposed to the passage of the bill, but I am not so satisfied.

Now, I say that the Court of Claims, in the opinion which is found in the reports of that court, expressly say that they find that the defendant's own architect *estimated* this claim at \$34,225.14. Why did they not find the judgment of the court according to the evidence? It appears they should have done so, but it seems the court was satisfied from the statement of the defendant's own architect.

Now the difficulty is this, and I want to call the attention of the committee to it: it is said that there are two reports made by the Government's architect, one of \$34,225.14 and the other of \$46,738.86, and how are you going to arrive at the facts upon which the judges founded the judgment of the court, especially when some of the judges are dead and others have been superannuated and are no longer capable of attending to their duties?

Mr. ELLSWORTH. I would suggest that the report of Judge Milligan shows that the judgment was made up, as Judge Casey says, from the certificate of the architect.

Mr. HENDERSON. I say that the judge in giving the opinion of the court expressly states why this amount was found. He says from the estimate, not from the evidence in the case but from the estimate of the defendant's own architect, in which he found so many thousand dollars due, and they allowed that sum.

Now, something has been said about a lack of diligence on the part of the claimant. The claim has been before Congress for years and years, and Hon. Mr. FRYE, then a member of this House, made a report in 1872 against the allowance of this claim, to which I call the attention of the committee. I read the concluding part of it. He says:

That his claim for compensation for extras having been adjudicated by a court of competent jurisdiction, and no appeal having been entered within the time allowed therefor by law—

This decision on that branch of his case is *final*. There was the judgment of the House of Representatives against it, and the committee of the Senate came to the same conclusion exactly and made a similar report.

That was in 1872, and if this error was to be corrected it ought to have been corrected in 1872, when the members of the court who decided the case were still on the bench and knew whether they had made a mistake or not in their finding.

I hope the committee will arrive at the conclusion that it is a dangerous precedent to reopen judgments of courts in the manner proposed by this bill, and that it will not be favorably reported by the committee to the House.

Mr. EDEN. I think that this claim having once been adjudicated by the tribunal established by law, for the adjudication of this sort of claims ought not to be reopened, especially after a lapse of ten or twelve years.

The complaint of the gentleman from Tennessee [Mr. BRIGHT] does not apply to this case.

This claimant has had his day in court. His claim was fully adjudicated. The claim was for extra work and it was passed upon by the court, and he was allowed the sum of \$34,225.14 for extra work, and I would rather take the judgment of the chief-justice of the Court of Claims when he was sitting as a judge in his judicial capacity. I would rather take that judgment than the judgment he gave long after he went off the bench, and I believe the statement was made by a former chief-justice in 1875, on which this report is based.

I agree with my colleague from Illinois, [Mr. HENDERSON.] I think there is not sufficient testimony to show that this claim has not been fully and fairly adjudicated, and if we are going to reopen cases which have been decided before the Court of Claims because a suitor concludes that he did not recover as much as he would like to have, we can reopen most of the cases that have been before that court, especially after the lapse of twelve or fifteen years.

I think that this party has had a fair opportunity of being heard before the Court of Claims upon the adjudication of his claim. Unless we intend to set the precedent of reopening cases every time a suitor concludes he would like to get more money out of the Treasury, there would be no end to the work. I hope the bill will be defeated.

Mr. BUTLER. I have sought some time to say a word or two about this matter, because, if I understand it, it is a clear case of justice. If I do not understand it, why the bill ought not to pass, so far as I can see, and with the leave of the gentlemen of the committee I will state the exact position of the matter as I understand it.

Albert Grant went before the Court of Claims with a claim for extra work on a public building over and above the contract prices. The Court of Claims heard his case and gave him a sum of money. That sum in his judgment was not sufficient to cover the case.

The judgment was appealed from to the Supreme Court by the Government, and that appeal was pending for more than three months, the time limited by law for Grant to take an appeal. The Government then, being satisfied that it was wrong, withdrew the appeal. That made it impossible for the judgment to be corrected in the Supreme Court, where it would have been corrected if the case had gone to a hearing, or in the Court of Claims from which it had been removed by appeal.

Now, in regard to all this talk about a court in equity settling this matter; allow me to say that there is no jurisdiction in equity of any court in this land that I know of to give the relief asked. Thereupon the claimant, alleging that there was a mistake in computation, came to Congress and asked for the appropriation of a sum of money to correct that mistake, and Congress in this House through my learned colleague on the Committee on the Judiciary, the gentleman from Maine, [Mr. FRYE,] said to the claimant, "This is not your remedy; this stands as the judgment of the court; and as long as it stands as the judgment of a court, Congress will not override it." Thereupon the committee reported against the claim.

Then the claimant comes here and says, "Well, will Congress send this case back to the Court of Claims to ascertain if there is any mistake?" That is the case now before the House. Upon what evidence does the claimant come here and undertake to show probable cause that there has been a mistake? First, he brings the certificate of the chief-justice who tried the cause, who says that upon examining his memoranda made at the time the cause was being heard, he finds that there was a mistake in computation, that he took the wrong paper—a paper not in evidence. The attorney for the United States says that, as he understands it, upon the principle of the decision of the case there was a mistake.

We are now asked to give this complainant the remedy of being allowed to go back to the court and having that mistake corrected if there was one. Various objections are made to that, and I will examine them in reverse order. The last one, made by the gentleman from Illinois, [Mr. EDEN,] is that the Government will lose its evidence from lapse of time. Pardon me, the evidence in the Court of Claims is all taken in writing and is in print. This bill does not give any right to bring in new evidence.

Mr. EDEN. Cannot the claimant take new evidence?

Mr. BUTLER. No; he cannot take any new evidence; there is no new evidence wanted. The evidence is there or it is not there. It is on the record or not on the record. Therefore there is no danger in that regard.

Another objection is that gentlemen do not believe there was a mistake. Now I appeal to every lawyer in this House that a court will issue a rule for a rehearing whenever there is probable cause shown that there may have been a mistake in amounts of its own judgment. Here is probable cause shown by the certificate of the judge.

Mr. HENDERSON. Will the gentleman allow me to ask him one question?

Mr. BUTLER. Yes, three; I have time enough.

Mr. HENDERSON. You say, allow the correction of the judgment of the judges of the court in giving the judgment.

Mr. BUTLER. Pardon me; not a mistake of judgment in the judges giving the judgment; that is not what is asked for. They gave judgment for the extra work, but they wrote "\$34,000" instead of "\$44,000," looking at the wrong paper. That is all there is of it.

Now, I ask anybody if you should go to a court and say to the court you have made a mistake of computation on the principles upon which you gave the judgment, would not the court issue a rule to show cause why there should not be a rehearing?

But it is said this is a late day. Well, has the complainant slept on his right? He came before Congress immediately. The remedy he asked for was a wrong one, and Congress put him aside. He came again and again, and has been before us asking, what is now right, to be allowed to go before the court. He says, "I want to go to the court and ask if there was not a mistake." Now, my friend from Illinois who seems—I speak with great respect—to have been the obstinate juryman on this committee, for all the rest seem to have agreed to the report—

Mr. EDEN. The gentleman is mistaken; I am not on the committee.

Mr. HENDERSON. He refers to me.

Mr. BUTLER. I beg my friend's pardon. He is always the obstinate juryman. [Laughter.] The objection on the part of my friend from Illinois [Mr. HENDERSON] is that the judges are dead and gone, and therefore Grant will have a great deal of difficulty in getting this Court of Claims to find out whether there was a mistake. That is one of his troubles, I will agree; but that is his trouble. Because his task in obtaining justice is to be more difficult than is no reason why we should not give him a chance, and give him all the chances he has.

Some of us have within five days attended the funeral of that good man and great judge of the Court of Claims, Chief-Justice Casey, who gave the certificate that there was a mistake. That is one of the great wrongs which delay has worked on this claimant. But that is no reason why we should not send the claim to a court of our own making, asking them to examine the record and see whether they have made a mistake. If they cannot find upon re-examination of the evidence that they have made a mistake, that will be the end of it.

Mr. EDEN. I wish to call the attention of the gentleman from Massachusetts to the fact that this claimant when he first put in his petition claimed only \$37,500.

Mr. BUTLER. Precisely so; but I call the gentleman's attention to the fact that he claimed \$37,500 for one thing, and \$50,000 and more for another thing.

Mr. EDEN. The other was for damages; this is for work.

Mr. BUTLER. I understand that. But a part of these damages was for injury on delayed payment and for the cost of the work over and above what it ought to have cost. A portion of that was ruled out, and a portion came in in the testimony of the architect. But if the mistake is not so large as the claimant thinks, then of course the court will award him so much the less.

Mr. EDEN. The point I desire to make is that the court allowed the claimant \$34,000 in round numbers for extra work; and this report shows that his first claim for extra work was only \$37,000 in round numbers. This, I take it, is a pretty strong argument to show that the court did not make any mistake at all.

Mr. BUTLER. I can answer that suggestion very easily. Mr. Grant put in his claim in two forms; it was partly for extra work and partly for what he called damages. A portion of what he called damages was in fact extra work.

Mr. EDEN. And he claims now that he did not get enough for extra work.

Mr. BUTLER. Yes, sir.

Mr. EDEN. But he was allowed \$34,000 for extra work.

Mr. BUTLER. I find I do not make myself clear to my friend from Illinois, and I am afraid I do not to others. This man has done certain work extra to his contract. The claim for that he puts before the court, partly as extra work and partly in the nature of damages. The court tell him that under the law they cannot admit any claim for damages, but they will admit all proper claims for extra work. Thereupon they find on examination that a part of the claim which he had put in as damages ought to have been classed as extra work. Therefore, the contract requiring that he should have written evidence for his extra work, the change is made.

Mr. EDEN. Where does the gentleman find any statement that the court corrected the account in that way, by deciding that a portion of the amount claimed as damages ought to have been claimed for extra work? I do not find that in the report.

Mr. BUTLER. I do not suppose that all the learning in the world is embraced in that report, although it is a very good report. But I can easily see where the deduction made by my friend misleads him.

Mr. EDEN. I understand the gentleman from Massachusetts to state as a matter of fact that the court did what he states, and I am simply inquiring for the evidence upon which he founds his statement.

Mr. BUTLER. If the gentleman will read the record and examine the claims as put in, he will see that a portion of the claim for damages ought to have been put in as a claim for extra work. But that is not the point. If there was any mistake in this judgment upon the principles adopted by the court in its decision, (for nobody asks that those principles shall be overturned,) we propose that the error be corrected. If there was no mistake, then of course the court will find nothing to correct. The Government having misled a man by its own acts into not appealing where he could have had the thing

corrected, we propose simply to give the man an opportunity to go back to the court under all these difficulties and have a rehearing, not upon the principles of the decision, but on a matter of computation appearing upon the record.

The CHAIRMAN. The question is upon the amendment reported by the committee, which will be read.

The Clerk read as follows:

Provided, That judgment shall not be rendered in said case for over the sum of \$14,000, and for no sum whatever except for extra work and materials furnished.

Mr. BUTLER. There is no objection to that amendment.

The amendment was agreed to.

Mr. WHITTHORNE. In order to meet the argument made by the gentleman from Massachusetts, [Mr. BUTLER,] I desire to submit an amendment to the bill. I move to amend by striking out, in lines 3 and 4, the words "reopen and readjudicate" and inserting the word "review"; by striking out, in the sixth line, the words "proofs heretofore" and inserting the word "record"; by striking out, in the seventh line, the word "readjudication" and inserting the word "review".

The CHAIRMAN. The gentleman will submit his amendment in writing.

Mr. BUTLER. I think there will be no objection to that amendment if the gentleman makes it read "record and proof."

Mr. BRIGHT. I wish to make an inquiry as to the meaning of the gentleman from Tennessee in offering his amendment. I understand there are proceedings in review and there are proceedings for readjudication. Perhaps they are convertible terms. If he means they are and the court shall have power to render additional judgment if it shall find the judgment should be so rendered, I have no objection to it. If he means simply to review the fact and leave it to the act of review only without objection, I shall object.

Mr. WHITTHORNE. I provide the court shall give judgment for such amount as it intended to enter.

Mr. HENDERSON. I want to say that it seems to me this bill does not intend merely to correct a clerical error in the entering of the judgment or mistake of computation, but goes further, as suggested by the gentleman from Tennessee, and really provides for a new trial.

Mr. BUTLER. The gentleman is trying to correct that in his amendment.

Mr. ROBINSON, of Massachusetts. What is the pending amendment?

The CHAIRMAN. The one offered by the gentleman from Tennessee, which he is preparing, and when prepared it will be reported.

Mr. EDEN. I submit an amendment that all claimants be allowed to have their cases reopened if they shall so desire it.

Mr. BRIGHT. That is not germane, and I object to it.

Mr. EDEN. I do not insist on the amendment.

The CHAIRMAN. The bill will now be read as it is proposed to be amended by the gentleman from Tennessee, [Mr. WHITTHORNE.]

The Clerk read as follows:

That the Court of Claims be, and it is hereby, directed to review the case of Albert Grant and Darius C. Jackson, doing business as A. Grant & Co., on the records submitted to the said court in said cause; and if said court in such review shall find from such records the court gave judgment for a different sum than that intended, &c.

Mr. BUTLER. I ask my friend from Tennessee to insert after the word "records" the words "and proofs therein."

Mr. WHITTHORNE. Proofs already therein?

Mr. BUTLER. Yes, sir.

Mr. WHITTHORNE. I accept that amendment.

The amendment was adopted.

Mr. ROBINSON, of Massachusetts. I move to strike out the word "the" in the eleventh line of the bill and insert the word "such."

The CHAIRMAN. That has been remedied in one of the other amendments.

The bill, as amended, was again read.

Mr. ROBINSON, of Massachusetts. It is quite impossible for me to get the exact language of the bill as read, but it seems to me this House does not wish to pass a bill leaving open the whole question of the intention of the court. As I understand my colleague from Massachusetts his purpose is to confine the review to the evidence now on file. This bill, as read, says the court shall correct the error and make the sum correspond with the intention of the court.

Mr. BUTLER. Upon proofs.

Mr. ROBINSON, of Massachusetts. It is not confined to proofs on file. My purpose in the amendment changing the word "the" to "such" is to hold down the correction to the proofs now in the case. If we leave it so the whole ground may be gone over and you may go into the intention of the court this party Grant may come in and produce this letter of Judge Casey to show what was the intention of the court, a letter written long after the judge had retired from the bench. I think the bill should be more carefully guarded in that respect.

Mr. BUTLER. There is no objection to the gentleman's amendment.

Mr. ROBINSON, of Massachusetts. It is to strike out all the words which go to the intention of the court. I cannot tell what they are now, the bill has been so much changed.

Mr. EDEN. I move that the bill be laid aside to be reported to the House with the recommendation that it be laid upon the table.

The committee divided; and there were—ayes 51, noes, 28. Mr. BRIGHT demanded tellers.

Tellers were ordered; and Mr. BUTLER and Mr. EDEN were appointed.

Mr. BUTLER. I desire to have the bill re-read, so that if it is open to objection on the ground stated by my colleague it may be corrected.

The Clerk read as follows:

That the Court of Claims be, and is hereby, directed to reopen and review the case of Albert Grant and Darins C. Jackson, doing business as Grant & Co., on the record and proofs already submitted to the said court in said cause; and if said court in such readjudication shall find from such record and proofs that the court gave judgment for a different sum than the court intended to enter, it then shall correct such error and adjudge to the said Albert Grant such sum as the proofs shall justify.

The committee again divided; and the tellers reported—ayes 62, noes 40.

Mr. BUTLER. How was that for a quorum?

The CHAIRMAN. It is not a quorum. Is further count demanded?

Mr. BUTLER. Certainly.

The CHAIRMAN. The Clerk will read the rule.

The Clerk read as follows:

RULE 106. Whenever the Committee of the Whole on the state of the Union, or the Committee of the Whole House, finds itself without a quorum, the chairman shall cause the roll of the House to be called, and thereupon the committee shall rise and the Chairman shall report the names of the absentees to the House, which shall be entered on the Journal.

Mr. BRIGHT. The count has not yet been completed.

The tellers reported—ayes 89, noes 63.

So the motion was agreed to; and the bill was laid aside to be reported to the House with the recommendation that it be laid on the table.

JAMES P. THOMPSON.

The next business on the Private Calendar was the bill (H. R. No. 407) granting a pension to James P. Thompson, of McMinnville, Tennessee; reported adversely from the Committee on Revolutionary Pensions by Mr. GARDNER.

The bill was laid aside to be reported to the House with a recommendation that it be laid on the table.

HENRY C. WEATHERBY.

The next business on the Private Calendar was the bill (H. R. No. 706) granting a pension to Henry C. Weatherby, a soldier in the war of 1812; reported adversely from the Committee on Revolutionary Pensions by Mr. GARDNER.

The bill was laid aside to be reported to the House with a recommendation that it be laid on the table.

AGNES FAIRLY.

The next business on the Private Calendar was the bill (H. R. No. 11) granting a pension to Agnes Fairly, widow of David Fairly; reported from the Committee on Invalid Pensions by Mr. RICE, of Ohio.

The bill was read. It authorizes and directs the Secretary of the Interior to place upon the pension-roll, subject to the provisions and limitations of the pension-laws, the name of Agnes Fairly, widow of David Fairly, late first lieutenant Seventh United States Cavalry.

The bill was laid aside to be reported favorably to the House.

JOHN B. TUCKER.

The next business on the Private Calendar was the bill (H. R. No. 506) granting a pension to John B. Tucker; reported adversely from the Committee on Invalid Pensions by Mr. RIDDLE.

Mr. TOWNSHEND, of Illinois. Let the bill be read.

The bill, which was read, authorizes and directs the Secretary of the Interior to place upon the pension-roll, subject to the provisions and limitations of the pension-laws, the name of John B. Tucker, a private in Company B, Green River Battalion, Kentucky State Volunteers, to take effect from and after the passage of the act.

Mr. TOWNSHEND, of Illinois. I desire to have the ear of the House for a short time for the purpose of presenting the facts in a claim for pension which in my judgment is just and meritorious. I regret that the Committee on Invalid Pensions have thought proper to report adversely to this bill. But before making the remarks that I propose I will ask the Clerk to read the report in this case.

The Clerk read the report, as follows:

It appears that John B. Tucker was a private in Company B, Green River Battalion, Kentucky Volunteers, and that while firing the national salute at Cloverport, Kentucky, July 4, 1865, under the orders of the commandant of the post at that place, he was, by the accidental discharge of the gun, wounded by the swab passing through both of his hands, tearing them so badly that the surgeon had to amputate them, and he was thereby incapacitated to earn his subsistence by manual labor.

If John B. Tucker had been mustered into the service of the United States he would clearly have been entitled to a pension. His application was rejected by the Commissioner of Pensions because he was not in the service of the United States. The battalion to which John B. Tucker belonged was a State organization, and never was in the service as a part of the United States Army, and for this reason your committee feel constrained to recommend the rejection of the bill. But for this fact a favorable report would have been made.

Mr. TOWNSHEND, of Illinois. I hold in my hand an affidavit of a commissioned officer of the company to which this soldier belonged. He was enlisted in the Green River Battalion of Kentucky Volunteers, in February, 1865. While at Cloverport with his command on the 4th day of July, 1865, acting under orders issued by the United

States commissioned officer commanding that post, he assisted in firing a salute in commemoration of that glorious day. In firing the salute, by the premature discharge of the gun, both his hands were shot off; and in consequence of this sad occurrence both his forearms were amputated. I have seen this maimed soldier since. He is a resident of my district, and I know he has no means on earth for support. He is actually to-day a public charge in the county of Hardin, with six or eight children, destitute of other than public charity as means of support. The ground upon which the Commissioner of Pensions rejected the claim was simply that he had not been actually mustered into the United States service. It was on that ground also that the Committee on Invalid Pensions, as I understand, rejected his claim. I believe that the Commissioner of Pensions and the committee have both discriminated unjustly against this soldier. I find no general law authorizing the grant of pensions that limits them to those that were technically mustered into the service of the United States. In fact, the general law governing the granting of pensions provides that "any person not an enlisted soldier in the Army, serving for the time being as a member of the militia of any State under the orders of an officer of the United States," &c., are entitled to pensions if disabled in an engagement with rebels or Indians. Thus it will be seen that the general law, as we find it in section 4693, contemplates the pensioning of militiamen, or men who were not mustered into the service of the United States. I find further, sir, that the Committee on Invalid Pensions at this session of Congress, nay even within the last month of this session of Congress, have reported a bill recognizing the right to pensions of militiamen or men belonging to the militia of a State.

Mr. RICE, of Ohio. I beg to correct the gentleman. No such bill has been reported.

Mr. RYAN. I would like the gentleman from Illinois to explain the circumstance under which the injury was sustained by this claimant.

Mr. TOWNSHEND, of Illinois. I did so a moment ago and I will restate them. This man was enlisted in the Green River Battalion of Kentucky Volunteers in February, 1865. While at Cloverport in the State of Kentucky, under the command and acting in obedience to the orders of a United States officer, he was assisting in firing a salute on the 4th day of July, 1865, in honor of the day. In firing the salute by the premature discharge of the gun both his hands were shot off and his arms were both amputated, I believe, at or near the elbow. I have here the affidavit of an officer of his company more fully detailing the circumstances under which this occurred.

Mr. RYAN. How was he subject to the command of the United States officer?

Mr. TOWNSHEND, of Illinois. He was enlisted a member of the Kentucky State Volunteers, and he was placed at Cloverport under a command which was aiding and assisting the United States troops in maintaining the Union; and while at that post, in obedience to the order of a United States officer who was commanding there, he sustained this injury.

Mr. RICE, of Ohio. He was not in the service of the United States at all. He was not under the rules and regulations of war.

Mr. TOWNSHEND, of Illinois. I do not consent to this interruption. I assert that he was as much in the service of the United States as those who are contemplated in the instances I have specified in the general law. I have further made the assertion, and I will soon make it good by the proof, that the Committee on Invalid Pensions have reported a bill recognizing the claims of militiamen, of men who have never been mustered into the United States Army or service. Before I present that evidence I will read the facts concerning the injury of this soldier, as sworn to by a commissioned officer of the company to which this man belonged.

Mr. RICE, of Ohio. Was the captain in the service of the United States?

Mr. TOWNSHEND, of Illinois. Let me read the affidavit and then you can judge for yourself. The affidavit is as follows:

STATE OF KENTUCKY.
Crittenden County, ss:

On this 13th day of February, 1878, personally appeared before me, a county-court clerk in and for said county, James B. Parish, who is personally known to me to be the identical person he represents himself to be, and whom I certify to be respectable and entitled to full faith and credit, and who, being duly sworn, says that he is the identical James B. Parish who was a first lieutenant in Company B, Green River Battalion, Kentucky State Volunteers; and he further states that the design of those State troops was both to strengthen the United States Army and to protect the State of Kentucky against the raiding bands of guerrillas who plundered and ravished through Kentucky, and that they were under the command of division and brigade commanders who were United States commissioned officers; that they were in the Third Brigade, in the Second Division, Department of Kentucky; said division was commanded by Brevet Brigadier-General O. H. Murray, whose headquarters was at Bowling Green, Kentucky; that their battalion and company officers were commissioned by Governor Bramlett, of Kentucky. And he further states that John B. Tucker was a private in his said company; that said John B. Tucker was mustered into said service on the 28th day of February, 1865, at Calhoun, Kentucky, for twelve months. And he further states that Major John W. Sweiker, who commanded said battalion, procured by orders a cannon for the purpose of firing the national salute on the 4th day of July, 1865, at Cloverport, Kentucky, and that John B. Tucker was detailed by Major Sweiker to help man the gun, and while firing the gun or cannon, from some cause it became so hot or some fire in the gun, she fired off just as Tucker rammed the cartridge home or to its seat in said gun, blowing the rammer all to pieces and through both of his hands, and throwing him some distance from his position at the gun, powder burning him severely on his breast, face, and arms, and in the fall his wrist-bones were driven through the skin and into the ground, which was very hard at that time; that

said Tucker was given up to his regimental surgeon, who soon summoned a board of surgeons and myself as his commander, who all agreed that the only chance to save him was to amputate both hands, so they did, and trying to save his arms too near to his hands they soon found it necessary to amputate them again, which they did, taking them off further up the arms. Alliant further states that said Tucker was under my command and a member of the company commanded by me as first lieutenant, and that I was duly commissioned by the governor of the State of Kentucky, said commission dated 28th day of February, 1865, and that I and my companions in arms were under the command of United States commissioned officers. That said national salute was ordered to be fired by Colonel Sam Johnson, brigade commander, United States Army, to the best of my recollection, and it was in obedience to said order that said salute was fired whereby the said Tucker was wounded as aforesaid.

JAMES B. PARISH.

Subscribed and sworn to before me by James B. Parish, February 13, 1878.

[SEAL.]
JAMES W. BIGHAM,
Clerk Crittenden County Court.

Mr. HEWITT, of Alabama. Was it the duty of the commanding officer of the United States Army to order this soldier to discharge this duty at that time?

Mr. TOWNSHEND, of Illinois. That is a question which my friend can question if he desires to do so, but I am ready to say there are few if any more patriotic duties which a soldier can be requested or required to discharge on the Fourth of July than to aid in commemorating the birth of our national independence, unless it may be those performed while engaged in battle defending his country. It seems to me it is in the truest sense a lawful and a patriotic duty, for a disobedience of which a soldier deserves punishment when he is ordered, as in this case, to perform. I submit that this soldier at the time when he received his disabilities was acting in the line of his duty as a soldier.

I want now to meet more fully the point made by the committee in this report. They seem to think that no man is entitled to a pension unless he has been actually mustered into the service of the United States. I have asserted, and I now repeat, that they have brought in a bill recognizing the claims of men who were not mustered into the service of the United States. Let me call the attention of the House to bill No. 272, which is known as the Mexican soldiers' pension bill. I will read the first section of it. It is as follows:

Be it enacted, &c. That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension-roll the names of the surviving officers and enlisted men, including militia and volunteers of the military and naval services of the United States, who served sixty days in the war of 1846 and 1847 with Mexico, who served thirty days in the Creek war or disturbances of 1835 and 1836, or in the Florida war with the Seminoles from 1835 to 1842, or the Black Hawk war of 1832, and were honorably discharged, and to such other officers and soldiers and sailors as may have been personally named in any resolution of Congress for any specific service in said wars, although their term of service may have been less than sixty days, and the surviving widows of such officers and enlisted men as were married to such officers or soldiers or sailors prior to the discharge of such officers and enlisted men: *Provided*, That such widows have not remarried.

Now let me put this question to the committee: If it be the purpose to pension the militiamen who were engaged in the wars enumerated in this bill, where is the justice of making a discrimination against soldiers engaged in the late war? You have recognized the fact that when a militiaman is engaged in the service fighting Indians and Mexicans, although he may never have been mustered into the United States Army, he is entitled to a pension. Why may not the same rule be applied to this man? It does seem to me that he has a just claim upon the Government. There can be no question about the disability. Every man looking at him can see that he is totally and permanently disabled from manual labor, and, as I have said, he is a charge upon Hardin County, Illinois, in which he lives.

I will say nothing further now, but will wait until I hear what may be said by members of the committee in answer to my remarks.

Mr. RICE, of Ohio. It is not very often that the members of the Committee on Pensions report a bill adversely that is discussed by the House. My colleague on the committee from Tennessee, [Mr. RIDDLE,] who is now absent on account of sickness, reported adversely on this case. That report is the unanimous report of the committee. This poor, unfortunate man, Mr. John B. Tucker, was never in the service of the United States. After the war had closed, in the year 1865, he was a member of a Kentucky militia company, and on the Fourth of July of that year he, with others, was celebrating that day, and he was one of the炮兵, and by accident his hands were shot off, which necessitated the amputation of his arms above the elbows.

Now the point to be borne in mind is that this poor, unfortunate man was never in the service of the United States. What do you pension men for? Because they have received disabilities and wounds in the service of the United States and in the line of duty. That is the reason. We do not wish to defeat the practice, the purpose, and the policy of the Government of the United States because our sympathies are enlisted in this case. For one, if I could I would help him. If this were a bill introduced to give him a bonus, a gratuity, I would vote for it willingly, cheerfully; but to put this man on the pension-roll who was never in the service for disabilities that he incurred after the war, belonging as he did to a Kentucky militia company, would not be in accordance with the pension laws, and the committee unanimously thought so. Hence the bill was reported adversely. That is all there is in the case.

I wish to say, in regard to the ruling of the committee, that they have applications before them for men who have never been in the military or naval service of the Government, but in the civil service. The committee never reports a bill in their favor. That is the char-

acter of many of the most frequent applications made to the committee. We confine the relief of pension cases to persons who have been in the military or naval service of the United States.

Mr. TOWNSHEND, of Illinois. I desire to ask the gentleman a question. I understand him to assert that this soldier was not in the service.

Mr. RICE, of Ohio. Not in the service of the United States.

Mr. TOWNSHEND, of Illinois. I stated that he was a member of a Kentucky State volunteer company.

Mr. RICE, of Ohio. Very true, but he never did any duty. The point is simply this, and I wish to make it clear—

Mr. TOWNSHEND, of Illinois. Will not the gentleman allow me the courtesy to ask him a question?

Mr. RICE, of Ohio. I will in a moment, but let me make this remark. He was not in the service of the United States or amenable to the rules and regulations of war. Very true he need not have obeyed the order of the officer if he did not wish to do so.

Mr. TOWNSHEND, of Illinois. Allow me a question now. I have asserted that this man was in the militia service, and a bill which your committee has reported recognizes the right of all militiamen to pensions.

Mr. RICE, of Ohio. Who served sixty days in the service of the United States?

Mr. TOWNSHEND, of Illinois. This man had six months.

Mr. FRANKLIN. Mr. Chairman, I am not opposed to pensioning the disabled soldiers of our country. I have uniformly since my entrance upon service in this House voted for such bills when the committee properly in charge thereof have made favorable report. A nation should take care of its defenders. When a meritorious case is presented, when a just appeal is made, we, the representatives of the people, should not hesitate to heed it. Sir, while I have the honor to occupy a seat upon this floor I shall always be willing that the treasure of the Government shall be generously given to aid those who became disabled in the service of their country. In all ages and in all climes where civilization has had its abode the patriot who periled his life in defense of the institutions of his country has been justly rewarded. Not only should the Union soldier in the late war be thus rewarded, but I go further and say that all the brave men who served in our Army during the war with Mexico should be pensioned by the Government. We should not forget them in their declining years. Their claims in this behalf should be recognized. They have petitioned us for years and received no favorable response.

But, Mr. Chairman, their patriotic services will not be rewarded until the time comes when the party now in the minority in this House shall regard all sections of this country with that degree of justice that should be extended toward them. When that time arrives the Mexican war pension bill will become a law. It is an act of justice long delayed. The men who by their valor acquired the almost illimitable region extending from our then western border to the Pacific coast should have been recognized long ago.

I do not believe, however, that the case under consideration presents the proper state of facts to entitle it to our favorable action. I regret that it does not. When the distinguished soldier who is the chairman of the Committee on Pensions reports against allowing an application for a pension, it is time for this House to consider the case very maturely before it acts contrary to his recommendation in the matter. He has been remarkably liberal in such cases. He has shown uniformly that he is a friend of the soldier not only in theory, but in fact; not merely in words, but in action.

This claimant was not in the service of his country when this casualty occurred. The chairman of the committee says he was not. The accident occurred on the 4th day of July, 1865. The war closed in April of that year. Now, if a pension can be allowed this man for an accident which occurred in firing a salute on the 4th of July, 1865, why should it be denied in the case of an accident which may have occurred on the 4th of July, 1875? What state of facts in the one case that could not exist in the other to justify the application?

Something has been said to the effect that this militia organization was aiding the Army of the United States in suppressing guerrilla bands. Guerrilla bands on the 4th day of July, 1865! Sir, I undertake to say that there was not a guerrilla under arms in Kentucky in 1865, and there was no necessity for any such organization as this to suppress guerrilla bands.

The fact that the Committee on Pensions have reported against this bill and that there are no facts showing the case to be within any rule by which we should be guided, seems to me to determine what course should be pursued.

Mr. WRIGHT. I understand that this man was a soldier in the militia. He was mustered into some kind of service. He was performing service.

Mr. TOWNSHEND, of Illinois. That is a fact.

Mr. WRIGHT. Being at a certain place, he is directed by his commanding officer to perform a certain duty. The gentleman from Ohio [Mr. RICE] says it was a matter of his own volition whether he should obey that order or not.

Now, here is an ignorant man, it may be supposed; perhaps with his musket in his hand. He is ordered by an officer to discharge a certain duty, and in the discharge of that duty he loses both of his hands. Now, if this is not a meritorious case for a pension, I cannot see what would be one.

Mr. FRANKLIN. It may be a meritorious case for a gratuity, but not for a pension.

Mr. WRIGHT. I do not care what name you give it; the man was in service.

Mr. RICE, of Ohio. The State of Kentucky might pension this man if it wished to.

Mr. WRIGHT. He was in the line of his duty; it was his duty to obey the order of his superior officer.

Mr. FRANKLIN. I will vote to give him a certain sum of money as a gratuity or as a bonus, but not to pension him.

Mr. TOWNSHEND, of Illinois. I desire to answer the two points made by the gentleman from Ohio, [Mr. RICE.] The first point is one I have already discussed and which was made in the report; it was that because this man was not mustered into the service of the United States he is not entitled to a pension. But he now seems to some extent to abandon that point, and rests his objection mainly upon the ground that the soldier was not wounded while the war was in progress.

Mr. RICE, of Ohio. Oh, no; not that.

Mr. TOWNSHEND, of Illinois. Did I not understand the gentleman to say that he was not entitled to a pension because when this accident occurred the war was over?

Mr. RICE, of Ohio. No; but because he was never in the service of the United States.

Mr. TOWNSHEND, of Illinois. I hold in my hand and have read to the House testimony showing his enlistment in the Kentucky volunteer regiment and his service in aid of the Federal Army under command of a Federal officer, and now I will present additional testimony under the seal of the State of Kentucky, which demonstrates the fact that this man comes within the provisions of the bill which the gentleman from Ohio has brought in here to pension soldiers of the Mexican and Indian wars. This man was a militiaman of the State of Kentucky. I have introduced evidence from his officers to show the further fact that this soldier performed service under the direction of Federal commanders from February, 1865, until the day when he was disabled from all further service.

There is one further point which I wish to make. I must express my surprise that the gentleman from Ohio, [Mr. RICE,] who was a distinguished soldier in the late war, should make an unjust discrimination against militiamen who enlisted in behalf of the Union during the late war. I am in favor of pensioning the soldiers of the Mexican war and the soldiers of the various Indian wars. But I want to place the soldiers who enlisted in the late war, especially so far as this question is concerned, on the same footing with soldiers of the other wars of this country.

As I have already indicated, I hold in my hand here a certificate from the adjutant-general of the State of Kentucky, showing the fact that this man enlisted in February and was discharged in August.

Mr. RICE, of Ohio. The gentleman cannot place me at a disadvantage in regard to my action here in reference to pensioning soldiers. I know that what has dropped from his lips in that regard cannot be so construed by any member of this House or by any one else who knows me. The idea that I am in favor of making a discrimination in regard to soldiers who have served the United States is utterly unfounded.

I would be willing to give this man a bounty or a gratuity, but he never was in the service of the United States; he was never mustered into the service. That is the only point.

Mr. RAINY. Mr. Chairman, the remarks of the gentleman from Illinois [Mr. TOWNSHEND] in regard to this bill are not based upon any existing law. His argument proceeds simply upon the basis of the bill now pending in this House providing for pensions to soldiers of the war with Mexico. The existing law on the subject of pensions provides that a militiaman who has been mustered and enlisted into the service of the United States under an officer of the United States may be pensioned for injuries of any kind received in the line of duty, fighting against the rebels or against Indians. But it does not appear that this applicant was engaged in any such duty. The duty he was performing was voluntary on his own part—patriotic, no doubt; but the law does not provide that we shall pension men for patriotism alone.

Mr. TOWNSHEND, of Illinois. The gentleman will allow me to interrupt him, for I do not think he desires to do this man injustice. I have read an affidavit from the officer of this man's company, showing that he was in the military service of Kentucky, and that when he fired the salute he was acting in obedience of the command of the United States officer commanding that post. It was not a voluntary act on his part.

Mr. RAINY. But, Mr. Chairman, it does not appear that he was either enlisted or mustered into the service of the United States; and while he may have done what the gentleman states, he did not do it within the purview of the law.

Mr. TOWNSHEND, of Illinois. He was mustered into the State service.

Mr. RAINY. He may have been mustered into the State service, but he was not mustered into the service of the United States so as to bring him under the control of a United States officer.

Mr. TOWNSHEND, of Illinois. Why, then, does the gentleman recognize such claims in regard to soldiers of the Mexican war?

Mr. RAINY. In those cases the services were rendered on behalf

of the United States. But this man was not, as I have said, doing any duty within the purview of the existing law.

I do not know whether the affidavit to which the gentleman has referred was in the hands of the member of the committee who had this bill in charge, but I am satisfied that this report, adverse to the granting of a pension, is based upon the existing law; and if the committee have been unable to grant this pension, it is attributable to the fact that they could not go beyond the provisions of the law as it now stands.

This applicant was not in the service of the United States at the time in question. The war had ended. It cannot be shown that he was in the service of the United States, and hence it cannot be proven that he is entitled to any pension. The committee have been very liberal; we have certainly stretched the law to its utmost tension in granting pensions. In rejecting this claim we acted upon what we deemed good and sufficient reasons. As the gentleman who made the report is not in the House at present, I feel it my duty to say that this case appears to be ruled out by a provision of section 4033 of the Revised Statutes, defining the persons entitled as beneficiaries under the pension law, which I ask the Clerk to read.

The Clerk read as follows:

Third. Any person not an enlisted soldier in the Army, serving for the time being as a member of the militia of any State, under orders of an officer of the United States, or who volunteered for the time being to serve with any regularly organized military or naval force of the United States, or who otherwise volunteered and rendered service in any engagement with rebels or Indians, disabled in consequence of wounds or injury received in the line of duty in such temporary service. But no claim of a State militiaman or non-enlisted person, on account of disability from wounds or injury received in battle with rebels or Indians, while temporarily rendering service, shall be valid unless prosecuted to a successful issue prior to the 4th day of July, 1874.

Mr. RAINY. I think that the Committee of the Whole will not hesitate to sustain the report of the Committee on Invalid Pensions.

Mr. TOWNSHEND, of Illinois. In reply to the gentleman from South Carolina [Mr. RAINY] permit me to put this inquiry for the consideration of the House: Suppose that a regiment of Ohio militiamen had been to the front during the late war, and upon the eve of battle—before a United States mustering officer could be conveniently found to muster them into the United States service—had gone into battle in obedience to the command of a United States officer; and suppose that one of these militiamen had been wounded and disabled in that engagement; is there a man upon this floor who would vote against granting to such a soldier a pension? This man's case stands upon identically the same principle. He had enlisted in the militia of Kentucky. He had not been actually mustered into the United States service; but in obedience to the command of a United States military officer (and doubtless this soldier thought that if he disobeyed he would be court-martialed) he was engaged in the performance of a legitimate duty as a soldier when he incurred this disability. Sir, I submit that this claim is a meritorious one and should receive the sanction of Congress.

Mr. RAINY. In reply to the gentleman from Illinois, I will say that if this case had been such a one as he puts by way of illustration, the man would come within the scope and purview of the law, and would be entitled to a pension. But the law does not provide for any such case as is here presented.

Mr. CRITTENDEN. There are, it seems to me, two questions presented in this case: first, was this man in the service of the United States; secondly, after having been mustered into the service of the United States (presuming that he was there) had he been mustered out? It is immaterial in the discussion of this case whether the war had closed or not—

Mr. TOWNSHEND, of Illinois. The gentleman will allow me to mention that by the proclamation of President Johnson the war did not close until August, 1866, more than a year after the date of this occurrence.

Mr. CRITTENDEN. It is immaterial whether the war had closed or not; for, as gentlemen are aware, a great many soldiers were not mustered out for months after the war closed.

The next question is, (presuming, as has been said, that the war closed in April, 1865,) was this man wounded in the line of duty?

But we deny there ever had been a declaration made by the President that the war was closed in 1865. It was decided by the President of the United States in one case that the war was closed in 1865. There were declarations by the President of the United States that war had not closed at that time in some of the insurrectionary States. This man may have been engaged in a Fourth of July celebration, and I ask those of us who were engaged on the side of the Union whether we did not have ample reason for a grand celebration. The gentleman states that the war had closed, but I do not admit it. If it had been closed then at that time we were a united people, a Union indivisible and inseparable. The President declared a state of war still existed in some of the insurrectionary States. If any man was wounded obeying the orders of his officer while performing duty I say there is a high obligation resting upon us to give him a pension. We ought to do it; we owe it to him. It was not for him to determine whether the order was properly given or not; it was his duty to obey the officer, and while so doing he received this wound. I hope this patriotic man will not be denied the pension we owe him.

Mr. HEWITT, of Alabama. I will detain the committee but a moment. The gentleman from Illinois has said that the Committee on

Invalid Pensions have reported a bill in which they propose to pension the militia of a State. The gentleman is altogether mistaken. The committee has never reported such a bill. If he had examined he would have discovered it referred to enlisted men and militia volunteers in the naval and military service, not of a State, but of the United States, altogether a different thing. One was in the military service of the country; one was under the command of the officers of the United States, enlisted and regularly mustered into the service of the United States, and the other was only in the service of Kentucky, in the volunteer service, in the militia of that State. Do you propose to pension every man who happened to be wounded in one of these volunteer companies in the different States? If you do, then it is right to pension this man.

The House divided; and there were—ayes 85, noes 16.

So the bill was laid aside to be reported to the House with the recommendation that it be laid on the table.

JOSEPHINE C. OWEN.

The next business on the Private Calendar was the bill (H. R. No. 1243) for the relief of Josephine C. Owen, postmaster at Randolph, New York.

The bill, which was read, authorizes and directs the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to Josephine C. Owen, postmaster at Randolph, in the State of New York, the sum of \$815, to reimburse her for the loss of postage-stamps and money belonging to said post-office, which were stolen from the vault of the bank in Randolph, where they had been deposited for safe-keeping, without negligence on the part of the said postmaster.

The report was read, as follows:

Mr. DICKEY, from the Committee of Claims, submitted the following report: On the 7th day of May, 1875, and subsequent thereto, Mrs. Josephine C. Owen was postmaster at Randolph, in the State of New York.

She kept the postage-stamps and money on hand, belonging to the office, in the vault of the bank of A. G. Davis, at Randolph, as the most secure place accessible to her for their safe-keeping. On the evening of May 7, 1875, she placed in the vault of said bank a tin box containing all the money and stamps on hand belonging to said post-office.

The money so placed in said vault amounted to..... \$162 00
The postage-stamps to..... 653 00

Making a total of..... 815 00

On the night of May 7, 1875, the said bank was entered by burglars and robbed, and the said money and stamps were stolen and carried away, and no portion of either has been recovered.

Subsequently one of the burglars was captured, tried, and convicted, and sent to the penitentiary.

Mrs. Owen was required to settle with the Post-Office Department for the loss so sustained, and did so out of her own funds.

The testimony shows Mrs. Owen to be a lady of highly respectable character, a widow, dependent upon the salary of her office for the support of herself and children.

It further shows that this loss sustained by her was without carelessness or negligence on her part, and that she exercised prudence and diligence in the proper care of the money and stamps in her custody as postmaster. The committee are therefore of the opinion that she is entitled to relief, and that she ought to be reimbursed; and for that purpose report back to the House the bill No. 1243 with the recommendation that it do pass.

The bill was laid aside to be reported to the House with the recommendation that it do pass.

JAMES D. HOLMAN.

The next business on the Private Calendar was the bill (S. No. 290) for the relief of James D. Holman.

The bill, which was read, directs that out of any moneys in the Treasury not otherwise appropriated there be paid, by the Secretary of the Treasury, to James D. Holman, of Oregon, the sum of \$25,000, in full for the value of his improvements taken by the United States and included within the military reservation at Cape Disappointment, in Washington Territory; this to be in full of all claims for compensation and damages arising out of the appropriation of petitioner's property by the United States.

Mr. WILLIAMS, of Oregon. Mr. Chairman, in this case the report is voluminous and will require a long time in its reading, and I suggest to the gentleman having charge of the bill that he state briefly the facts involved in the case for the judgment of the committee.

Mr. CUMMINGS. The report is quite lengthy, and if it be the wish of the House I will give in substance the facts involved.

Mr. WILLIAMS, of Oregon. I think after a brief explanation from the gentleman from Iowa the committee will allow the bill to be reported with the recommendation that it be passed.

Mr. CUMMINGS. Mr. Chairman, as a member of the Committee of Claims reporting this bill, I will, in accordance with the suggestion of the gentleman from Oregon, in a few words, state the facts of this case. The bill came to us from the Senate, and the House committee have adopted the report of the Senate committee with an addition which I will read:

For the convenience of members of the House the committee submits the following summary of the points in this case:

Before February 26, 1862, James D. Holman was the owner and occupant of the improvements herein mentioned, having possession of the land on which they were situated, under what is known as the donation act.

On February 26, 1862, the President declared a military reservation at Fort Canby, which included the land upon which were Mr. Holman's improvements.

That the Secretary of War, although often requested to, never took steps to ascertain the value of these improvements until 1876.

The claimant was forced by necessity to abandon these improvements, and they have since been destroyed by fire.

The evidence is conclusive that the property thus abandoned was fully worth the \$25,000 named in the bill.

On the 30th of January, 1877, General Howard, commanding the Department of the Columbia, made a full report to the War Department, and this report was again by the Secretary of War referred to the Judge-Advocate-General, who transmitted to the Secretary his favorable judgment. Let me read the report of Hon. G. W. McCrary, Secretary of War, made on April 3, 1877, indorsed on the reports of General Howard and from the Judge-Advocate-General's Office:

WAR DEPARTMENT, April 3, 1877.

In my opinion the Oregon donation act of 1850 contemplated an appraisement of the value of improvements while the same were in existence; and I am therefore unwilling at this late day and so long after the destruction of the property to undertake to ascertain its value and order payment thereof. The claim for some amount is undoubtedly just, and it does not appear that the long delay in its prosecution has been caused by the fault of the claimant, and it will therefore be referred to Congress with a recommendation that action be had looking to its early settlement either by a direct appropriation for its payment or a reference to the Court of Claims for adjudication upon its merits and without regard to the defense of the statute of limitations.

GEO. W. McCRARY.
Secretary of War.

In my judgment there can be no dispute in reference to these facts. This land belonged to Mr. Holman under the Oregon donation act. It was taken possession of by the Government, and it was not earlier settled by no fault of his but because of the delay in the Department. Through its proper officers the War Department has submitted proofs showing the value of the property taken was beyond that named in the bill. The bill met the approval of the Senate Committee and of the Senate itself, and it was unanimously reported by the Committee of Claims to this House. I move it be laid aside to be reported to the House with the recommendation that the bill be passed.

The motion was agreed to; and the bill was laid aside to be reported to the House with the recommendation that it do pass.

MESSAGE FROM THE SENATE.

Here the committee informally rose; and Mr. EDEN having taken the chair as Speaker *pro tempore*, a message from the Senate, by Mr. SYMPSON, one of its clerks, informed the House that the Senate had passed a resolution, in which the concurrence of the House was requested, for printing 1,500 extra copies of the report of Carlile P. Patterson, Superintendent of the Coast and Geodetic Survey, showing the progress made in said survey during the year ending June 30, 1878, for distribution by said Superintendent.

The message further requested the House of Representatives to return to the Senate the bill (H. R. No. 5477) to authorize the issue of certificates of deposit in aid of the refunding of the public debt.

The message further announced that the Senate had passed a bill (S. No. 1763) for the relief of Albert U. Wyman, late Treasurer of the United States; in which the concurrence of the House was requested.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House was requested, the bill (H. R. No. 1008) relating to the Cumberland Road, in the State of Ohio, and to authorize the same to become a free road.

The Committee of the Whole resumed its session.

ASA WEEKS.

The next business on the Private Calendar was the bill (H. R. No. 3122) to compensate Asa Weeks for his labor and expenses in perfecting torpedoes, torpedo machinery, and the art of torpedo warfare for the sole and exclusive benefit of the United States, and for other purposes; reported from the Committee on Naval Affairs by Mr. HARRIS, of Massachusetts.

Mr. HARRIS, of Massachusetts. Since this bill was reported the Committee on Naval Affairs have instructed me to report as a substitute therefor the bill which I now send to the desk.

The CHAIRMAN. The substitute will be read.

The substitute was read, as follows:

A bill to compensate Asa Weeks for his labor and expenses in perfecting torpedoes, torpedo machinery, and the art of torpedo warfare for the sole use and benefit of the United States.

Be it enacted, &c. That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Asa Weeks, as full compensation for his services, labor, and expenses in perfecting torpedoes, torpedo machinery, and the system of torpedo warfare for the sole use and benefit of the United States, the sum of \$40,000, \$20,000 of which shall be paid to him when he shall in writing make assignment to the United States of all his inventions in torpedoes and in machinery for operating, controlling, and exploding torpedoes, or in any way relating to the subject of torpedo warfare, and shall also in writing release the United States from all claim for his services and expenditures and for the past or future use of his said inventions; and the remaining \$20,000 whenever the Secretary of the Navy shall certify in writing that he is satisfied that the locomotive or rocket torpedo, invented and devised by said Asa Weeks, is successful and of value to the United States. And the Secretary of the Navy is hereby directed to cause said locomotive or rocket torpedo to be tested and perfected, in such manner and at such place as he may deem prudent, having regard to the due protection of said invention, and he is hereby authorized to expend therefor not exceeding \$5,000 out of any appropriation for torpedoes: *Provided*, That said Asa Weeks shall, at the request of the Secretary of the Navy, devote his time and labor, for a period not exceeding one year, at such place as said Secretary may direct, in superintending and assisting in the construction of torpedoes and in experiments with and tests of the same, without any further compensation than is herein provided for.

Mr. HARRIS, of Massachusetts. Mr. Chairman, there is in this case a printed report of twelve pages. It contains much matter which has no especial relation to the bill under consideration. It discusses the question, the important question, whether the Government of the

United States ought at this time to take measures to perfect the system of torpedo warfare. I do not, Mr. Chairman, propose to refer at length to that question now. I only ask to be permitted, instead of having this somewhat lengthy report read, to briefly call attention to those facts contained in the report which in the opinion of the Committee on Naval Affairs entitle Mr. Asa Weeks to the proposed compensation and reward from the Government.

During the late war the torpedo both as a weapon of defense and offense accomplished great things, and demonstrated its power and prospective usefulness. It is an American production, and has been mainly developed by American ingenuity. In our great struggle it did service on both sides, and from both sides received much ingenious improvement. But at the close of the war torpedo warfare was known rather as a series of make-shifts and dangerous experiments than a well-understood system of warfare.

Mr. Asa Weeks became interested in this important subject and devoted much time and study in preparing himself to reduce it to a system. Before he invented and adapted the torpedo machinery now made use of on the Alarm, he had devoted himself to the single subject of inventing the means by which vessels constructed for the purpose, with machinery placed under their decks and below the water-line, could safely and rapidly extend out from their bows and sides iron bars bearing upon their ends torpedoes which could be exploded by electricity while still attached to the bar. All inventors before him who had made use of the bar had thought it necessary to throw the torpedoes from the bar before exploding them. His idea was to hold them firmly in a fixed position until the explosion, and thus at all times have the weapon in the control of the operation.

In the month of April, 1867, he had so far perfected his plans and models that he ventured to address a communication to the then Secretary of the Navy, calling attention to his invention and soliciting the favorable consideration of the Department.

Mr. HARTZELL. Will the gentleman from Massachusetts allow me to ask him a question?

Mr. HARRIS, of Massachusetts. With pleasure.

Mr. HARTZELL. Was this gentleman, Mr. Asa Weeks, in the employment of the Government while he was making these experiments?

Mr. HARRIS, of Massachusetts. He was never in the employment of the Government. I was intending to say, and I may as well say it now in answer to the gentleman from Illinois, that all the services he has ever rendered from 1867 to this time have been voluntarily rendered; and that all the inventions and improvements which he has made have been given over to officers of the United States Navy as fast as made, and are now within the knowledge of officers of the United States Navy.

On the 9th day of May, 1867, he received from the Secretary of the Navy the following communication in reply to his letter:

NAVY DEPARTMENT,
Washington, May 4, 1867.

SIR: Your letter of the 22d ultimo, to the President, has been referred by him to this Department.

By direction of the Secretary of the Navy you are informed in reply that if a description or model of your invention is forwarded to this Department, it will be examined with reference to its adaptation to the naval service.

Very respectfully,

WM. FAXON,
Assistant Secretary of the Navy.

ASA WEEKS, Esq.,
Minneapolis, Minnesota.

Mr. Weeks immediately on receiving this reply left his home in Minnesota and came to Washington with his plans and models of torpedoes and torpedo boats and machinery. Having submitted his invention to examination by the Navy Department, a board of naval officers was organized to examine and report upon them. That board made the following report:

ORDNANCE OFFICE, NAVY-YARD,
Washington, D. C., July 1, 1867.

SIR: In compliance with your order of the 25th of June last, we have carefully examined the working models and drawings prepared by Mr. Asa Weeks, and respectfully report as follows:

His designs for controlling and operating a torpedo under water are deserving of consideration, and should the Department consider it expedient to make any experiments with torpedoes, we would recommend that the inventions of Mr. Weeks be tested.

We are, very respectfully, your obedient servants,

GEORGE BROWN,
Commander, U. S. N.
R. D. EVANS,
Lieutenant, U. S. N.
G. R. WILSON,
Master-Machinist. U. S. N.

Rear-Admiral WILLIAM RADFORD,
Commandant.

In January 1869, having in the mean time made important changes and improvements, he prepared new models and plans which he submitted to the Department. A new board was organized for their examination. That board also made a report which is as follows:

ORDNANCE OFFICE, NAVY-YARD,
Washington, D. C.

SIR: In obedience to an order from Admiral Radford we have examined the invention presented by Mr. Asa Weeks for operating, controlling, and exploding torpedoes under water, and are of opinion that the principle involved therein sufficiently justifies its being kept secret, under the exclusive control of the Government.

The mechanical arrangement as represented in the model exhibited by Mr. Weeks

may be much improved, and therefore, if taken by the Government, we would recommend that its mechanical adjustment be perfected and sufficient experiment made, that in the event of a sudden war it might be applied without delay to any steam-vessel.

Very respectfully,

K. R. BREESE,
Commander, U. S. N.
J. D. MARVIN,
Lieutenant-Commander, U. S. N.
G. R. WILSON,
Master-Machinist, U. S. N.

Captain H. A. WISE,
Chief of Bureau of Ordnance.

The Department was not at that time provided with money with which to make the necessary experiments. And Mr. Weeks, in the session of 1869, presented a memorial to Congress upon the subject of his inventions and asking an appropriation to test them. He exhibited his models and plans before the Naval Committee of the House. On the 10th day of March that committee communicated to Mr. Weeks their opinion of the invention, and their conclusions as to his best course of action. Their letter is as follows:

HOUSE OF REPRESENTATIVES,
FORTIETH CONGRESS, UNITED STATES OF AMERICA,
Washington, March 10, 1869.

SIR: The memorial in relation to your "invention for operating and controlling torpedoes under water," referred to the Committee on Naval Affairs, has been carefully considered, the models and drawings have been examined, and the percussion fuse tested by mechanical and scientific experts of unquestionable practical ability. The committee believe your methods for operating and controlling torpedoes are decided improvements upon anything that has come to their knowledge in the line of torpedo-warfare. The improvement in percussion fuse is ingenious, simple, and effective.

They are of opinion your inventions are valuable to the Government. But considering the present condition of the country, they do not deem it prudent to press the matter upon Congress at this time. They would, however, recommend that the invention be kept a secret for the present, and in the mean time the details of the operating and controlling portion of the invention be perfected as much as possible.

F. A. PIKE.
WM. D. KELLEY.
G. TWICHELL.
T. W. FERRY.
H. H. STARKWEATHER.
T. O. STEWART.
CHARLES HAIGHT.
STEVENSON ARCHER.
A. G. STEVENS.

This seems to have been the unanimous recommendation of the Committee on Naval Affairs of this House at that period.

Mr. Weeks obeyed the suggestions of the committee and kept at work constantly modifying and improving his invention and in making such experiments with the torpedo itself as his limited means would allow. Nothing was done by the Government for a considerable period of time, but in the fall of 1869 the Navy Department determined to make trial and test of the invention. The Secretary of the Navy applied to Mr. Weeks for permission to apply his inventions to a small tug-boat, called the Nina. Mr. Weeks granted the request and asked nothing whatever by way of compensation. He was also asked to give his time and attention to the work as it progressed. He did so, and assisted during the whole period of preparation, and made and furnished many plans and drawings without any remuneration whatever, paying all his own personal expenses.

The Nina was completed, and in January, 1870, successful and satisfactory experiment was made with her at Newport, Rhode Island. The Secretary of the Navy, the Committee on Naval Affairs, and other persons interested and officially connected with the Government, witnessed the trial. So well was Congress satisfied with the success so far attained that an appropriation of \$3,000 was made to compensate Mr. Weeks for the expense incurred by him and to encourage him to go on and make further expenditures of time and money in perfecting his system. Up to that time he had received no compensation whatever for his years of labor and study and for money expended, the results of which were all in the hands of the Government, and since that time he has received no pay, although what he had then accomplished is but a small part of all he has done.

So satisfactory was this experiment, and so important in the estimation of Congress had it become to test and develop the system of torpedo warfare and carry it to the highest attainable state of perfection, that in the session of 1871 \$600,000 was appropriated to build and equip two torpedo vessels. One of these vessels was constructed under the especial supervision and direction of Admiral D. D. Porter, and is the vessel known as the Alarm, and is now lying at the navy-yard here in Washington. She is said to be the most formidable torpedo-vessel ever owned by this Government.

After that appropriation was made it was determined to apply Mr. Weeks's plan to one of these vessels. Mr. Weeks was again called upon to devote himself to preparing new and more complete and perfect plans and to advise and assist the men employed in constructing the torpedo machinery. He again placed himself voluntarily at the service of the Government and devoted his entire time to the work until the ship was finished and tested. He was here at the beck and call of the officers in charge of the work during all the time.

The vessel was designed with special reference to the torpedo machinery now on board. She was built at the New York navy-yard. The torpedo machinery was constructed at the navy-yard in this city and in accordance with the plans furnished by Mr. Weeks, modified and improved, however, as the work went on at the suggestion of

Mr. Weeks and of the officers and mechanics charged with the important duty of carrying out the design.

The vessel is of new and novel design, and is a very interesting object and worthy the examination of every member of this House.

Like most new creations she is not without imperfections, but most if not all of them can be remedied even in this vessel, and may be wholly overcome in any hereafter built. She lacks speed, and it would be wisdom in Congress to make the small appropriation of \$45,000 to provide her with more powerful engines, which have been so often asked for. If she is to be considered as an experimental vessel only, she should be put in condition to fully develop all her powers and to expose all her infirmities either of principle or construction. The report contains the following description of the Alarm:

She is perfectly sea-worthy and safe in any weather; has many water-tight compartments, and is so constructed that when put in fighting trim she sinks very low and presents but small surface above the water. She runs backward as fast as forward, and can turn completely round on her center in three and a half minutes. She carries one heavy fifteen-inch gun, protected by thick iron plating in front at her bows, and three torpedo-bars with their operating machinery under her deck and below the water-line. She can thrust from her long ram or prow, extending far out in front of her, under water, one torpedo-bar, and another on each side, all of which are rapidly operated by small steam-engines adapted to the purpose, or by hand. She can run out and draw in her torpedo-bars, one or all, when under full headway, and can discharge all her torpedoes, or either one, and her great gun, by electricity, at the will and touch of her commander. She can fire a torpedo from each bar once in ten minutes, or even less. While it thus appears that the vessel itself is of peculiar and novel construction, and reflects great credit upon her designer, yet substantially her whole value is in her torpedo-machinery, although her gun might under some circumstances render aid in positions where she could not bring her torpedoes into use. She does not, however, possess the speed required in a torpedo-vessel. Such vessel ought to be able to outrun, overtake, and destroy a flying enemy of whatever speed. She would, however, possess some advantages over an ordinary vessel of war when pursued or attacked by an enemy of much greater speed, for by running backwards she could keep her formidable gun always upon the enemy, and when he approached so near as to come over her forward torpedo or within striking distance of either of them she could instantly destroy him.

So far as the inventions of Mr. Weeks are concerned they are an admitted success, and this was the main object sought. For any imperfection in the vessel, her want of armor, or deficiency in propulsive power, Mr. Weeks is not responsible, and they are all defects capable of being remedied in future experience. We here take leave of this part of Mr. Weeks's work, and beg to call attention to his later and perhaps even more valuable inventions, which he has produced since he finished his machinery for torpedo vessels.

I ought to say, in justice to those who designed the vessel, that she was intended to be covered with iron armor, but it was not deemed best to go to that expense until her other qualities should be fully tested. She carries now a large quantity of shot ballast as an equivalent in weight for the armor left off in her construction.

The bill proposes to pay him \$20,000 now and \$20,000 upon certain contingencies at a future time, and I wish to explain why that provision was made in the bill.

When the Alarm had been completed and tested, and had been found to equal if not to exceed the expectations of her designers, and Mr. Weeks had proved himself competent to deal with this difficult subject, he was told by Admiral Porter and other persons interested in the development of the torpedo system that he ought to go on in his work and, if possible, supply other requirements of the service in his line, in the shape of torpedoes to be cast loose upon the water and carried by current or tide against an enemy or to be towed behind a retreating vessel for its defense. It was suggested that he would confer a great benefit if he could produce a torpedo to be used offensively and which could be fired from ship or shore, having great speed, accuracy of aim, and great range. He immediately entered upon the work thus laid out for him, and has spent all his time until this day in accomplishing the task. I presume if I should call him into the presence of this House and interrogate him, I could prove by him that even this morning he has been whittling on some device relating to the torpedo. The first important idea incorporated into his inventions designed to accomplish these purposes is this: that a torpedo need not be carried under water or sent under water in order that it may at the moment of attack explode under water. In other words, that it may move on the surface, meeting the smallest resistance, and yet at the moment of discharge drop to any desired depth and then explode. He has, guided by this principle, devised various machines, which are now in the possession of the Admiral, by which any vessels, either merchant ships or ships of war, could defend themselves when chased and threatened with capture by simply launching them upon the water. They are cheap, portable, safe in handling and transportation, occupy small space, are of light weight and of trifling cost. The moment they should be struck by an enemy the torpedo would drop to the predetermined depth under water and there instantly and with absolute certainty explode. He has also made models for improvements in what is commonly known as the spar torpedo, which is used from the decks of vessels, and in boats for their use. The boat designed by him might be riddled with shot and would still float. It would have to be utterly torn into fragments before it would wholly sink. To this class of torpedo-boats he has applied the same principle of carrying his torpedo above water and only dropping it at the moment of exploding it.

During the last two years he has been seeking to accomplish by simple and inexpensive methods that which Europe is spending millions to accomplish, and to provide the machinery by which this most dreaded engine of destruction may be used offensively and sent with accuracy and speed long distances and exploded on contact beneath the vessel struck by it.

Gentlemen all know that the Whitehead torpedo, upon which vast sums of money have been expended from the treasuries of European nations, is ejected or fired from vessels fitted for the purpose under water, and is so balanced that in its flight it maintains a given depth below the surface, and is so constructed that when it shall strike any object in the line of its movement it will explode. No one need be told that it will require immense power to force such a projectile at great speed a long distance under water, compared with that which will be required to force the same projectile the same distance and with the same speed on the surface.

The result of his efforts is a cheap, simple, and effective instrument which is called a locomotive torpedo. I do not propose here to give a particular description of it; for, thus far, it has been kept secret, except from the Admiral and certain friendly officers, the Secretary of the Navy and the committees of Congress. The honorable Secretary of the Navy has witnessed some experiments made with it on a small scale, and referred to it as worthy of trial and perfection in his last annual report. This machine is thought to be capable of carrying a torpedo upon the surface of the water at a speed of twenty-five miles an hour, and even more; and it can be directed with accuracy, and when once started on its course it will keep in it, and will reach a long distance, and upon striking the object aimed at it will drop its torpedo to the depth predetermined, and there inevitably explode it. Whatever its value may upon fair trial prove to be, I think all will agree that it is worthy the expense of such trial.

Mr. Weeks has never asked a patent of the United States for any of these inventions. As fast as his work has been accomplished he has placed it within the knowledge of officers of the Navy. He has done nothing more to protect his rights than to file caveats in the Patent Office. In this I think he has been wise, for to patent them would have been to expose them to all the world—to be plundered and copied. He has preferred to render this service to his country and to look to it for such recognition and reward as he might be found to merit in the opinion of Congress after full trial and experiment had with his inventions.

This man has now been at work ten or twelve years since he first brought his designs to the attention of our naval authorities, with no other object or occupation in life than to perfect his system and inventions for the use of this Government alone. I think we shall be doing only simple justice, perhaps hardly that, if we say that for the very valuable service thus far rendered he shall receive the small compensation of \$2,000 per year for the past ten years, which is a modest salary for his time spent, not considering the nature of his labor, and if we promise him that if he shall to the satisfaction of the Secretary of the Navy perfect his locomotive torpedo and satisfy him of its practical utility, he shall be paid \$20,000 more. If the invention shall prove in practice equal to its promise, it would be worth to the country and mankind many times the amount to be paid under this bill. Its value cannot be estimated.

The committee have, however, believed it but just to the Government that he should be required to give his services for another year at such place as the Secretary should deem proper, in assisting the officers and employés of the Government with his advice and experience in thoroughly testing and proving his invention. If, therefore, Congress shall see fit to grant the reward for part services which this bill contemplates, it will also secure his services for one year more, for which he will be entitled to receive no compensation, unless in the opinion of the Secretary he shall demonstrate the practical utility and value of the locomotive torpedo, which, if valuable at all, must be worth vastly more than the sum to be paid. No safer terms for the Government can well be devised.

Mr. Chairman, I have said more upon this subject than perhaps I ought to have said. In closing I cannot fail to remind this House that the Navy of the United States is not now in condition for offensive warfare, and that it cannot be made so without much time and the expenditure of untold millions of dollars. Ay more, it is not in a satisfactory condition for defensive warfare if it is to rely upon its ships and guns alone.

Sir, we ought to put ourselves in a condition to defend our ports and harbors from invasion by any foreign navy. We can contribute greatly to that object if we will make the comparatively small expenditure which may be required to develop the torpedo to its fullest capacity, and to fully perfect the system of torpedo warfare. I leave the subject for the action of the Committee of the Whole.

There being no objection, the bill was laid aside to be reported favorably to the House.

JOHN T. ARMSTRONG.

The next business on the Private Calendar was the bill (H. R. No. 3285) for the relief of John T. Armstrong, of Virginia; reported from the Committee on War Claims by Mr. SHELLEY.

The bill directs the Secretary of the Treasury to pay to John T. Armstrong, of Fairfax County, Virginia, out of any moneys in the Treasury not otherwise appropriated, the sum of \$1,840, in full satisfaction of his claim for rent of wharf in the city of Alexandria, Virginia, during the late war.

Mr. BUTLER. Let the report be read.

The report was read, as follows:

The Committee on War Claims, to whom was referred the bill (H. R. No. 3285) for the relief of John T. Armstrong, of Alexandria, report:

That John T. Armstrong has been a resident of Alexandria, Virginia, for many

years, and adhered to the Government of the United States as a true and loyal citizen during the entire period of the late war, as well as before and since; that at the commencement of the late war said Armstrong was the "leasehold owner" of a certain wharf and appurtenances in the city of Alexandria; that said wharf was taken possession of by officers of the United States Government on or about the 1st day of June, 1863, and was held and used at intervals by the military authorities of the Government for Government purposes for the space of twenty-three months; that it was perhaps entirely necessary at the time that said property should be taken possession of by the Government, but it was well understood by the officers acting on behalf of the Government, as well as said Armstrong, that the latter should be paid a reasonable compensation for the use of the property; that at the time the Government was using said wharf the said Armstrong was paying rent for the same to the owners thereof in fee, and that no compensation whatever has been made to said Armstrong for or on account of said property; that just prior to the occupancy of said wharf by Quartermaster Ferguson, in behalf of the Government of the United States, said Armstrong had expended a considerable sum of money to put the property in repair, and that it was in good repair when taken possession of by the United States officers, and proved of great value to the Quartermaster's Department of the United States Army; that it appears by testimony that said Armstrong notified more than one Government official that he desired possession of his property during its occupancy as aforesaid, and that in lieu thereof he would demand \$100 per month for the use and occupation thereof; that it appears that said property was worth, during the occupancy aforesaid by the Government, from \$80 to \$100 per month; that on account of irregularities of the quartermaster and others who occupied said property, payment was not made to said Armstrong for the same; that the Government authorities occupied said wharf from June 1, 1863, to March 4, 1864, and from June 1, 1864, to March 4, 1865, and from June 1, 1865, to November 1, 1865, making in all a period of twenty-three months, for which said space of twenty-three months your committee think that Mr. Armstrong should be paid at the rate of \$80 per month, making the sum of \$1,840, and report a bill for that amount with the recommendation that it do pass.

Mr. WHITE, of Pennsylvania. Mr. Chairman, it does not appear from the report that this property was taken possession of and used by the Government in pursuance of any contract, although I was informed from some source that there was a contract. This case does not seem to be distinguished in any respect from the claim that was presented here in behalf of the theological seminary at the same place. I do not know anything about the loyalty of Mr. Armstrong. I have no information as to that. No evidence on that point, as I understand, is referred to in the report. I would like very much to know why this claim was not presented before the southern claims commission.

Mr. BUTLER. It could not be.

Mr. WHITE, of Pennsylvania. Why not?

Mr. BUTLER. Because that commission cannot pay claims for rent.

Mr. WHITE, of Pennsylvania. Well, there is a claim here for damage done to the property; a part of the claim is predicated upon such damage.

Mr. SHELLEY. There is no claim for damages to the property.

Mr. WHITE, of Pennsylvania. It is so recited in the report.

Mr. SHELLEY. It is recited that the property was used and damaged; but the claim is only for the rental. The property was taken possession of by United States officers who were authorized to take property and make contracts.

Mr. WHITE, of Pennsylvania. Why, then, was there not a contract made between the quartermaster and the owner of the property?

Mr. SHELLEY. There is no evidence that the quartermaster waited for a contract to be made. He took possession of the property without stopping to contract for it.

Mr. WHITE, of Pennsylvania. Well, Mr. Chairman, I am opposed to the claim. This is the year 1879; this property seems to have been used by the United States Government in 1862 and 1863. The Departments have ever since been open and Congress has been in session from time to time so that these parties might have made application for compensation. On the ground that this is a stale claim and that there is no evidence showing the circumstances did not permit the making of a contract before the property was taken, I am opposed to the allowance of the claim at this late day.

Mr. SHELLEY. Mr. Chairman, this claim soon after the war was presented to the Quartermaster-General's Department, and was not paid because that Department had no authority to pay this class of claims. It was not a claim coming within the jurisdiction of the southern claims commission. The property was taken possession of by the Federal officers, and used as stated in the report for the benefit of the Government. Frequently during its occupancy by the Government, Mr. Armstrong, the owner, demanded the return of his property, which was refused.

There is sufficient evidence among the papers to convince even the most skeptical of Mr. Armstrong's loyalty. He is a man advanced in years—perhaps sixty-eight or seventy years of age. He has been all the while an active adherent of the Union. He did everything he could during the war to aid the Federal forces. He sympathized with every movement of the Union armies. He furnished this property for the use of the Government, and while the Government was occupying it he regularly paid his rent to the owner from whom he leased it. He had just repaired it a few days before it was taken possession of by the Federal Government. It was understood, and the evidence indicates, that the Quartermaster's Department intended to pay for the use of the property, but on account of some irregularities of the quartermaster who had immediate supervision of the matter it was not paid for during the war.

Mr. WHITE, of Pennsylvania. What was the evidence of that? Will my friend explain?

Mr. SHELLEY. I refer to the evidence of various officers; I do not remember their names; I have not the papers with me; but the

evidence is sufficient to show that this man has been entirely loyal, and that on account of some irregularities Quartermaster Ferguson failed to pay the amount which he expected to pay at the time. Thus the claim went over until it was barred; and as it did not come within the jurisdiction of the southern claims commission it has been brought here, supported by evidence proving that the claim is a just one and that the claimant is loyal.

Mr. WHITE, of Pennsylvania. I will remark here, if the gentleman will allow me, that I was called upon, as many of us are called upon, by a person who spoke of this claim. I listened to the statement. I was informed by that person that there was a contract antecedent to the taking possession of the property by the United States Government, and furthermore that the Government had actually paid five months' rental for this property. Now I find nothing of that kind stated in the report, a circumstance which raises my suspicion against the validity of the claim.

Mr. SHELLEY. The contract on which rent was paid was prior to the time now in question; settlement upon that contract was made in full. Afterward the property was again taken possession of. There is no evidence among the papers showing that original contract.

Mr. Chairman, this is classed among war claims; but it is as just a claim as any that can be made against the Government. The evidence shows conclusively that the Government had the use of this property. It also shows beyond question that Mr. Armstrong was a loyal man. He lives within the shadow of this Capitol. He was true to the Union cause all the while. He contributed as much in a private way for the relief of Federal soldiers who were sick and wounded as many men in more northern States. I think this is a just claim and should be paid. I do not believe the prejudice surrounding war claims ought to attach to this one. I hope gentlemen will not allow their prejudice to influence them in their action, but looking at the facts of the case will let it stand upon its merits.

Mr. BUTLER. Mr. Chairman, I have sought this opportunity to address a few words to the committee on the subject of war claims. I have taken this opportunity because I believe this claim before us to be as good a claim of its class as could be presented. I am not opposing it on the ground of any laches of the petitioner, or that he was not loyal, or that the United States had not the use of the property, having taken possession of it, but because of its war-power character. It is a claim for rent of property used by the United States Army during the war for warlike purposes in what was enemy territory by proclamation of the President. And I am not going to speak on this matter with any prejudice, for I have none, but simply to put before the House and the country my views upon all such classes of war claims.

And I desire to speak to my friends on the other side of the Hall rather than to my friends on this side.

So long as war claims are presented for damages done by the war, so long the wounds of the war will be kept open, and so long there will be misunderstanding between the several sections of the Union. My friends on the other side desire "by-gones to be by-gones," and we shall forget all about the war as soon as we can. That is desirable on the part of the North, except there is one thing which we never can or will forget and which they will never ask us to forget, the valor and patriotism of the soldiers who fought for the Union in the hour of direst trial. And on the other hand we will never forget the bravery and earnestness and I may say loyalty to their cause of those who fought against us in the cause they espoused. Our land is dotted all over with the graves of our honored soldier dead, for which we claim no rent of the United States although they are so occupied by the misfortunes of war. Chambersburg, many parts of Pennsylvania, suffered damage by the occupation, and rightful occupation as a war measure, by the confederate troops. We occupied rightfully, also, many portions of the belligerent territory, and while occupying them the owners suffered losses. I think those losses should lie where they fell.

If there is any claim for rent for the occupation by the United States troops of this piece of ground, (and I agree with my friend, the chairman of the committee who reported it, it is one of the fairest and best of these claims,) why, then, we ought to pay rent wherever we occupied any portions of territory for military purposes. The next case, or the next but one on our Private Calendar, is for the occupation and encampment of the United States Army on the plantation of a lady who seems to have been meritorious so far as merit can come in. We must on like principle pay for that.

There are but three classes of claims arising out of the war for destroyed, captured, or occupied property which ought in my judgment ever to be brought before this House on either side. I voted for William and Mary College relief bill. I should have voted if I had been present, I think, for the Theological Seminary relief bill, because it was my rule as a commander of the United States forces in the war not to make war upon eleemosynary, educational, or religious institutions. And where it became necessary to occupy their property I always took care, so far as I could, the least possible damage should be done, and generally to remunerate upon the spot. And to the hospitals of the South, to the Hotel Dieu of New Orleans, I gave active support by contributions from my civil fund during the time I was in command. Civilized war never ought to be made on religious, educational, or charitable institutions. I shall always when I have a vote continue to vote for the fair remuneration of what such

institutions in our late war have lost. War should pass them unscathed.

There is another class, and that is the claims on the "cotton fund," which stand on a different ground. That fund was by law expressly set apart for those who had a right to the property which was captured or taken and sold, the proceeds of which compose it. That was done by the law initiating it. The property was declared to be held in trust, and I hold that Congress has no duty toward that fund except to see to it that the owners of such property claimed have a fair hearing before some tribunal to ascertain up to the extent of the fund who are properly and justly entitled to portions of it. And, therefore, I should vote, as I think I have ever voted, to send all that class of claims to the Court of Claims to be adjudicated under a general law, and not to put a statute of limitations upon those claims, because there should be no statute of limitations on trusts except in cases of such gross negligence in prosecution which amounts to fraud.

There is still a third class of claims, the claims of States for war expenditures, which would affect the North much more than the South; I mean the claim of the States to be reimbursed by the General Government for raising and equipping troops and acting in the common defense.

Our revolutionary fathers set us the example, and in the infancy of the Republic took upon themselves all the claims of the States for raising and equipping troops; and so we ought to take upon ourselves, if this war was prosecuted for the safety of the nation, all those claims. All claims for what was done by States against the United States are cut out by constitutional amendments.

With the exception of those three classes of claims, I would suggest to everybody that all others be dropped. Loyal men, I agree, were injured by the war and its operations in the South; so they were in the North. Loyal men made losses in the South; so we did in the North to the amount of untold millions. Loyal men and women in the South suffered hardships and sorrows, and so in the North did the men, ay, and the women, who mourned their first-born dead. It was grievous for both sections; and we ought to be content, now we have come together, with the fact that because of all this we have a country and a Government so great, so beneficent, so powerful, holding the mutual respect of all its citizens one for the other, worth all it cost, even if at so terrible and dread a price.

But that we should have the bad blood stirred, and old memories revived, and old sores opened, and old contentions renewed in this House over this class of claims, for matters which should be so far by-gone on the one side as much as the grave of a soldier on both sides is by-gone forever, I deprecate with every thought of patriotism, every inspiration of judgment, and every hope of my country that throbs within my heart.

Why should these claims be pressed upon the country? Why should gentlemen on the other side press them? It is certainly magnanimous in most cases that they do so, because they have to come in and say, as my friend who reported this bill from the Committee on War Claims says, this petitioner was against us; this man was not on our side; this man was opposed to the prevailing, ay, what seemed at that time to us the almost unanimous sentiment of the people of his vicinity and his State and his section; and you now come here and ask pay for his loss, although he was against you. This claim of loyalty to the Union makes some appeal to our feeling toward men who stood up in the South against their neighbors for us. But for every one—I put it to your judgment and consciences—for every one there who was actually with the North in the war and comes now with his claim before Congress, there are dozens, if not hundreds, that were actually not with us, but who are now able to prove what they call loyalty by proof of conduct largely arising from inaction or cowardice. That is, they did nothing for the South, and therefore they claim now they were loyal to the North. Why, sir, if I believed the evidence by which loyalty is now proved at the South for all these claimants, I would be obliged to ask, where did the armies come from that we met in the field? How were they recruited? How was it that with the conscription necessarily enforced as strong as ever was made by any government on earth, bringing into these armies every able-bodied man, and men that were not able-bodied coming out and volunteering—for I met around Richmond old men tottering with a load of years, with guns on their shoulders, defending what they believed to be right; and I found in Pittsburgh battalions of boys from fourteen to sixteen standing in the trenches—how, that being the condition of affairs in the war, with everybody against us, how does it turn out now that everybody who lost a dollar was for us? What do you of the South care about these men?

Mr. GOODE. We care nothing about them at all.

Mr. BUTLER. What is there to commend their claims for losses over the losses of other loyal men in the North? Were they ever so loyal, they were no more loyal than the mother of seven sons who sent them all to the battle-field, and but two of whom returned, maimed, to her home in the North. And is there anything more precious than the blood of that mother's sons? Does she ask Congress for pay for it? But if she bears her loss uncomplainingly and under no law can make a claim against the United States, is every man whose land was fought upon or who lost a mule, or a pig, or a chicken in the South to come here and put forward his claim for payment? The true men of the South do not do it.

Mr. CRITTENDEN. And will not do it.

Mr. BUTLER. I accept the addition. They neither could nor ought. And I ask if loyal men of the South cannot afford to lose their chickens without being paid for them, when the loyal men and women of the North gave their sons for the country.

Now, under the state of mutual losses to save the nation—and I speak in sober seriousness, not upon the question of paying this sum of \$1,800, but upon the great principle involved, where there is no question to stir our blood or embitter our feeling, but where it can be considered with cool judgment and enlightened conscience—I ask is it not best here to pause and make a precedent and say, this the last disturbing element which brings up bad blood between the sections had better be obliterated and wiped away for ever?

Is it not best for us all, best for the country, best for the North, best for the South, the East, and the West? We of the North will let the green sod grow over the graves of our brothers and sons to cover them with its vernal beauty, if you will let the same green sod grow over the mounds and fortifications and broken soil of the South without asking pay for the occupation of that soil while we were digging trenches and rifle-pits with which to carry on the war. Let the same green grass cover it all, both North and South, and commit all such reminders to the amnesty, the forgetfulness which is the meaning of the Greek word *amnesia*, that forgetfulness which we all desire to reach to be a united country without an unkindly thought of the dead past. When we do that we shall have taken away the last thing that I know of that need remind us of the war; the last question whereon the gentleman who reported this bill can find it necessary to deprecate a feeling of hostility and ask us to lay aside our prejudices.

I am content that the cotton fund, which was gathered for its owners in trust, shall be paid out. I am content that the eleemosynary, educational, and religious institutions shall be put back on their feet by remuneration of their losses by the General Government; for war never ought to have reached them, although it was a necessity in many instances, and we ought to make good that necessity.

The charitable institutions are to take care hereafter of the sick, aged, and decrepit according to the beneficence of their founders; the educational are hereafter to teach the youth of our country, of which they are a part, their duties as patriots; and the religious are to lead the young and the old, each and all, from earth to Heaven. War should not interfere with such duties and objects. I am willing also that the States shall be put upon the same ground that our fathers put them in the war of the Revolution by assuming all their debts for raising and recruiting troops and aiding in the common defense. Besides these let us hear of no claims arising out of the war, except the claims of maimed and disabled soldiers who fought it. Let me also say to you, my friends, that with such action on the part of the people of the South all the wounds of the war may be healed; we can come together as brothers, all sectional differences and bitterness arising out of our late strife will pass away as our children take our places with reverence for our institutions, with love of country, with veneration for its flag as the symbol of its power and glory. And in a time not far distant the magnanimity of the people of the North, coupled with the admiration of the whole country for the steadfastness and valor with which they fought, will cause the Government to take charge of the maimed and disabled soldiers of the southern army, moved because of those great qualities alone which have brought so high renown in all countries to the name of the American soldier, the influence of which shall secure to our country peace forever.

Remembering only all these we may well forget the mistaken teachings and judgment which led them to espouse the cause for which they fought.

But this so desirable a bond between us can never be had until we can wholly obliterate these little matters of irritation from claims for petty losses which never come before us save they bring with them dissensions and bitterness, perpetuating feelings of differences and severance, while they are so insignificant in themselves that properly contemplated they can only be described as a claim after the Revolution was characterized by the great orator of the South, Patrick Henry, when he painted the claim of a litigant, as the cry of "Beef! beef! beef!" heard over the din of battle in which the liberties of the country hung upon the determination of the sword. If we can put aside these claims by unanimity of action we shall not be called upon to waste our time, which ought to be most sedulously devoted to the consideration of the great financial and industrial questions so necessary to be acted upon in the interests of all parts of the country, and the great questions of internal improvements so much needed to be fostered by the Government for the benefit of the South, in which each and every citizen is so much interested. Then, too, our elections, State and national, will not turn upon questions of the dead past, but upon those that concern the present and the immediate future. Can we not all unite in this action so that the questions of the payment of southern or northern claims arising out of the war may pass away forever?

The claim before us has not been paid because there is on the statute-book an inhibition against the payment of rent for the occupation of any belligerent territory by our Armies. May it not be well to let that statute always remain unrepealed in whole or in part? Or, to legislate by general laws that either none or all of such class of claims may be paid? I do not now speak of claims arising out of contract, but only claims arising from acts of war. Where contracts were made

for supplies furnished, the Government is bound by them. Where war caused loss, no government on earth has ever remunerated its citizens.

Mr. CONGER obtained the floor.

Mr. SHELLEY. I believe I am entitled to the floor.

The CHAIRMAN. Had not the gentleman from Alabama yielded the floor?

Mr. SHELLEY. I yielded it temporarily to the gentleman from Massachusetts. I have not yielded it to anybody else.

The CHAIRMAN. The Chair has recognized the gentleman from Michigan, [Mr. CONGER.]

Mr. CONGER. Mr. Chairman, I seek to ascertain before I go on whether the gentleman in charge of this bill or any other gentleman upon the other side of the House or all the gentlemen upon the other side of the House will respond affirmatively to the touching appeal of my friend from Massachusetts [Mr. BUTLER] to withdraw this bill and all bills of this class now and for the future from the consideration of the House and the committee.

No gentleman rises to respond; no gentleman accepts the proposition. We are not informed, we are not assured that this bill will be withdrawn. We are not assured that other bills will not be pressed. I had hoped to hear that assurance from the other side of the House.

Mr. CLYMER. You did not give them the chance.

Mr. CONGER. Now, I am not disposed to dissent from many of the propositions presented by the gentleman from Massachusetts, [Mr. BUTLER,] but I cannot agree with him that the cotton fund, covered by the laws of the United States into the Treasury and made a part of the money belonging to the people of the United States, is held as a fund to repay cotton claims. I do not believe that many men upon this side of the House will allow that the gentleman from Massachusetts has spoken their sentiments upon that subject.

We have lately made a decision in this House by an overwhelming majority of men of both parties that we will not repay the educational, charitable, and religious institutions for the damages which they have sustained during the war. That record has been made up by the votes of men here present in this House of both political parties, and, in my judgment, no decision of this House was ever more fully sanctioned by the American people in all parts of the country than the decision in regard to William and Mary College and to the claim of the Fairfax Seminary.

I dislike, as I have said before, to oppose cases which have apparent fairness upon them. I admit that this case comes very near to a case which we might act upon favorably without violating the previous decision of the House, the law of the land, and the rules of war; but I cannot forget, sir, and none of us can forget, that Alexandria was a hostile city; that it was the headquarters of hostile operations against this metropolis and against the Government. I cannot forget, sir, that in the silent hours of the night the troops of the United States, with muffled drums, silently marched across Long Bridge from this capital in silence and took possession of all Alexandria, with all its streets, with all its buildings, with all its wards and its river-fronts as an act of war by conquest.

Oh, sir, if the principle upon which this bill is based, the principle upon which this money is asked to be paid, is a correct one, then it was the duty of our soldiers, when they marched in the dead of night across Long Bridge, to have been followed, ay, to have been preceded, by wagons loaded with specie, so that when they met the enemy they might ask them what buildings they wanted pay for before they should dare to set the feet of our soldiers within them; to ask the enemy, ready to destroy our troops, how much we must pay them before we dared march across their lands or on their soil; to ask these owners of wharves how much we must pay them before we brought our vessels up to them, carrying troops there to support the few who had gone forward to occupy that very hostile city, Alexandria.

More than that, if this bill be correct in principle, it was the duty of the officers commanding that force to pay rent for every particle of ground we occupied and for every building as fast as it was occupied.

Now, what does this report say of this claim? The best that it can say of it is that there was no contract for rent. The best that can be said of it is that the Government continuously through four years, while it had occupation, refused to pay any rent. The best that can be said of it is that through irregularities of our quartermaster—that is what the report says—through irregularities of our quartermaster the owner of these wharves failed to receive payment for their occupation by our forces.

Sir, there were irregularities of quartermasters; there were irregularities of committees of this House; there were irregularities of Congress and of statutes running all through these transactions that have heretofore prevented millions of dollars of this class of claims from being paid. And the people of the United States demand that these irregularities shall be continued and that Congress itself shall not lay these rules aside.

There was no contract for payment. The Government, when it took possession of Alexandria, had the right to say that no man should come into that city; that no man should go out of that city; that no wharf should receive upon it any goods or merchandise, or anything from which profits could be made; that no vessel should touch at the wharves or the docks during all those four years. It had the right to render all that property utterly and absolutely worthless to its owners; it had the right to destroy that property. Those were rights

under the rules and laws of war. But the Government kept the property, preserved it, used it. And now, years and years after, there comes a demand for the payment of rent for it, with no possible claim that there was any contract for such purpose.

I have advocated, and the laws of the United States enacted by Congress after Congress have established, the right of loyal citizens of the South to be paid for supplies furnished by them for the Army, for bread furnished to our soldiers, for corn and provender furnished for our cavalry and team horses and mules. The Government of the United States through this Congress has continually and repeatedly declared that it will pay for supplies for the soldiers of our Army and for the Army actually furnished by those who were loyal in fact. That is as far as this Government has ever gone. I trust in God that it is as far as any Congress of the United States ever will go.

This claim does not come within that rule in any particular whatever. It has not a contract behind it which places this Government under any obligation whatever to pay. And if gentlemen refuse the touching appeal of my friend from Massachusetts, [Mr. BUTLER,] then let this claim go down with the thousands and tens of thousands of cases of injury, of loss, of damage that occurred during the war, and be forgotten.

I do not wonder that one who may look forward to the support of his brethren in the South in the future, who may look forward to the day when he shall rally around him you gentlemen of the South for support politically, is willing to forget and forgive. For me it is enough that performing what I believe to be a duty here, adhering to the decisions of all the former Congresses since the war, to try as far as I can to hold our legislation within those safe and secure rules which have heretofore been adopted and which the people of the United States have approved heretofore and do still approve.

It is for that reason that I oppose the passage of all these bills for paying southern war claims which are not for supplies to the Army. It is for this reason that I oppose the opening of the door to this or any other class of claims which would be used as precedents for every succeeding claim that might be brought forward.

Mr. SHELLEY. In advocating the payment of this claim I do not wish to be understood as being in favor of the payment of war claims. I wish most heartily that there could be some disposition made of all these claims that would relieve Congress from their consideration. I have no sympathy with them.

There are no confederates here presenting claims against the Government. In the State of Alabama I do not think there are twenty claims, and I certainly would not vote for the payment of a claim originating in Alabama when the claimant could prove his loyalty.

But this claim originated here in sight of the Capitol, in territory that was constantly occupied by the Federal forces from the beginning to the close of the war. It is a claim for property that was held and controlled by a man advanced in years, a conscientious and loyal adherent of the Union cause, a man who has proved his loyalty to the satisfaction of the entire committee. His claim was reported favorably in the Forty-fourth Congress, and was again referred to the committee of the Forty-fifth Congress and has received the unanimous report of that committee in its favor. There is nothing about it that is calculated in any way to engender bad feeling, to revive old wounds, or reopen old sores. I wish that cases of this kind could all be taken out of Congress and referred to some more appropriate tribunal.

But, sir, this claim was referred to the Committee on War Claims, and as a conscientious Representative of the people I was compelled to report in favor of its payment, because I believed from the evidence that the claim was just—not because I have any sympathy with this class of claims. On the contrary, I am rather prejudiced against them. But this claim has all the elements of merit, all the elements of equity. It is just as valid a claim against the Government as any bond now held by any bondholder of the United States. The evidence in support of the claim is ample, and therefore I hope that the bill will be passed.

If any member will suggest some means of relieving Congress from the consideration of this class of claims I will vote for it most heartily. I will vote for any measure that will relieve Congress and the country from the consideration of these claims in this way.

Mr. TIPTON. I would like to ask the gentleman one question. If there is no liability on the part of the General Government after the ordinances of secession for damages because of the ravages of war, then ought this bill to pass?

Mr. SHELLEY. I think it ought.

Mr. AIKEN. Mr. Chairman, before the vote is taken on this bill I would like to say a word in reply to what fell from the lips of the gentleman from Michigan, [Mr. CONGER.] I wish to say to him that had he waited one moment he would have had a reply expressing, I think, the sentiments of at least the southern members on this side of the Hall. The gentleman is always too fast.

Mr. Chairman, speaking now for myself only, I will say that the gentleman from Massachusetts [Mr. BUTLER] uttered my sentiments exactly. I am opposed to all these so-called "southern war claims." For an examination of them I refer the gentleman from Michigan to the RECORD containing a speech made on this floor during last session by the gentleman from Indianapolis, [Mr. HANNA.] An examination of that speech will show that one-tenth of all these claims presented here have come from republicans, and that forty-nine out of four

hundred of the claimants are men living north of Washington City. Yet they are all scheduled under the title of "southern war claims."

Mr. CHAIRMAN, no man who was true to the confederacy, whether he bore arms or not, will ever be found presenting a claim upon this floor against the Government for damages sustained during the war. There is something left within the breast of a confederate that tells him he would at least compromise his honor if he were to come and ask payment for damages done during that conflict, after he had risked not only his property but his life in defense of what he believed to be right and just.

Mr. HANNA. If so, why was it, at the last session, when we proposed to amend the Constitution so as to bar these claims forever, that sixty-one southern Representatives voted against the adoption of that amendment?

Mr. AIKEN. In reply to that I will say the gentleman must remember that every claim presented here as a southern war claim comes upon the *prima facie* evidence that the claimant is a loyal citizen; and, sir, this is no court before which questions of that kind can be tried. If it were, I venture the assertion that evidence could be brought to convince the jury that the claimant was loyal at some time or other to the Confederate States. Hence I am opposed to bringing any southern claim to Congress from the simple fact that we cannot have both sides of the question tested.

I am glad to know that there is liberality enough on the other side of the House to vote for reimbursement to eleemosynary, religious, or educational institutions that were damaged in the South during the war. For one, my independence will not allow me to vote even for them. I think that we should go back to first principles; that we should go to work and rebuild such institutions ourselves. We risked everything of that kind during the war. We have no favors to ask of those who whipped us. We have acknowledged that we were overpowered, and we are willing to come back and do our best for the Union. Sir, I do honestly believe that to-day the Treasury of the Government of the United States would be safer in the hands of the men who defended the confederacy than it is in the hands of the men who now control it. [Laughter on the republican side.] I believe that if the Southern States had been represented here in 1871 and 1872 and 1873 as they are represented to-day, there would be no such cry as that \$100,000,000 had been taken out of the Treasury to pay "southern war claims."

For, sir, judging these claimants by the few whom I have met in my State, a grander set of villains never drew a dollar out of the Treasury than the loyal men to whom money was paid when we were not here to say they should not be paid. Sir, my little State was then represented by men—I do not know where they are now; God knows. They went, I suppose, where they came from, [laughter and applause]—who were never South Carolinians, and yet they sat here and voted for the claims of men who never had a just title to a dollar then in the Treasury. If our States all over the South had been properly represented, not a dollar of that money would have been paid.

As I said in the outset, I have spoken my own sentiments. Whether I am speaking those of any other southern man here I do not know, but I believe they are the sentiments of my entire State. I care not what the prejudices of the people abroad may be for that State because of its rebellious proclivities heretofore, we are to-day strong and united in the defense of this Government. I claim as their representative to be as firm in the defense of this Union and its flag as any man coming from the most loyal State in the Union, I care not whether it be in New England or in the Northwest. We are here to-day, those of us who truly represent that little State, to protect the Treasury, and I say the best way to protect it, so far as these claims are concerned, is to drive every one of them from the Halls of Congress. [Applause.]

Mr. KEIFER. I do not rise at this late hour of the day for the purpose of going generally into the question of war claims. We can hang as many speeches as we choose on that question; and it seems to me each succeeding day this question is up we get some new views. In this we are either taking better or worse ground than we have held to in the past. But let me say, if I understood the gentleman from Massachusetts rightly (and I tried to listen to him carefully) we are to understand his position to be this: that notwithstanding the fact a loyal claimant may come here from the South with a meritorious claim he is not to be paid, and a disloyal claimant is also not to be paid; and that if we will enter into some sort of arrangement of that kind, drawing no distinctions between loyalty and disloyalty on this floor, there may be such a change of sentiment in the North that before a great while the country will be prepared to pension the confederate soldier. If that is the position of the gentleman, and if it is not the gentleman is certainly entitled to correct it now—

Mr. BUTLER. I never require, if my friend will allow me, necessity for the correction of what I have said. I repeat that, whenever the question of the depletion of the Treasury by claims of anybody is put, I think the pity or the humanity of the North will take care of the maimed men of the war; and if you want to know, I say that I see no more reason why a confederate soldier, maimed and crippled in the honest discharge of what he considered to be his duty, should not be pensioned than why a confederate soldier who honestly believed he was doing his duty should be put into a republican Cabinet. [Laughter and applause.]

Mr. KEIFER. I invited the gentleman from Massachusetts, in order that there should be no mistake about his position, to restate

his position; and I was successful in getting him to restate it. We all understand him now. I invited the distinguished gentleman to restate his case, although in the first place it was very well stated. Now, as the gentleman from Massachusetts is in favor of pensioning the confederate soldier, he is therefore, according to his reasoning, taking the anthesis of all he had to say, in favor of putting a confederate into a republican Cabinet.

Mr. BUTLER. I have never said that.

Mr. KEIFER. But that must follow. He is in favor of both, as he puts them exactly on a par; when he is in favor of one, he must be in favor of the other.

Mr. BUTLER. No, sir.

Mr. KEIFER. I should be at least if I were in favor of pensioning the rebel soldier.

Mr. BUTLER. But I have not said so. Will the gentleman allow me?

Mr. KEIFER. Oh, yes; I always try to be polite to the gentleman.

Mr. BUTLER. I have not said I am now in favor of it, nor do I think the country has yet come up to it; but when we have withdrawn all causes of difficulty, so that nobody from the North will object to a confederate soldier being in the Cabinet, then I say humanity will bring—

Mr. KEIFER. The gentleman has already stated his proposition. The gentleman undertakes by fair inference to say the present Administration is only a short step in advance of him; he has not yet come to the time when he is in favor of putting confederates into the Cabinet and pensioning confederate soldiers, but he thinks he will soon reach a point where he will favor both.

Mr. BUTLER. Neither one nor the other now.

Mr. KEIFER. Not yet; but he thinks he is very nearly there; "almost persuaded."

Now, Mr. Chairman, I do not want to misrepresent anybody; I have been one of those upon this floor from the beginning who have insisted steadily, persistently, and, as nearly as I could, consistently, upon making a distinction between loyal and disloyal claimants so far, and so far only, as loyal claimants have come here and presented claims well proved for supplies furnished to the Army and which were used by the Army. All other classes of claims for damages growing out of the general ravages of war, and all other claims of a kindred character we alike strike down, whether presented by the loyal or the disloyal men. But I want to enter my protest again here against the idea of voting money to rebuild, to reconstruct, and to carry on educational institutions where treason has been steadily fostered and where it may yet be fostered in the future. The gentleman from Massachusetts favors the payment of such claims, I believe.

Mr. AIKEN. Will the gentleman allow me to interrupt him?

Mr. KEIFER. I will in a moment. I am opposed to an institution of learning, destroyed by the accidents of war, being rebuilt out of the public Treasury in which the doctrine, the fundamental doctrine, taught in it was against that principle of the Declaration of Independence which held that "all men were created equal," and where also the doctrine was inculcated to all the students of the institution that slavery was a divine institution, and wherein was indorsed and taught the principle which I once before quoted on this floor and found in the constitution of the Confederate States. I refer to the clause prohibiting any law ever being made that would in any way impair the right to hold human beings as slaves. Now I will yield to the gentleman from South Carolina, [Mr. AIKEN.]

Mr. AIKEN. I would ask the gentleman this question: On his reasoning, if he is opposed to giving appropriations or help to institutions which have sent abroad men who favored the rebellion in this Government, how can he conscientiously vote for appropriations to West Point? How can he defend Northern institutions at which Southern men have graduated? Why vote for West Point appropriations when the leading men of the confederate army all graduated there?

Mr. KEIFER. The gentleman has put a very fine question, a very refined one. If it happened in the past that students who came to the North from the South where they had drunk in at the fountain-head and been taught in the cradle the doctrine of State rights, and that slavery was a divine institution, attended a northern institution, then went back to their own people and still in some cases occurred in their early views, the gentleman says my reasoning would have us destroy that institution or never rebuild it if destroyed. My reasoning does not go to any such extent as that. But I do not object to the gentleman asking the question. He refers also to West Point. We hope and expect now that only loyal sentiments, true patriotism, and that this Republic is a nation not a mere league, will be taught at West Point to military cadets, and hence I am willing to vote appropriations to carry it on. Southern men have learned much by the lesson of the war.

I have some other suggestions I desire to make. It has been very common on this floor for those who take great pains always to oppose the payment of the claim of a loyal man to say that there were no loyal men down South during the war. I want to call attention to the fact that the records of the War Department, and I say it to the credit of the Southern States, will show that above seventy thousand white men from the seceded States entered the Union Army. I here give them to you by States. The number of men sent from those

States is as follows: Virginia, 85; North Carolina, 3,575; Georgia, 152; Alabama, 2,471; Florida, 1,286; Mississippi, 681; Louisiana, 5,357; Texas, 2,444; Arkansas, 8,627; and Tennessee, 27,637, making a total of 52,715. In addition to this number about twenty thousand white troops from these States (mostly from Tennessee and Alabama) were enlisted as refugees in organizations not embraced in the foregoing, making a grand total of over seventy thousand white loyalists who stood by the Government in its hour of danger. And even this does not include several thousand whose actual presence swelled the ranks of the Army of the Republic, but whose real numbers cannot be known.

It is to be presumed that some of the loyal men South did not go into the Union Army. I know instances of men from Mississippi, Georgia, and other Southern States, for I have had occasion to examine into their history, who stood out against their States when they seceded, against their friends, their brothers, and fought the doctrine of secession and upheld the flag of the Union to the end, and who were trampled into the dust in every conceivable way during the war. We prohibited them, and rightfully perhaps, from coming here or going to the courts and having their claims adjusted and paid because they do not consist solely of claims for supplies.

But I am not here to go into that question. I have another purpose in view. When gentlemen have suddenly become converted to some new doctrine we are naturally suspicious and cast about for the reason why. I witnessed some of the same gentlemen seated here now, within the last ten days allowing a bill to go through this House by unanimous consent, reported by the gentleman from Illinois, [Mr. EDEN.] the chairman of the Committee on War Claims, appropriating half a million of dollars for just that class of claims that gentlemen are constantly, when a special claim comes up, declaiming against.

Mr. FINLEY. Why did not the gentleman object?

Mr. KEIFER. I did not object because I believed it was right. But gentlemen who want to make cheap capital when they have a special case to deal with, and a loyal man's case is up and not the case of a disloyal man, did not rise to oppose that bill. Their object is to make capital before the country. I did not rise because it has been the policy of the Government to pay these claims, and it was right to pay them. I will state further that within the next two weeks there will be another bill of the same character passed by this House appropriating over \$200,000 for claims mostly from the States of Tennessee and Kentucky of loyal men for supplies furnished the Army during the war, based on claims examined by the Quartermaster's Department and the department of the Commissary of Subsistence, and allowed by the proper accounting officers. It is said we have voted away to this class of claimants \$100,000,000. Well, now, was that right? If it was not, then gentlemen took a long time in learning whether it was right or not. It has been the policy of this Government for many years, if not from the beginning, and it is too late to turn round upon it now.

If we will go back a little further to the time when the war raged, even to the period when the first army crossed into Virginia, from Ohio, led by McClellan, and when we had some gold in the Army chests, we paid loyal and disloyal men alike for the supplies that we took. When the United States was fortunate enough to have money in many of the campaigns, for good reasons and wise purposes, perhaps, loyal and disloyal alike were paid for supplies for the Army.

But when we got through the war, and when we had come to the end of it, we established a principle that cut off all disloyal persons' claims, even for supplies; but we said that we would pay loyal men for supplies, and we have continued to act upon that principle up to the present time. And now let me say, as I conclude, that any loyal man who has not been guilty of some sort of laches in presenting his claim when the Court of Claims had jurisdiction I would still be in favor of paying; all others I would reject. I am not prepared to say that the claim now under consideration should be paid.

It is proposed by the Committee on War Claims to report a bill fixing a limit within which parties must present their claims to the Quartermaster and Commissary departments, or have them forever barred.

I want to say further, in conclusion, that I would not surrender at any time the just claims of loyal men, North or South, in order that by so doing it might have some effect in softening the hearts of the people, as the gentleman from Massachusetts hopes, to the point of pensioning confederate soldiers.

Mr. BRIGHT. I desire to move that the committee rise, but the gentleman from Kentucky [Mr. BLACKBURN] asks me to yield to him, and I will do so on condition that at the close of his remarks he moves that the committee rise.

Mr. BLACKBURN. I will do so. I have no concern in this bill, but I desire to enter a disclaimer. If it be true that the ghost of the recent struggle will not down, and that there is no pabulum upon which certain stalwart patriots can feed except we resuscitate it, I want the gentleman from Ohio to tell me what it is in the shape of a southern claim with which he is accustomed to affright the country has there ever been offered here except it was predicated upon precedent established by his own party? Who is there that has ever asked an American Congress to pay one dollar upon any southern claim that was not to pass into the pocket of one who as condition precedent had proven his own loyalty to you and his disloyalty to us? Who is there here or elsewhere that has ever asked to have a confederate soldier pensioned?

Mr. KEIFER. The gentleman from Massachusetts did so.

Mr. BUTLER. I was there and not here.

Mr. KEIFER. The gentleman from Kentucky will agree with me in that.

Mr. BLACKBURN. We will see how closely we will run together. Who is it that has asked Congress to pension confederate soldiers? Who is it that has ever undertaken to elevate the confederate soldier into the councils of the country as an officer of the Cabinet? It was not the South. It was not the democracy. It was the hybrid administration that has developed this capacity.

Mr. FOSTER. Who is trying to help one of them into the Speakership of this House?

Mr. BLACKBURN. I trust the gentleman from Ohio will exhibit the good taste to do that. [Laughter.]

No, Mr. Chairman, that is not our purpose. These gentlemen may contain their souls in peace. Go on and build up our educational institutions.

The gentleman from Ohio need not be frightened because of the dogmas taught in the South in the days of its prosperity.

In answer to the question of the gentleman from South Carolina I will reply that in the Military Academy at West Point prior to the war the very same objection was made that is brought against this institution.

Point me to a man that has ever shed luster on the American arms, who was not a graduate of that institution before the war broke out, and who was not taught all he knew of the Constitution from Rawle's Commentaries—assuredly the most advanced advocate of the rights of secession ever published in this land. That was the horn-book of our national Military Academy.

But it was not to discuss these matters that I asked the attention of the committee; it was simply in my own right as an humble member and that element in this House that has to-day been dragged into the discussion against its will, and which never thrusts itself upon the attention of the House to call attention to the injustice of these attacks made upon the South.

The South does not ask the paying of pensions to her crippled soldiers. She staked her all upon her convictions, and she lost it when the question was referred to that stern arbitrament of battle, and from then until now, as she never will in the future, has she complained or will she complain. She bears her losses, and she simply protests that it is neither kind, nor generous, nor manly, nor merciful to drag her in here when she is making every effort to restore her shattered fortunes, in order to make her the foot-ball of men who seem to have more at heart the seeking of partisan purposes than the advancement of the common good.

I now renew the motion that the committee rise, in accordance with my promise to the gentleman from Tennessee, [Mr. BRIGHT.]

Mr. REAGAN. I hope the gentleman will yield to me for a few moments.

Mr. BRIGHT. I am willing to yield for a short time to the gentleman from Texas.

Mr. REAGAN. Mr. Chairman, I have never uttered a word upon this floor about this matter, and I simply want to express the surprise I have felt at the line which the discussion has taken every time this question comes up.

Questions come up here in regard to the payment of loyal claimants in the South. They came up before the South was represented by those who represent her here now. They were voted for by republicans and passed by a republican Congress. Yet whenever a claim comes up in the interest of what is called a southern man a debate springs up upon it which it seems to me is prompted by no higher, better, or worthier purpose than a mere partisan advantage which may be gained by arraigning members here from the South before the country as urging southern claims.

Now, I protest against the injustice of such a course, against the want of fairness, the want of candor, the want of justice which it exhibits. The very men who are here charged with advocating southern claims have not, during the whole period since the close of the war until now, presented a claim for such purpose. None of the confederates are presenting claims here. And are we, who happen to have been on that side during the contest, to witness here the passage of bills for the relief of persons who predicate their claims upon loyalty to the Federal Government during the war, to be denounced as urging such measures for a sectional or for a partisan purpose?

I agree with what was said by the gentleman from South Carolina [Mr. AIKEN] a few moments ago. Those in the South at that time embraced but few loyal men, as they are termed. I venture to say that most of those who come here with claims and prove now by *ex parte* statements their loyalty at some time and of their own motion were recognized as ardent confederates. I confess I do not have any faith in the loyalty of that class of men who now seek money from the Federal Treasury because of the loyalty for which I am not able, from my experience and observation, to give them credit.

Hence it is that I would that some means could be adopted either wholly to exclude all such claims from consideration here, or else that some general law should be passed referring them to some tribunal where their merits would be considered and determined upon something besides mere *ex parte* statements.

I desire to say a word to my friends over on this side of the House. It seems to me that if they could have blundered on this subject they

have done so by seeming to allow themselves to be placed in the attitude of advocating claims with which they have no sympathy, and allowing our friends on the other side to denounce them for taking money from the Treasury and giving it to southern men. That is all I desire to say.

Mr. CONGER. I desire to ask the gentleman a question before he takes his seat.

Mr. BRIGHT. I now insist upon the motion that the committee rise.

The motion was agreed to.

The committee accordingly rose; and Mr. EDEN having taken the chair as Speaker *pro tempore*, Mr. MILLS reported that the Committee of the Whole had had under consideration the Private Calendar, and had directed him to report sundry bills to the House with various recommendations.

ENROLLED BILLS SIGNED.

Mr. RAINY, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled a bill of the House of the following title; when the Speaker signed the same:

An act (H. R. No. 376) for the payment to the officers and soldiers of the Mexican war of the three months' extra pay provided for by the act of July 19, 1848.

ORDER OF BUSINESS.

Mr. KELLEY. I move that the House now take a recess until half past seven o'clock.

Mr. PHELPS. I ask the gentleman to yield to me for a moment to submit a resolution of inquiry.

Mr. PATTERSON, of New York. I think we should first finish the business reported from the Committee of the Whole.

Mr. PHELPS. This resolution will take but a minute. I think there will be no objection to it.

Mr. KELLEY. I will yield to the gentleman for that purpose.

BEACON-LIGHT, SAYBROOK BAR, CONNECTICUT.

Mr. PHELPS. I ask consent to present for consideration and adoption at this time the resolution which I send to the Clerk's desk.

The Clerk read as follows:

Resolved, That the Secretary of the Treasury be, and he is hereby, requested to cause the proper examination and inquiry to be made with respect to the necessity and expediency of the erection of a suitable structure for a beacon-light on one of the jetty-walls at Saybrook Bar, in the State of Connecticut, with the probable cost of the same, and to report the information so obtained to this House, with a recommendation of the Treasury Department with respect to the erection of such structure.

There being no objection, the resolution was adopted.

ARREARAGES OF TAXES, ETC., IN THE DISTRICT OF COLUMBIA.

Mr. TOWNSHEND, of Illinois. I ask unanimous consent that Senate bill No. 979, in relation to the payment of arrearages of taxes and assessments in the District of Columbia, be taken from the Speaker's table and referred to the Committee for the District of Columbia, not to be brought back on a motion to reconsider.

There being no objection, the bill was taken from the Speaker's table, read a first and second time, and referred to the Committee for the District of Columbia.

ORDER OF BUSINESS.

Mr. KELLEY. I move that the House now take a recess, in accordance with previous order, until half past seven o'clock this evening.

Mr. HALE. I would inquire what the session of this evening is for?

The SPEAKER *pro tempore*. For debate only, no business whatever to be transacted.

Mr. WILLIAMS, of Oregon. What will become of the bills reported from the Committee of the Whole?

Mr. KELLEY. They will come up to-morrow as unfinished business.

IN MEMORY OF MR. SCHLEICHER.

The SPEAKER *pro tempore*. The Chair desires to state that the addresses in memory of Mr. Schleicher, late a Representative from the State of Texas, which were fixed for to-morrow at two o'clock, will take place on Monday evening at half past seven o'clock.

The motion of Mr. KELLEY was then agreed to; and accordingly (at four o'clock and forty minutes p. m.) the House took a recess until half past seven o'clock p. m.

EVENING SESSION.

The House reassembled at seven o'clock and thirty minutes p. m., and was called to order by Mr. PRIDMORE as Speaker *pro tempore*.

ORDER OF BUSINESS.

The SPEAKER *pro tempore*. The House meets this evening as in Committee of the Whole, for debate only, no business whatever to be transacted.

Mr. FULLER addressed the House. [His remarks will appear in the Appendix.]

MICHIGAN SHIP-CANAL.

Mr. STONE, of Michigan. Mr. Speaker, I wish to submit a few remarks upon the subject of the practicability of a ship-canal across the lower peninsula of Michigan. On the 4th day of March last I

introduced a bill "to provide for a water-route to facilitate transportation between Lake Michigan and Lake Erie."

The bill was referred to and has been duly considered by the Committee on Railways and Canals, and a favorable report has been made thereon to this House, and the bill now stands on the public Calendar awaiting action when reached. The bill provides for an appropriation of the small sum of \$15,000 for a survey of the proposed route. Six thousand five hundred citizens of Michigan have petitioned Congress to authorize this survey. This fact shows that the people of Michigan have a deep interest in this enterprise. And this interest is not confined to the State of Michigan, but the people of the whole Northwest are urging on the project. Flattering letters have been written in behalf of the proposed canal by the governors of the States of Illinois, Wisconsin, Minnesota, Iowa, Nebraska, Kansas, and Missouri, and scores of letters by the most prominent shippers and produce dealers in the grain marts of the West, all urging in the strongest terms the national necessity for this improvement.

Some of the advantages of such a thoroughfare will be appreciated when I state that the distance saved between Chicago and Detroit by this water-route will be five hundred and thirty-five miles, the time in passing forty-five to sixty hours. The length of the proposed canal from Lake Michigan to the Detroit River will be about one hundred and seventy-eight miles. It is claimed by competent persons who have examined the subject and are thoroughly acquainted with the proposed route that there are not one hundred rods of rock excavation on the whole route. The excavations will consist of loam, gravel, and loose sand almost entirely; that the work can be accomplished with steam-dredges, and by this means a cubic yard of earth can be moved as cheaply as three cubic feet were taken out when the Erie and Pennsylvania Canals were made. The entire proposed route is one beautiful plain, with three hundred and thirty-five never-failing lakes, covering over sixty thousand acres of land. There are besides scores of living streams which can be utilized as feeders.

It is proposed to deepen and improve for a considerable distance one of our largest rivers, thus greatly reducing the cost of the construction of this canal. The annual increase of the products of the States tributary to the lakes is millions of dollars; and the annual commerce of the lakes is over \$500,000,000. The annual aggregate of losses on the lakes between Chicago and Detroit is shown by the marine reports to be not less than \$1,500,000, involving an annual loss to the Government, in revenue, of from forty to fifty thousand dollars. Besides all this, hundreds of lives are lost annually. Much of this loss would be by the completion and use of this water-route be avoided, as little or no loss to property or life need occur on the canal. It is estimated from the official reports of the boards of trade of the States already named that a saving of one cent per bushel on the grain alone exported from these seven States would pay a very large interest on the cost of the proposed canal. But countless millions in value of other products would flow through this canal. Fully eight to ten weeks of navigation would be gained, in spring and fall, by this route, over the present lake route. The large amount of extra insurance on vessels and cargoes around the lakes over that of the proposed water route should not be lost sight of in estimating the advantages of this canal.

It is believed that a freight rate of \$1.50 per ton from Chicago to Detroit via canal would be a profitable business, as barges of twelve hundred tons can be used. No railroad can compete in cheapness; and a toll of five cents per ton would in all probability pay the entire cost of the canal and the expenses of operating it in twenty years.

In case of war with Great Britain this canal would, as a national channel of communication, be of vast importance.

We further believe that a part of the products of all nations would flow through this channel. The canal through Illinois to the Mississippi River will ere long be completed, and the cotton, sugar, rice, and other products of the South would find a market in the North and East and thence to Europe by the short route through Canada to the ocean.

The Canadian government is spending \$20,000,000 for a grand ship route to the ocean.

Detroit is seven hundred and six miles nearer to Liverpool by way of the Welland Canal and Quebec than via New York, and there is no reason why the great West should not have the benefit of this great outlet for a portion of her products to the seaboard. The completion of this great water-route will greatly cheapen transportation, facilitate commerce, and do more to build up and encourage the great agricultural interests of the West than any other enterprise that has been proposed in years, and it will give an impetus to business in these great producing States. It will encourage every department of industry, and do much to unite the interests of the East and the West; and the making and completion of this intercommunication will give employment to thousands of destitute men now unemployed, and by it one of the most dangerous points in navigation on this continent will be avoided. In the past twenty-four years it is believed that enough in money and property has been lost on Lakes Michigan and Huron and the Straits of Mackinaw to make five such ship-canals as the one here proposed; and the extra insurance paid in that time would reach the sum of \$400,000. This is not an enterprise of merely local interest; it is of a national character and general in its scope and results. Of the wisdom of this class of internal improvement there can be no doubt. That the General Government possesses, un-

der the Constitution, the power, cannot at this day be well questioned.

It would seem that if, in the whole range of powers, express or implied, embraced within the purview of the Constitution, there was one which, by a uniform line of example stretching through a long series of years, had received the deliberate and solemn sanction of all branches of the Government, that one is the power to make appropriations for objects of this description. The public records show that the policy, in some form or other, has been coeval with the existence of the Government; and the whole nation gives token of the growth and prosperity which have illustrated its exercise. The provisions of the Constitution which have been chiefly relied upon, and to which our public men have often referred, are those which give power to regulate commerce with foreign nations and among the several States, and to provide for the common defense and general welfare.

Such works as the construction of harbors upon our lakes as well as upon the oceans and the improvement of our great rivers and the establishment of water communication where commerce is of a national character, necessarily involves no questions of party difference. They are matters that must interest all parties as they do all classes alike. The moment the principle is admitted that Congress may rightfully appropriate money to promote any of the objects named, their power necessarily extends over the whole subject and has no limit but the sound discretion of the representatives of the people and of the States, and other constitutional provisions as to the mode of its exercise. The former action of the Government is an unequivocal sanction of the power of Congress to regulate commerce by furnishing facilities for its enjoyment. We refer to works of national importance which will essentially facilitate "commerce among the States" and not to improvements purely local.

President Grant, in his annual message of December, 1872, called the attention of Congress to the subject of the necessity for more certain and cheaper transportation of the constantly increasing surplus of western and southern products to the Atlantic sea-board. He said:

The subject is one that will force itself upon the legislative branch of the Government sooner or later, and I suggest, therefore, that immediate steps be taken to gain all available information to insure equable and just legislation.

After mentioning a number of the proposed water-routes, he continues:

That production increases more rapidly than the means of transportation in our own country has been demonstrated by past experience. That the unprecedented growth in population and products of the whole country will require additional facilities and cheaper ones for the more bulky articles of commerce to reach tide-water and a market will be demanded in the near future is equally demonstrable. * * * A project to facilitate commerce by the building of a ship-canal around Niagara Falls on the United States side, which has been agitated for many years, will no doubt be called to your attention at this session.

Looking to the great future growth of the country and the increasing demands of commerce, it might be well while on this subject, not only to have examined and reported upon the various practicable routes for connecting the Mississippi with tide-water on the Atlantic, but the feasibility of an almost continuous land-locked navigation from Maine to the Gulf of Mexico. Such a route along our coast would be of great value at all times, and of inestimable value in case of a foreign war. Nature has provided the greater part of this route, and the obstacles to overcome are easily within the skill of the engineer.

Probably no subject connected with the development of the West has attracted so much attention in the past few years as that of "cheap transportation." Both producers and consumers are deeply interested in this matter. The enterprise here advocated would be a national work; one of much value to the producers of the West and South in giving them cheaper and more rapid transportation for their produce to the seaboard and a market. It will greatly benefit the eastern consumers in giving them cheaper food, and particularly those articles of food which do not find a foreign market and the prices of which, therefore, are not regulated by foreign demand. The advantages of such a work are too obvious for argument.

Such an enterprise in the interest of economical commerce should receive the attention and encouragement of Congress. With such an improvement, costing a reasonable amount of money, the benefits that would accrue to the West, and in fact to the whole country, would be incalculable. Improved commercial facilities, the encouragement and development of agriculture, and the permanent maintenance of a sound currency of uniform standard with the fixed money of commerce will enable us to extend our markets in Europe and other countries and accelerate material prosperity. I append as a part of my remarks the following extracts from a report of a committee on statistics published one year ago by authority of the executive committee Michigan Ship-Canal:

In 1838, thirty-nine years ago, the first mails were carried to Europe by steam. To aggregate the results of that wonderful power since that time is beyond human calculation. The great want of capacity in transportation has been felt and acted upon east of the great lakes. New tracks have been added to the New York Central Railroad. The Erie Canal has been enlarged from forty feet wide and four feet deep to one hundred and seventy feet wide and seven feet deep, a carrying capacity of boats from seventy-six tons to two hundred and forty tons, which at the same time, on account of its superabundance of capacity, has reduced the cost of transportation over that route 50 per cent.

The United States Government has expended large amounts and is being called upon continually to improve our rivers, harbors, and navigable waters inland, and valuable results have been realized from these expenditures. It is believed that much more valuable results may be realized from the judicious expenditure of money in the same direction.

In the progress of the country during the first century of its existence our internal commerce has far outstretched our external commerce. Fifty years ago the lakes and navigable rivers constituted the principal avenues of commerce between

the States. But during the last twenty-five years the railroads and canals have revolutionized all the modes of internal commerce and changed the direction of its movements. It is these internal arteries that enrich and civilize a people.

It would be impossible to give the amount and value of our internal traffic, as a detail of exchange of the commodities would be complex. The relative importance of internal and foreign commerce may be inferred from the following comparative statement:

| | |
|--|----------------|
| Estimated value of shipping employed in our foreign trade (American and foreign) | \$200,000,000 |
| Value of railroads in the United States | 4,600,000,000 |
| Aggregate value of imports and exports (foreign commerce) | 1,121,64,277 |
| Value of transportation on railroads | 18,000,000,000 |

It is estimated, therefore, that the tonnage transported on the various avenues of our internal commerce is more than one hundred times greater than the tonnage of our foreign commerce.

These statements have a bearing on the present subject as they show the wonderful business transactions and required transportation capacity of our country. A few years ago horses and wagons carried all the freight from Buffalo to Albany, at \$100 per ton. To-day the New York Central Railroad alone sends daily sixteen miles of loaded freight cars to New York City for \$2.33 per ton. It is universally conceded by all investigators on the subject that our water lines are the great elevators and regulators of our transportation.

Our inland commerce amounts to 25,000,000 tons annually, and while the average cost of carrying freight by rail is 3 cents per mile and 1 cent by canal, it is only 3 miles by river, 2½ miles by lake, 1½ miles by sea. The average cost is as much for 100 miles by rail as 1,000 miles by river; and the transportation of the 25,000,000 tons of inland commerce for a mile would cost by rail \$750,000; by river, \$85,000; by canal, \$250,000. The lake trade is now annually \$500,000,000 per annum.

Chicago, from a dozen families in 1831, has risen to the vast city of 486,000 inhabitants, exporting and importing (foreign and domestic) through a vessel tonnage of 3,621,344 tons, handling in one year \$370,000,000 in grain and about \$400,000,000 cattle, hogs, meats, lard, lumber, and such heavy articles, and \$520,000,000 dry-goods, groceries, iron, boots and shoes, drugs, books, and the like, furnishing employment to 30,000 people, manufacturing and producing goods to the amount of \$70,000,000 annually. Chicago is the wonderful city that had increased from 4,000 inhabitants in 1837, to 505,000 in 1877; that had 3,000 miles of coast line, where 10,000 miles of railroad converged; that slaughtered 3,000,000 hogs a year, whose clearing-house accounts showed that \$1,000,000,000 passed through its doors within the space of twelve months.

Milwaukee claims to be the largest grain port in the world. Its elevators have a capacity of upwards of 5,000,000 bushels of grain. Her foreign commerce is limited, but her coasting traffic is immense. Trade reports, vessels in and out, 2,872,493 tonnage, with a daily average transaction in grain of 757,000 bushels.

In looking up these statements I have not dared to go back to Colorado, Montana, and their surrounding Territories, whose mountains, plains, and valleys will eternally yield up ponderous millions of dollars to the labor of man. These almost unexplored regions contain mountains of iron and fields of coal estimated equal to the wants of 200,000,000 people for 50,000 years.

I have confined myself mostly to a part of the Central Mississippi Valley, a country of itself larger than all Europe, aside from Russia, and capable of supporting as many millions of inhabitants.

It would be a work of supererogation upon the part of our committee to present any labored argument in favor of water navigation for heavy freights and of its cheapness over railroad tariffs. Such facts are quite familiar to all western producers. Lake and canal navigation is greater this year than last. Water navigation is increasing in popularity year for year for heavy freights. The total arrivals and clearances at Buffalo were 6,843 vessels this year to 4,624 in 1876. The aggregate capacity was 3,543,363 tons to 2,757,986 last year, and 3,259,839 in 1875. Had the activity in lumber, ore, &c., been as great as that in grain the figures would have been much larger and the effect would also have been seen in higher freights. But, as a whole, the showing is a moderately good one.

The following shows the average season lake rate on wheat from Chicago to Buffalo, and the highest freight secured each season in the years named:

| Year. | Average season rate. | Highest rate. | Year. | Average season rate. | Highest rate. |
|-------|----------------------|---------------|-------|----------------------|---------------|
| 1861 | 11.0 | 26.0 | 1870 | 6.2 | 10.0 |
| 1862 | 10.5 | 17.0 | 1871 | 7.8 | 18.0 |
| 1863 | 7.5 | 12.5 | 1872 | 11.1 | 19.0 |
| 1864 | 9.5 | 18.0 | 1873 | 7.8 | 14.0 |
| 1865 | 9.7 | 19.0 | 1874 | 3.9 | 6.0 |
| 1866 | 13.4 | 23.0 | 1875 | 3.5 | 6.5 |
| 1867 | 6.8 | 15.0 | 1876 | 2.9 | 5.0 |
| 1868 | 7.1 | 13.5 | 1877 | 3.7 | 6.0 |
| 1869 | 9.6 | 12.0 | | | |

The average this year, it will be seen, is nearly a cent higher than in 1871, and a trifle better than in 1873; but it is a fraction below that for 1874, and more than two cents below that for 1873.

The time will never again return when rich harvests may be gathered from a twenty-six-cent freight, as in 1861, or even a nineteen-cent rate, as in 1865. Increased capacity of vessels, the more general use of steam, the introduction of the barge system, and the proposed canal, will keep rates more uniform in future. There is every prospect of increased water freights next season, as the products of the western granaries multiply in an astonishing degree year by year, as the statistics gathered by your committee abundantly prove; all of which shows the necessity for the canal and every other outlet for western commerce.

The following table gives railway freights from Chicago, December 17:

| Chicago to— | Fourth class. | Grain. | Flour. | *Boxed meats. |
|-----------------------------|---------------|--------|--------|---------------|
| New York..... | 40 | 40 | 80 | 45 |
| Baltimore..... | 37 | 37 | 74 | 42 |
| Philadelphia..... | 38 | 38 | 76 | 43 |
| Boston and New England..... | 45 | 45 | 90 | 50 |
| Albany..... | 35 | 35 | 70 | 40 |
| Montreal..... | 35 | 35 | 70 | 40 |

*Loose meats five cents per one hundred pounds above boxed.

The average rates on the Erie Canal this season were ten cents and six mills per one hundred pounds of wheat, and nine cents and two mills for corn.

This subject of the cost of transportation is a most important one to western producers, and was most thoroughly investigated by Hon. William F. McAlpine,

while State engineer of New York, who gives us the following figures and comments:

| | Mills per ton per mile. |
|---|----------------------------|
| Ocean, long voyages | 1½ |
| Ocean, short voyages | 2 to 6 |
| Lakes, long voyages | 2 |
| Lakes, short voyages | 3 to 4 |
| Hudson River | 2½ |
| Mississippi and Saint Lawrence | 8 |
| Erie Canal, enlarged | 4 |
| Ordinary canals | 5 |
| Railroads, ordinary grades | 12½ to 13½ |
| | Per cent. greater cost |
| By rail over ocean transportation | 733.3 |
| By rail over great lakes | 525.0 |
| By rail over Mississippi and Saint Lawrence | 316.6 |
| By rail over Hudson | 400.0 |
| By rail over Illinois improvement | 257.1 |
| By rail over Erie Canal, enlarged | 215.0 |
| By rail over ordinary canal | 150.0 |

These are the elements from which any one interested in this subject can compute the practical effects upon the productive industry of the country, and the enlarged area it will give to cultivation, the result of increased avenues of communication between the Mississippi and the seaboard. The producer will have new motives to multiply his crops while to the consumer will be held out the prospect of cheap bread.

Perhaps the greatest argument which can be adduced in favor of the building of the Michigan ship-canal is its saving of five hundred miles in distance for ship-owners over the present roundabout Mackinaw route, attended as it is every season with the loss of millions of dollars of vessel property and western products and the many precious lives which are annually sacrificed on the same route. These disasters are not mere guess-work, but the figures are annually collected by expert statisticians. Captain J. W. Hall, the veteran lake reporter at Detroit, prepared the marine statistics of 1876, which place the number of lake disasters at 639 against 1,056 in 1875. The value of property lost, including hulls and vessels is \$1,173,260, against \$3,794,300 in 1875. The destruction of timber-rafts on the lakes involves a loss of about \$101,000. The greatest loss during any month was in September, when it amounted to \$275,133. The number of disasters this year were 417 less than in 1875. The total number of deaths either on board ship or on shore among seamen were 155, of which 36 were vessel masters. Fourteen were lost by foundered vessels, 97 were drowned, 28 died on shore, 13 were killed accidentally, 2 were murdered, 2 committed suicide, and 1 was found dead. The new tonnage amounts to 7,461 tons, a falling off from 1875 of 11,517 tons. The lost tonnage amounts to 9,990 tons, an excess over the new tonnage of 1,539 tons. Financially the season of 1876 was the worst on record.

Your committee are unable to give the marine disasters of the season of 1877, but suffice it to say they are enormous and will be in due season submitted to Congress. The marine losses for any two years past will more than pay half the cost of the making of the canal.

Little or no great obstacles are to be overcome in the construction of this canal. The supply of water at the summit level is known to be abundant. Unlike the Erie Canal, there will be little or no work for the engineer to do.

POSTAL SAVINGS BANKS.

Mr. WADDELL. Mr. Speaker, on the 28th day of May last, I reported from the Committee on the Post-Office and Post-Roads bill H. R. No. 3989, entitled "A bill to establish a postal savings depository as a branch of the Post-Office Department, and to aid in refunding the interest-bearing indebtedness of the United States." That bill, as well as two others relating to the same subject, was referred to the Committee of the Whole. Neither of the bills has yet been reached for consideration, and neither will be during this session. It is true that the House on Monday last, when called upon by the gentleman from Kansas to suspend the rules and pass a so-called postal savings bill, voted it down; but there has been no discussion of and no vote on the several bills to which I have alluded, and the vote on Monday cannot be taken as any indication of the sense of the House upon them. Expecting them to be reached last session, I prepared the remarks which I am now about to submit. Statistics published since these remarks were prepared might be used to strengthen the positions assumed, but those which I give will be sufficient for their illustration, and I now proceed to lay them before the committee, with the hope that gentlemen will read the provisions of my bill before coming to a conclusion on the subject.

Mr. Speaker, the demand throughout the country for such legislation as is provided in the bill which I have had the honor to report from the Committee on the Post-Office and Post-Roads is very general and very unmistakable. The subject, which has been agitated ever since 1873, has since the introduction of the several bills now before Congress been revived with more zeal and energy than ever. There is hardly a leading newspaper in the country which has not discussed it frequently; it has been the theme of magazine articles, the text for platform lectures, and quite recently has been formally promulgated by a convention of a rising political party as essential to the welfare of the laboring masses of the people. The terrible condition of the old savings-banks and the distress and ruin which have followed to thousands of the most deserving of our citizens have given a powerful impetus to the demand which comes from all quarters for postal savings banks. One of the most significant expressions of this feeling which has been given may be found in the resolutions adopted at a mass-meeting of depositors of the Sixpenny Savings Bank of the city of New York, held on the evening of April 26, 1878, wherein after stating that in six and one-half years twenty-six savings-banks had been declared insolvent in that city alone, whereby 76,834 depositors had suffered a loss of over \$7,120,262 out of a total deposit of \$11,919,728, and after expressing an absolute want of confidence in the savings-bank system as at present administered, the meeting resolved to appoint a committee to memorialize Congress in favor of "a law by which postal savings banks, under the immediate direction of the General Government, may be established

throughout the country, thus affording to all classes of society an opportunity of depositing their money with absolute security, and giving to the poor the same privilege and protection as are now given to the rich holders of Government securities."

I repeat that the demand for this legislation can no longer be ignored. It is recognized as a great necessity of the time in all parts of the country, and petition after petition and memorial after memorial have been presented here asking Congress to grant this great boon to the people. More than once, indeed very frequently, our attention has been called by the press to the fact that precious time was being wasted here either in political maneuvering or in petty legislation when this great measure for the benefit of the people was being smothered, as others of almost equal importance have been; and now for us to continue in the face of such an universal appeal on behalf of this measure to ignore it will be to defy public sentiment while illustrating our own incapacity to legislate for a distressed people.

On the 31st of May, 1877, according to the report of the Comptroller of the Currency, there were in the United States twenty-six savings-banks, with a capital of \$4,870,000 and deposits of \$38,170,000, and six hundred and seventy-six savings-banks without capital, but with deposits aggregating \$843,160,000; or a total of seven hundred and two savings-banks in which the people had deposited \$881,330,000. This statement is not complete, as the Comptroller admits, because of the failure of the savings-banks to make proper returns to State officials; but it is sufficient to show the enormous sums of money which a confiding people have intrusted to these rotten institutions. The result of their recent experience has been to utterly destroy all confidence in them, and consequently the thrifty poor man, woman, or child who desires to lay by a small sum in a safe place at interest, but who is unable to buy a Government bond, cannot find the place he seeks and is driven to the necessity of hiding away his little earnings or expending them. It is not, therefore, to be wondered at that when a proposition is made that the Government itself shall receive these earnings, pledging its faith for their safe-keeping at a low rate of interest and the return of all sums deposited whenever called for, the people should eagerly assent to it.

The idea is a modern one, having originated (in an imperfect form, however) with Mr. Whitbread, member of Parliament, in 1807, having been perfected principally by Mr. Chatwynd of the money-order department of the English post-office, and finally having been carried into execution by an act of Parliament, approved on the 17th of May, 1861. The system has become very successful and popular, and is acknowledged to be the best ever established, although some of the European governments are steadily improving their systems by adopting the main features of the English. I shall not go into a history of these institutions, but will state that the bill reported by me is framed after the model of the English and Canadian systems, as nearly as our circumstances will allow, and is therefore in the judgment of competent critics a more desirable measure than any other before Congress. There are three bills before the House, namely, the bill reported from the Committee on Banking and Currency, known as the Phillips bill, that reported from the Ways and Means Committee known as the Robbins bill, and the bill reported by me from the Committee on the Post-Office and Post-Roads.

I shall content myself with a plain, practical discussion of what appear to me to be the merits and defects of these several measures.

The bill of the Ways and Means Committee is a Treasury scheme for refunding the national debt, in the execution of which it is proposed to use a part of the machinery of the Post-Office Department, namely, the money-order system; but it does not profess to be a postal-savings measure.

The bill of the Banking and Currency Committee, known as the Phillips bill, may justly be termed a bill to establish chaos in the Post-Office and Treasury Departments.

The bill of the Committee on the Post-Office and Post-Roads, reported by me, is the only measure which provides both for refunding the debt and for the establishment of a postal-savings system throughout the country, with provision for carrying the system into execution in all its details, after the model of the English and Canadian systems, which are the best in the world. If the committee will bear with me, I think I can establish the truth of these several assertions.

There is no objection that I can see to the bill of the Ways and Means Committee as a scheme for refunding the debt, excepting the crude method it provides for using the money-order system of the Post-Office Department. In furtherance of that object I consider it an excellent plan. Its title is "A bill to promote the refunding of the national debt and loan of savings to the United States for that purpose." Before proceeding to discuss the features of this bill I will briefly dispose of the other bill, reported from the Committee on Banking and Currency, known as the Phillips bill.

THE PHILLIPS BILL.

This measure I have already characterized as a bill to produce chaos in the Post-Office and Treasury Departments. The only savings feature in this bill is embraced in the following oppressive requirements:

First. The pass-book deposits are limited to a minimum of twenty-five cents and a maximum of \$10.

Second. No interest is allowed on sums less than \$10.

Third. No withdrawal, transfer, or power of attorney is permitted for sums less than \$10.

Fourth. Forced withdrawals are required when the deposits reach

\$10; that is, they must be exchanged for a ten-dollar postal order, which is the same as currency. The bill practically limits each depositor's savings to \$10. Above that amount all that he saves is turned into currency, and can be squandered or lost at any moment.

The ignorant depositor has no protection from fraud, which may be practiced by dishonest postmasters and clerks, except his pass-book. He is entitled to no receipt or evidence from the Department. If the depositor changes his residence before his deposits reach \$10, he cannot fill up his deposit at any other office, but must leave his account and be at the trouble, expense, and risk of sending money by mail and receiving back his pass-book by mail.

If a depositor dies before his account reaches \$10, his widow or children lose the benefit of the deposit and it will inure to the Government. If the bill should become a law it will be of no value to laboring-men, soldiers, sailors, and others who have no fixed abode. What this class of people desire is safety and ease of withdrawal. Depositors should be permitted to withdraw and deposit at any office.

This bill affords no protection to the Government against dishonest postmasters and post-office clerks. A deposit account is kept by the postmaster. If he deals fairly with each depositor who comes for his ten-dollar postal order he may use the money of all the other depositors without detection. Even a daily examination by a special agent would not trouble him unless the agent by accident discovered a depositor whose name was not on the postmaster's books.

For instance, suppose 5,000 troops are quartered at Fort Sully to quell an Indian outbreak; that 2,500 of them deposit on pay-day with the postmaster \$2 each, and do so on three successive pay-days, making a deposit of \$6 each, or an aggregate deposit of \$15,000 in the hands of the postmaster. On the day after the last deposit, they are ordered to the Columbia River, in Oregon, and take their pass-books with them. In the mean time the postmaster has charged himself with and reported to the Department only \$1,000 of deposits received. He is suspected. A special agent is sent out to investigate the matter. He finds the depositors all gone and no record of their names nor any data upon which to base investigation. The postmaster smiles, pockets the other \$14,000, and goes West.

Under this bill no fee is charged for receiving these deposits and no appropriation is made to defray the expenses of transacting the business. The one-half of 1 per cent. authorized in this bill, in accordance with the funding act of 1870, is not more than enough to defray the expenses incurred by the Treasury Department. So much for that feature of the bill touching the pass-book deposits.

Now, in regard to the postal savings money-orders. These orders bear no interest; they may be passed as currency by the first endorser; they are not payable at any specified money-order office; they are drawn on and redeemable in currency at the Treasury or any of its branches or at any money-order office; they are engraved on bank-note paper not payable to any payee. By their nature they must be for \$10 each or multiples of \$10. No more than twenty dollars' worth of them can be issued in one day to any one person. No provision is made for paying the expenses of issuing, redeeming, or exchanging these orders.

As they may go into circulation and are not drawn on a money-order office, and not likely to be presented for redemption, there is nothing to prevent a postmaster, except a daily examination of his account by a special agent, from issuing any amount of these orders and putting them into circulation for his own benefit. There is no sufficient check upon him. If a postmaster chooses to be dishonest the Department cannot know, as it can under the present money-order law, how many and for what amount orders have been issued.

It is true these orders are exchangeable for bonds bearing 3.65 per cent. interest after five days; but such exchange would be impracticable unless the postmasters are authorized to keep a supply on hand. If it is the intention of the bill that postmasters shall keep a supply of these United States bonds on hand and issue them, it would be necessary for such postmasters to give additional security for safe keeping and issuing of the bonds. How many postmasters throughout the country would be able to give such security?

It is provided also that these may be redeemed at any money-order office designated by the Postmaster-General. This would create inextricable confusion.

In the first place, it would require the accumulation of an indefinite amount of funds in the hands of each of these money-order postmasters. Suppose that \$5,000 or \$10,000 of such orders should be presented during any one day or two days, at a remote office. It must be remembered that no provision is made for advices to be sent, as is now the case under the money-order system; so that in the case supposed either the required funds must be allowed to remain in the hands of the postmaster, or the holder of the orders must wait until funds could be remitted at the risk of the Government to the postmaster for their payment.

The ostensible object of this bill, namely, the sale of United States securities, would certainly be retarded if not absolutely defeated, because it would be impracticable to require the holders of these orders who might desire to exchange them for bonds to do so at the office of issue. A person holding many of them issued from different offices would rather put them in circulation as currency than be subject to the trouble and expense of sending them each to the office from which it was issued.

As to the bond feature of this bill from the Banking and Currency Committee a few words only are necessary. It seems to me to be

perhaps its most obnoxious feature. Their issue is not limited; their transfer from hand to hand is not prohibited, and as savings they have no advantage over bank-notes or any other currency. If stolen or destroyed there is no security to the holder, but the loss will be his; and they are infinitely inferior to a postal-savings account on the books of a central depository or an inscribed debt upon the books of the Treasury, upon which loss is impossible. If they are to be kept on hand by postmasters to any amount, as seems to be allowable under the bill, there is no protection to the Government against their illegitimate use.

As to the legal-tender notes provided for in the bill, I do not know that there is any special objection to them, unless it should be on the score of inflation.

And, finally, as to this bill, it contains that feature which caused me to characterize it as a bill to establish chaos in the Treasury and Post-Office Departments, namely, the double-headed management whereby the control is divided between these two Departments. This feature constitutes the main objection which I have to the other bill reported from the Committee of Ways and Means by my colleague, [Mr. ROBBINS,] which I will now proceed to discuss.

THE ROBBINS BILL.

The bill of the Ways and Means Committee does not profess to be a postal-savings scheme, as I have already stated, but is a Treasury scheme for funding the public debt. As such I regard it as an excellent one. The objections which I have to it are as follows:

In the first place, it provides for two kinds of money-orders, one with fees and one without, which is both an expensive and a clumsy arrangement. It requires many and various kinds of accounts, returns, &c. It does not provide for the cost of management; because the fees on withdrawals and the one-half of 1 per cent. provided in section 7 would amount to only about one-half enough to pay expenses, which will be over 2 per cent., adding the cost in the Treasury and the cost in the Post-Office Department together, as I will show in detail hereafter. It does not provide for any pass-book or certificate to be given to depositors as evidence of their deposit in a post-office, and therefore the death or the removal of the depositor would be more apt to cause loss than even under the Phillips bill heretofore discussed.

Another remarkable and objectionable feature of the Ways and Means bill is that the withdrawal of deposits is taxed. No institution that I ever heard of taxes the privilege of withdrawing money from it. The fees on withdrawal orders under this bill will amount to nine-sixteenths of 1 per cent. on the aggregate amount of deposits, or to five-eighths of 1 per cent. on the aggregate amount of the withdrawals. This would certainly be most oppressive.

Another objection is that all sums received from depositors must be remitted to Washington at the cost and risk of the Post-Office Department. A large portion of these sums would be in silver coin.

Another effect of this bill would be to lock up too much money necessary for use among the laboring classes of the country, who could not afford to invest their money in bonds.

Another objection is that it would require a duplication of labor by the use of money-orders. The work could be performed at less than half the expense without using the money-order system at all, and the money-order machinery is not adapted to this business.

Another objection is the provision which permits the Treasurer to compel the depositor having \$1,000 on deposit to invest the same in bonds or to withdraw it and pay withdrawal fees on it. Another objection is that a depositor cannot deposit cash, but only money-orders, and a final and, with me, a fatal objection is the same mixed management of which I have already complained as existing under the Phillips bill.

Treating these objections somewhat in reverse order, I assert that a divided management, such as is proposed in both of the bills upon which I have been commenting, cannot be successful, because it will inevitably produce conflict of authority, misconstruction of the law and regulations, errors of all sorts, insubordination, the expense of double reports, double correspondence, and double accounts, and, in a word, chaos generally.

Every deposit contemplated or provided for in the Ways and Means Committee's bill must be made by means of postal orders, for the issue of which the Post-Office Department is to receive no compensation. If postal money-orders are to be issued free of charge, how is the Post-Office Department to pay the expense of the issue and payment of such orders?

According to the report of the Postmaster-General for the fiscal year ended June 30, 1877, the Post-Office Department issued to its ordinary patrons domestic money-orders amounting to \$72,820,509.70, and paid such orders amounting to \$72,448,156.53; besides this, orders to a large amount were repaid. The Postmaster-General states that the cost of transacting this business was as follows:

| | |
|---|--------------|
| Commission and clerk-hire..... | \$434,536 32 |
| Incidental expenses..... | 22,963 70 |
| Lost remittances..... | 4,523 00 |
| Bad debts..... | 62,415 45 |
| Salaries of superintendent's office..... | 34,099 15 |
| Salaries in the Auditor's Office..... | 103,240 00 |
| Books, blanks, printing, &c. | 33,101 62 |
| Books, blanks, stationery, not above included, estimated. | 4,500 00 |
| Being a total of..... | 699,379 24 |

| | |
|--|--------------|
| Brought over | \$699,379 24 |
| And that the compensation received for transacting this business was as follows: | |
| Fees received on domestic orders issued.... | \$623,748 95 |
| Premiums, &c..... | 661 71 |
| | 624,409 66 |

Showing an absolute net loss of..... 74,969 58
 But there should, of right, be deducted from this loss the sum of \$53,632.87, which occurred (see page 21 of the report) prior to 1872, but was settled by compromise in December, 1876, and thus became chargeable to the expenses of the last fiscal year. So that the loss properly chargeable to that year was \$21,376.71; out of which, after deducting the estimated profits which accrued upon the transactions of the money-order business with foreign countries, \$8,500, there still remained a loss of \$12,876.71; and the total expenses of the system (as above shown, \$699,419.24) after deducting the loss, \$53,632.87, not properly chargeable to that year, were \$645,786.37.

This amount of expenses is eight hundred and eighty-seven thousandths of 1 per cent. on the gross amount of the domestic money-orders issued during the year. Had the money-order system been subjected to the expense of rent, fuel, and lights, (mentioned below,) which will become necessary if this bill becomes a law, the proportionate cost thereof would have increased the expenditures to nineteen-tenths of 1 per cent.

The expenses of the system, exclusive of the \$174,940.77 paid out of appropriations and of the \$53,632.87 above alluded to as not chargeable to last year's business, were \$470,845.60, or six hundred and forty-seven thousandths (§) of 1 per cent. on the gross amount of the domestic orders issued.

If this bill becomes a law and the loan popular, the least that can be expected will be an increase of \$50,000,000 per annum in the amount of money-orders issued, or a gross amount, in round numbers, the ordinary issues to the public included, of \$125,000,000.

This increased business will add to the expenses of the system, as above enumerated, not less than \$440,000. As a part of these expenses it will add to the money-order force in the Auditor's office not less than sixty-five clerks, and twenty-five clerks to that in the office of the superintendent of the money-order system, as well as \$22,000 annually for books, blanks, and printing. To accommodate this increased force will require an additional building for the central offices in Washington, for which an annual outlay, for rent, lights, and fuel of at least \$20,000 will be required. The Post-Office building is already too small for the proper transaction of its increased and ever-increasing business. This expenditure is one to which the money-order system has never, as yet, been subjected. It will probably add sixteen thousandths of 1 per cent. to the cost of management.

About five-sevenths of all the money-order funds received at post-offices are now forwarded from issuing to paying offices through the mails in registered letters. The risk of loss from this source is assumed by the Post-Office Department, and when losses occur which are not traceable to any responsible source they are paid out of the net proceeds of the money-order business. Nearly all new money-order offices which are now being established are at small towns, remote from business centers, from which the transportation of funds by mail is much more uncertain than from the older offices; so that it may be properly asserted that the risk of loss from this source, but for extraordinary vigilance, increases year by year. In case of the passage of this bill the whole of the additional \$50,000,000 above estimated would have to be transmitted to Washington, either directly or through intermediate post-offices, for the payment of money-orders of which the Treasurer of the United States would be the only payee.

The greater part of this money would be received at distant offices in silver coin. In such cases the risk of loss would be greatly increased, and a large expense would necessarily have to be incurred for the manufacture of not less than 20,000 bags in which to remit silver coin. It would be necessary that these bags be made of material and be supplied with fastenings and seals of a superior quality. The money-order funds remitted by mail from July 1, 1871, to June 30, 1877, inclusive, a period of six years, amounted to \$295,509,369.82, and the amount of loss sustained by the Department in transmission was \$19,974.20, being sixty-eight ten-thousandths of 1 per cent. on the whole amount remitted. Should the funds to be transmitted to Washington amount, as estimated, to \$50,000,000 per annum, and the same percentage of loss continue, there would accrue an annual loss of \$3,400 from this source. Must the money-order system sustain this loss? If so, from what fund is it to be paid? From July 1, 1871, to June 20, 1877, inclusive, a period of six years, the amount of money-orders improperly paid upon forged signatures for the loss of which the Department assumed the responsibility was \$1,032.13. It is presumable that like losses will occur in the payment of withdrawal orders. Who is to sustain these losses? The bill does not provide. Who will sustain the losses by bad debts due from insolvent sureties of postmasters and who will decide how much of the lost money was savings funds? This money must be kept separate from the other money-order funds and accounted for separately. Weekly statements, showing orders upon which fees were charged, and others, detailing orders upon which fees were not charged, must be made to the superintendent of the money-order system. Separate returns must be made periodically and very frequently, probably daily reports, to the Secretary of the Treasury.

To avoid disputes in regard to losses of remittances through the mails, savings funds must be transmitted in separate registered packages, and their contents sworn or certified to. Blank applications for withdrawals must be provided, and the expense of making them out and executing them must be paid. All the voluminous correspondence with the Post-Office and Treasury with regard to all these matters, not at present required, must be paid for. It is doubtful whether the extra duties devolving upon postmasters and their clerks in connection with savings-deposit orders can be performed without an addition, as before stated, of 50 per cent. to the cost of issuing and paying ordinary money-orders: that is, without making their issue and payment cost the Government one-third per cent. interest instead of .87 per cent.

The Post-Office Department is the only agency that can successfully manage this system. It is provided with all the machinery and a corps of experienced officials. If the Post-Office agency is to be made use of at all, this small deposit business should, in the interest of economy, simplicity, and freedom from error and doubt, be given entirely into the hands of the Postmaster-General, to whom legitimately belongs the control of everything appertaining to the post-office service. If the Treasury wishes to transact this business through the agency of the money-order post-offices, let it do so through such agency in the same manner as does any private individual, paying the same fees and becoming subject to the same laws, regulations, and instructions. Therefore the bill reported by me, so far as savings, small deposits, &c., are concerned, is strictly a postal savings-bank scheme, and one which, while containing every valuable feature of the other bills, goes much further, provides for all details, is simpler, less costly, and requires fewer employés in its management than either of them, as will appear from the tables which I give.

THE WADDELL BILL.

The provisions of this bill are briefly as follows:

Deposits of any sum from twenty-five cents to \$300 may be received at designated money-order post-offices, which deposits shall be entitled to 3 per cent. interest, and may be withdrawn at any time on demand of the depositor. Married women, and children above the age of twelve years, may become depositors in their own right, and their deposits are protected from withdrawal or disturbance by husband, parent, or guardian. Deposits are exempt from taxation and from seizure for debt. They are receivable and payable, with interest, in national-bank notes and in United States notes and coin. The credit of the United States is irrevocably pledged for the repayment of these deposits, and no possible loss can occur to the depositor. Deposits and withdrawals are to be entered in a pass-book, to be kept by the depositor; and, in addition to this, each deposit is to be acknowledged by a certificate from the Postmaster-General. The account of each depositor is to be kept in a ledger at the central office in Washington, so that in case a depositor loses his pass-book it can be of no value to the finder or the thief; but a new book will be issued to the depositor containing a duplicate of each entry in the original. No loss to depositors can possibly happen from the dishonesty of officials. Such losses, if any occur, are to be sustained by the Government. Depositors cannot sell, loan, or give away their pass-books or certificates, or the deposits represented therein. If a depositor desires to make use of his balance, or of any part of it, he must do so by means of a withdrawal in his own name or that of some person to whom he has given a legally executed power of attorney. After a depositor's balance on pass-book has accumulated to \$100 or more, he may, if he so desires, have it invested by the Postmaster-General in any United States 4 per cent. bonds authorized by law; or, if the depositor prefers it, he may have his money transferred to the books of the Treasury, into what is known as an "inscribed debt" or open book account, for which he receives a certificate as an acknowledgment, and such account will bear 4 per cent. interest, the same as a bond. The inscribed debt may be sold or transferred by application to the Treasurer, but it has this advantage over the bond: that it is perfectly safe from loss, and lost certificates of debt may be renewed to the loser; and, in case of sale of such debt, the old certificate is of no value, but the purchaser is entitled to a new one.

THE PEOPLE.

The laboring classes, who to-day have \$800,000,000 in savings-banks and, without doubt, \$800,000,000 more hidden away in hollow trees, in the niches of walls, and in old stockings, do not want bonds, long or short, large or small, nor 3.65 certificates, which may be lost or destroyed.

Bonds and certificates are a good investment for the middle and wealthy classes who can take care of them. They will purchase them, and by that means will aid largely in refunding the national debt; the Ways and Means measure ought to pass; but with it the laboring men who are not able to avail themselves of its advantages are entitled to a genuine savings depository; not a spurious concern, sailing under false colors, but such a one as only the Post-Office Department has the machinery for and can manage successfully—a depository through whose agency this Government can borrow \$1,000,000,000 from the poor who cannot and who do not desire to invest in bonds.

The Treasury, under the Ways and Means bill, can gather the savings of the middle and the wealthy classes, and through the agency of the Post-Office Department it can also absorb the small earnings of the poor.

The two measures should go hand in hand. Neither is complete

without the other, but no postal depository, so called, can succeed which does not provide both entire security and facility of withdrawal, while at the same time giving evidence of indebtedness, the loss of which does not involve the loss of the depositor's savings. That the poorer classes do not desire to have their earnings invested in bonds; that they prefer lower interest with the option of withdrawal at any time; that their constantly recurring desires and necessities cause them to shun any scheme which, in appearance even, ties up their money, is shown by

THE EXPERIENCE OF THE CANADIAN POSTAL BANKS.

The Canadian system was inaugurated on the 1st day of April, 1868, and 4 per cent. interest was offered on all deposits subject to withdrawal on demand; but as an inducement for the people to make permanent investments 5 per cent. was offered on permanent investments, now known as Dominion stock. Great efforts were made to put this 5 per cent. stock on the market through the agency of the post-office department, but experience has proven that the smaller rate of interest is preferred by the masses, the great elements of its popularity being the pass-book, the certificate of deposit, the withdrawal check; the pass-book, because being in the depositor's own possession it is the ever-present memorandum of the act of the receiving office; the certificate of deposit, because it is not transferable and is the evidence received from the department of the inviolable faith of the government for the protection of his earnings pledged to the depositor in his personal identity; the withdrawal check, because it is also not transferable and protects the depositor from all possibility of losses, especially from those most common among the poor who have no place for the safe-keeping of their personal treasures, the losses by the elements, by improvidence or carelessness, by fraud, and by robbery, losses against which there is no protection in case of small bonds, bank-notes, coin, postal orders indorsed to bearer, and all other devices of a like nature.

During the first three months after the establishment of the Canadian system, from April 1 to June 30, 1868, \$130,688.89 were deposited on 4 per cent. pass-book account and \$73,900 in 5 per cent. (bonds) stock, being 56½ cents stock for every \$1 in pass-books.

June 30, 1869, the balance stood: In pass-books, \$503,614.26; in stock, \$353,200; or 70 cents in stock for each dollar in pass-books.

June 30, 1870, the balance was: In pass-books, \$939,948.83; in stock, \$648,900.10; or 69 cents in stock for each pass-book dollar.

June 30, 1871, it stood: In pass-books, \$1,396,359.65; in stock, \$1,100,900; or 79 cents to \$1.

June 30, 1872: In pass-books, \$2,144,600.01; in stock, \$951,900; or 44½ cents to \$1.

June 30, 1873: In pass-books, \$2,504,651.57; in stock, \$702,400; or 28 cents to \$1.

June 30, 1874: In pass-books, \$2,692,865.46; in stock, \$512,100; or 19 cents in stock to each dollar in pass-books.

June 30, 1875: In pass-books, \$2,525,390.48; in stock, \$400,700; or 15½ cents to \$1.

June 30, 1876: In pass-books, \$2,432,852.59; in stock, \$308,100; or 12½ cents in stock to each dollar in pass-books.

June 30, 1877, there remained a balance: In pass-books, \$2,375,537.47; and in stock only \$264,400; being 11.1 cents in stock to each dollar in pass-books.

Thus it will be seen that while in the six years ended June 30, 1877, the open pass-book accounts drawing 4 percent. interest had increased from \$1,396,359.65 to \$2,375,537.47, (nearly double,) the amount invested in 5 per cent. Dominion stock (bonds) had fallen from \$1,100,900 to \$264,400, (to less than one-fourth.) In other words, of the standing amount invested for depositors by the Canadian post-office department up to June 30, 1871, five-ninths was in 4 per cent. open account and four-ninths in 5 per cent. government stock or bonds; while on June 30, 1877, six years later, the relative proportions were nine-tenths in 4 per cent. open account and only one-tenth in 5 per cent. stock.

It is of no possible pecuniary or other interest to the Government whether the money of the people is invested in long bonds or short bonds, postal savings money-orders, 3.65 certificates, or pass-book accounts; or whether that money is procured through the agency of the Treasury syndicate, national banks, or the Post-Office Department, so that it is obtained at reasonable rate of interest and at the lowest possible expense in the way of fees, percentages to agents, and other similar deductions from the face value of its obligations. If the Government borrows from its citizens through the direct agency of the Treasury and gives them its obligations in the shape of 4 per cent. bonds, it derives no advantage from that plan over that of borrowing through the agency of the Post-Office Department and giving to its people its obligations in the form of pass-book accounts and inscribed debt upon the books of the Treasury. In either case the money is received, in either case 4 per cent. interest is paid, in either case the money is used in refunding the national indebtedness; but there is a most important advantage which the postal savings system possesses over any other plan.

It is that it reaches down to the newsboy, the washerwoman, the laborer, the mechanic, the soldier, the sailor, and the factory operative, and takes up, as with a sponge, the small drops which the Treasury with its bonds system can never reach, the hundreds of millions of the grand amount of which few can have any concep-

tion; and in so doing this postal savings system will perform a greater work of benevolence and beneficence than all the charity and Christianizing associations of the day. It will promote thrift, it will elevate the poor man and give him self-respect, it will save his family from starvation in times of business depression, it will prevent labor riots and communism, it will cement the masses with a common interest for the integrity of the Government, it will give protection to the poor citizen, such a protection as the Constitution contemplates, but which he has never as yet received. The Government owes this protection to its people, and they will shout their thanks to the Congress which awards it.

If any other plan, misnamed postal savings, is adopted it will fail of its purpose, and will entail, as I have shown, an expense of 2 per cent. on the face value of the obligations issued. Let us have one which can be managed at an expense of less than 1 per cent.

CANADIAN POSTAL SAVINGS-BANK.

TABLE A.—*Business of fiscal year ending June 30, 1877.**

| | Number. | Amount. |
|--|---------|----------------|
| Total number of banks | 287 | ..... |
| Total number of accounts | 24,074 | ..... |
| Total number of transactions. { Deposited... 36,126 } Withdrawn 21,643 } | 57,769 | ..... |
| Total number of clerks, central office | 15 | ..... |
| Total amount of deposits on interest ..... | ..... | \$2,375,537.47 |
| Average number of accounts at each bank | 94 | ..... |
| Average number of transactions at each bank | 201 | ..... |
| Average number of accounts to each clerk at central office | 1,505 | ..... |
| Average number of transactions to each clerk at central office | 3,611 | ..... |
| Average amount of each account ..... | ..... | 100 60 |
| Average amount of each deposit ..... | ..... | 42 10 |
| Average amount of each withdrawal ..... | ..... | 70 49 |

* Average cost of each transaction, 26.2 cents.

| DR. | Expenses. | CR. |
|--|-------------|---|
| To cost of management, including 15 clerks at central office | \$10,000 00 | No data. |
| One-fourth of 1 per cent. on total amount of deposits | 3,802 50 | ..... |
| And miscellaneous items | 1,346 63 | Percentage of cost of management to balance due depositors, .57 per cent. |
| Total | 151,49 13 | ..... |

TABLE B.—*British postal savings-bank, (fractions omitted.)*

| | Number. | Amounts. |
|--|-----------|------------------|
| 1876. | | |
| Total number of banks | 5,448 | ..... |
| Total number of accounts | 1,702,374 | ..... |
| Total number of transactions. { Deposited... 3,166,136 } Withdrawn 1,195,603 | 4,361,739 | ..... |
| Total number of clerks in central office, (estimated) | 450 | ..... |
| Total amount of deposits on interest ..... | ..... | \$130,393,336 00 |
| Average number of accounts at each bank | 312 | ..... |
| Average number of transactions at each bank | 801 | ..... |
| Average number of accounts, each clerk, central office | 3,116 | ..... |
| Average number of transactions, each clerk, central office | 9,693 | ..... |
| Average amount of each account ..... | ..... | 77 00 |
| Average amount of each deposit ..... | ..... | 13 70 |
| Average amount of each withdrawal ..... | ..... | 31 48 |
| Cost of management, (items not stated) ..... | ..... | 608,154 00 |

TABLE C.—*Postal savings depositories, (Waddell's bill.)—Estimated cost of management for one year; number of officers, four thousand; amount of deposits, \$50,000,000; average amount standing to credit of all open accounts, \$100,000,000.*

| | Number. | Amount. |
|--|-----------|-----------------|
| Estimated number of accounts | 800,000 | ..... |
| Estimated number of deposits | 1,300,000 | \$50,000,000 00 |
| Estimated amount of deposits ..... | ..... | ..... |
| Estimated number of withdrawals | 650,000 | ..... |
| Estimated amount of withdrawals ..... | ..... | 40,000,000 00 |
| Estimated amount standing to credit of depositors, average | 200 | 100,000,000 00 |
| Estimated number of accounts at each office, average ..... | ..... | 125 00 |
| Estimated amount of each account ..... | ..... | 38 46 |
| Estimated amount of each deposit ..... | ..... | 61 54 |
| Estimated amount of each withdrawal ..... | ..... | ..... |
| Percentage of cost of management to balance due depositors, four-tenths of 1 per cent. | ..... | ..... |

| Dr. | Expense account. | Cr. |
|---|------------------|--------------------------------|
| To office rent | \$20,000 | |
| To fuel, lights, &c. | 1,500 | By 1 per cent. received from |
| To printing, stationery, &c. | 25,000 | Treasurer as interest on |
| To 160 clerks, central office. | 180,000 | nine-tenths of balance due |
| To 35 clerks, Auditor's Office. | 46,000 | depositors, (\$100,000,000) .. |
| To clerk hire at post-offices, one-fourth of 1 per cent. | 125,000 | |
| To miscellaneous items | 6,000 | Balance (one-tenth) of amount |
| To net revenue | 496,500 | being in transit or reserve. |
| | 900,000 | |
| | | 900,000 |

Total cost of management is \$403,500, or eight-tenths of 1 per cent. on total amount (\$50,000,000) of deposits received during the year.

N. B. The number and amount of withdrawals is averaged from the experience of the British and Canadian systems:

TABLE D.

The deposits received in one year, estimated at \$50,000,000. These tables are based on the experience of the money-order business; two tables: first table showing cost of postal-savings business, (under the Robbins bill,) by the transaction, supposing the whole business to pass through money-order offices; second table shows percentage of cost of management to each \$1 of deposits received; number of transactions indefinite.

| Total by transactions. | Amount. | Indefinite amount, by per cent-ages on deposits. | Fractions of 1 per cent. |
|---|-----------|---|--------------------------|
| 3,333,333 money-orders, averaging \$15 each, (as deposits,) at 13 cents | \$433,334 | Cost per \$1 of issuing money-orders of ordinary kind | $\frac{1}{10}$ |
| Extra labor on money-orders for Treasury, &c., at 6 cents | 200,000 | Extra labor on money-orders for Treasury | $\frac{1}{10}$ |
| 1,333,333 withdrawals, at 13 cents | 173,333 | Issuing withdrawal orders .507 of 1 per cent., and extra cost of applications for same, .27 of 1 per cent | $\frac{1}{10}$ |
| Extra labor on withdrawals, (as above,) at 6 cents | 80,000 | | $\frac{1}{10}$ |
| Extra cost of applications for withdrawal at paying offices, at 1 cent | 13,333 | Annual cost of keeping ac-counts, at Treasury, with depositors | $\frac{1}{10}$ |
| Annual cost of keeping ac-accounts at Treasury, with 416,667 depositors, at 45 cents each | 187,500 | | $\frac{1}{10}$ |
| Total, (2 $\frac{1}{2}$ per cent) | 1,087,500 | Total per cent | 2 $\frac{1}{2}$ |

In addition to the above, some work at the Treasury will be required which is not estimated above. The fees on withdrawals to be paid by depositors, (estimated at \$266,667,) and the $\frac{1}{2}$ of 1 per cent. provided by act of July 14, 1870, (\$250,000)=\$516,667, or about half the expense estimated above.

MEMORANDUM.

In Canada: During the five years ended June 30, 1876, the cost of management of the postal savings business was .652 ($\frac{1}{2}$) of 1 per cent. on the total amount of deposits received, and .450 (less than $\frac{1}{2}$) of 1 per cent. on the average balance standing to the credit of depositors.

In Great Britain: During the five years ended December 31, 1876, the cost of management was 1.22 (nearly 1 $\frac{1}{2}$) per cent. on the deposits, and .443 ($\frac{7}{8}$) of 1 per cent. on balance due depositors.

The difference between the above and the cost of management estimated under the Robbins bill is due to the proposed use of an expensive double system of money-orders. Let the post-office do this work in its own way by a cheaper plan.

PENSIONS TO SOLDIERS OF THE MEXICAN WAR.

Mr. BANNING. I ask the Clerk to read the title of the bill on which I propose to submit some remarks.

The Clerk read as follows:

A bill (H. R. No. 257) granting pensions to certain soldiers and sailors of the Mexican and other wars therein named.

Mr. BANNING. Mr. Speaker, it is with sincere regret that I feel compelled by a sense of duty to the aged soldiers of the Mexican war to take part in a discussion to which the opponents of this measure have sought to give a sectional coloring.

Sir, I am one of those who believe that sectional feeling should have died out with the issues which were buried by the late unfortunate strife. But, sir, we cannot close our eyes to the fact that it is the avowed purpose of some men, leaders of the opposition, at all times and on all occasions and in all places to endeavor to rekindle the flames which well-nigh destroyed our country, by appeals to the passions and prejudices that naturally held sway during the war, but which it is the part of patriotism and statesmanship to bury forever under the ashes of forgiveness and charity.

Sir, it is said by gentlemen on the other side of this Chamber that a few of these aged men who bore the Stars and Stripes across the lofty Cordilleras and planted them in victory in the halls of the Montezumas; men who added within a small fraction of a thousand millions of square miles of territory to our country and of billions of wealth, a territory that has already produced over one billion of dollars of the precious metals—they say a few of these old heroes sympathized with the confederacy, and that therefore this bill should

not pass. Why, Mr. Speaker, this is the argument of agitators and politicians, and not of patriotism. It is true, sir, there are such embraced in the provisions of this bill, and I am rejoiced, sir, to say, as I know can be said in all truth and honesty, that the loyal Mexican volunteers, many of whom were found in the ranks of the Union Army from 1861 to 1865, will ever denounce, as they have already done, any bill which proposes to pension them alone, and leave to poverty and hunger their comrades who fought with them at Cerro Gordo, Churubusco, Contreras, Molino del Rey, and Chapultepec, under the folds of the flag which now waves over this House.

The Mexican Veteran Association of Illinois have proclaimed these principles in declaring in their petition to Congress:

We cannot ask you to grant a pension unless the bill is broad enough to embrace all who served in the Mexican war and through whose service the United States is the greatest and richest nation in the civilized world. We desire and hope that sectional feeling will be cast aside in your action on this question.

President Washington said in his retirement: * * * Sincerely hoping that the bonds of our Union may be strengthened by wise and just enactments ours will indeed be a union of hearts and of hands which no foreign foe can break.

The State Legislatures of Ohio, Pennsylvania, Illinois, Indiana, Wisconsin, Minnesota, California, Oregon, and Nevada have also passed resolutions supporting this measure and these principles.

Mr. Speaker, I hold in my hand an official report from the Adjutant-General of our Army, which shows the States from which were enlisted the total force both in the volunteer and regular army for the Mexican war. In this list I find companies from thirty of the States of this Union, the then three comparatively small States in population of Ohio, Indiana, and Illinois contributing one hundred and seventy-nine out of the seven hundred and eighty-three companies of volunteers, or nearly one-fifth of the whole.

My own State, sir, contributed sixty-five companies, while every one of the New England States, except Vermont, every one of the Middle States and of the Northwest, furnished companies either to the volunteer army or to the new ten regiments of regulars raised for the war. Such being the case, it is indeed a marvel why the bill should be treated as a sectional one, embracing as it does in its measures of relief the whole country from Maine to California.

But, Mr. Speaker, those who seek to defeat the measure on sectional grounds advance another reason; and I must confess, for one, that it comes with bad grace from men belonging to a party which has drawn hundreds of millions from the Treasury on every pretext or pretense that the ingenuity of man or soulless greed of corporations could invent. They say, forsooth, that we are too poor to pay this debt of gratitude; that the veterans of a war which ended thirty-two years ago should wait a little longer, until the country becomes more prosperous, before asking for the pittance of \$8 per month which this bill would give them in their declining years.

Mr. Speaker, I cannot forbear in this connection to place before the House the record of the two parties on this question of economy when such arguments are made by those who have always been opposed to retrenchment. Compare, sir, the expenditures of this Government for the years 1875 and 1876, appropriated by a Congress republican in both branches, and the expenditures of 1877 and 1878, appropriated by a Congress with a democratic House, and what do we find? Why, sir, the actual saving by the democratic House reached \$55,000,000; and, sir, it must be borne in mind in this connection that had not the democratic House been thwarted at every step in the line of retrenchment and reform by republican members on this floor and by the action of a republican Senate the savings in those two years of a democratic House would have reached fifteen millions more, or an aggregate for two years compared with the two previous years under republican management of \$70,000,000. And, sir, had the House been aided by the co-operation of the republican administration the reductions would undoubtedly have been much greater.

Taking, by the way of further illustrating democratic attempts at economy, the history of the eleven great appropriation bills for the support of the Government for the fiscal years 1874, 1875 and 1876, appropriated by a Congress republican in both branches, and comparing them with the bills for the same purposes for the fiscal years 1877, 1878 and 1879, appropriated by the Forty-fourth and Forty-fifth Congresses, in which the House was democratic, and we find one long-continued struggle between democratic economy and republican extravagance. The estimates of the republican administration for the three years 1877, 1878 and 1879 reach in round numbers the enormous sum of five hundred and sixty-one millions, while the bills as passed by the democratic House aggregated in round numbers four hundred and seventeen millions, showing an attempted reduction of one hundred and forty-four millions for three years under the amounts asked for by the republican administration.

Now, sir, what did the republican Senate do when these bills were sent there from the democratic House? Did it join us in our efforts at economy? No, sir; it boldly added more than fifty-one millions to these bills, as sent them from this House, and for days, ay, for weeks and months, contended to secure these increased extravagant appropriations. Now, Mr. Speaker, let us go a little further and compare the appropriations of former years with those made since this House became democratic. The appropriations for 1874, 1875, and 1876 were in round numbers \$532,000,000 while those for 1877, 1878, and 1879, as finally passed, amounted in round numbers to four hundred and forty-three millions, a democratic reduction of \$89,000,000 in three years. Or if the bills had become laws in the shape they

were passed by the democratic House the reduction would have been one hundred and fourteen millions in three years.

Now, Mr. Speaker, while this democratic House has set its face as a flint against extravagant appropriations in every possible shape, while it has cut off useless expenditures wherever it could, nevertheless it has steadily adhered to its policy of liberal enactments for the benefit of the nation's heroes. It has cut everywhere except into the pension-roll.

Let us look at that record. In 1877, during the second session of the Forty-fourth Congress, we passed a bill for arrearages of pensions to the Union soldiers of the late war, providing that the pension should commence from date of death or discharge from service? Did the republican Senate pass that bill? No, sir. While steadily piling up extravagant appropriations upon the bills sent them from this House, adding on to them over seventeen millions of dollars during that one session alone, it refused to pass the measure of justice to the wounded soldiers, and, sir, upon the ground of economy.

Again, during the second session of the present Congress we passed a bill for the same purpose, and that republican Senate which added during that session more than fourteen millions to the appropriation bills that passed this House, refused or neglected to pass it upon the ground of economy. At last, sir, public opinion has forced it to recede from its opposition to this measure of justice, and within a few days past it has yielded a reluctant assent to the patriotic sentiments of the country. But, Mr. Speaker, no sooner had the bill passed the Senate, when the more favored classes of the country, under the championship of the Secretary of the Treasury, made the most earnest efforts to secure its veto by the President, not on the ground, sir, that the measure was wrong, but, sir, on the ground that it would take too much money to pay these debts, or that it might interfere with resumption. Luckily, sir, for the poor pensioner, the current of opinion had set so strong in his favor that a republican President dared not to follow the precedent of his predecessor, who failed to approve the equalization of bounty bill, and the widow, the orphan, and the crippled soldier will soon rejoice in the receipt of back pensions, which they never would have obtained but for the persistent efforts of a democratic House.

The democratic House of the Forty-fourth Congress passed at its first session an act to equalize the bounties of soldiers who served in the late war for the Union, a measure demanded upon every principle of justice and equality; what action did the republican Senate take upon this measure? Why, sir, that body which during that session added more than nineteen millions of dollars to the appropriation bills over the amount sent to them by this House refused to do justice to the Union soldiers, and that, too, sir, upon the ground of economy.

In the Forty-fourth Congress this House passed a bill to repeal the limitations upon applications by soldiers who had lost their horses in battle during the late war, and the republican Senate, which during that Congress added more than thirty-six millions of dollars to the appropriation bills as they passed this House, refused this small measure of justice to the Union soldiers on the ground of economy.

And now, sir, when we propose to pension the old Mexican soldiers, thirty-two years after the war which secured us a territory as large and a treasure greater than the whole of the country at its foundation, we are told that we are too poor to pay the small and annually decreasing amount necessary to pay some seven thousand survivors the pittance of \$8 per month. And, sir, we are told this by men belonging to that very party whose administration have asked in three years for \$144,000,000 more than we were willing to grant for the useless objects for which it was asked, and who have added millions to the expenditures of the Government and millions to the taxes which the consumers of the country are paying for the benefit of the privileged classes.

It comes from men, sir, who are representatives of a party which has squandered hundreds of millions of our wealth upon corporations and favored classes; which has given away hundreds of millions of acres of the very land that was bought by the blood and sweat of these Mexican volunteers. It comes, sir, from a party which seems to regret that our country is again united, and which would forever stir up sectional hate in order that it may continue to rule the country through passion and prejudice, and plunder the people under the pretense of paternal government. I venture to assert, Mr. Speaker, that, had the expense of the Government been confined within the proper limits instead of being swelled to the enormous figures that republican Congresses and Administrations have made them reach, we would be in position now to do more justice than we have done or attempted to do the Union soldiers, and with less burden to the taxpayers than we can promise to-day.

Mr. Speaker, in contradistinction to the attitude taken by the other side of this House with that of the democratic party on the question of its treatment of the Union soldiers, I desire to call the attention of the House to the record we have made.

It must be remembered, sir, that immediately following the war an act was passed which provided that—

Persons honorably discharged from the military or naval service of the United States by reason of disability resulting from wounds or sickness incurred in the line of duty shall be preferred for appointments to civil offices.

How, sir, was this plain enactment of the law carried out by the Administration which of all others made the loudest professions of passionate love for the Union soldiers, and how is it obeyed to-day? Why, sir, there are in my State thousands of Union veterans, as cap-

able as any man that can be found anywhere in this land, who would gladly serve in the civil departments of the Government and who have been refused office, while others, civilians, less competent than they, have been put in the places that under this law should be filled by them. I have in my mind at present a wounded veteran of my own city, accomplished, talented, brave, and competent, who would gladly take the consulship which has been awarded to Colonel Mosby. There is another in my own State whose name will be remembered for his gallant services throughout the war so long as this country lasts, who could fill with credit to himself and without detriment to the Government the position now occupied by the distinguished David M. Key in Mr. Hayes's Cabinet.

I do not say, Mr. Speaker, that he should be put in the Cabinet, for, sir, he is a democrat, and of too stern stuff to be purchased with the offer of a Cabinet or any other position. I merely mention these instances to show that the law has never been heeded by republican Administrations and that the "loyalty" of which republicans prate so glibly on the stump and in these Halls means "loyalty" to the republican party and not "loyalty" to the Union.

Now, Mr. Speaker, so flagrant and open was the violation of this act that at the last session this House passed an act making it a penal offense for any person to violate or set at naught any of its provisions. That act is still sleeping in the committee-room of the Senate.

I desire also to call the attention of the House to a short statement of the various bills on kindred subjects passed by the democratic House and the action taken upon them by a republican Senate:

An act authorizing the President to appoint James Shields a brigadier-general on the retired list of the Army passed the House April 8, 1878.

An act granting a pension of \$100 a month to James Shields originated in the House, and became a law June 18, 1878.

An act making it punishable by a fine not exceeding \$5,000 and by imprisonment not exceeding two years for any person to willfully violate or set at naught any of the provisions of the law which requires preference for appointment to civil offices to be given to persons otherwise qualified who have been honorably discharged from the military or naval service on account of wounds or other disability passed the House June 10, 1878.

An act providing that all pensions growing out of the late war shall commence from the date of death or discharge, and for the payment of such arrearages, passed the House, 1877, and failed in the Senate. Passed the House second session of the present Congress and is now the law.

An act equalizing the bounties of soldiers who served in the late war for the Union passed the House June 20, 1876, and died in the Senate.

A similar bill, passed by the casting vote of the soldier's friend, Vice-President Wilson, failed to meet with the approval of President Grant.

A similar bill has been considered and approved by the Military Committee, reported to this House, and is now pending upon the public Calendar.

An act increasing the pension of persons who have lost an arm or leg originated in and passed this House May 23, 1878.

An act increasing the pensions of soldiers and sailors who have lost both hands, both feet, or both eyes, to \$72 a month, originated in the House and became a law June 17, 1876.

An act providing fourteen messengers on the soldiers' roll at the House, provided said messengers served in the Union Army, passed June 19, 1878.

An act providing that the office of pension agent shall be filled by wounded or disabled soldiers, passed April 11, 1878.

An act protecting pensioners against exorbitant fees passed March 8, 1878.

An act providing for pension to children of deceased Union soldiers after the remarriage of the widow passed the House May 24, 1878.

An act appropriating money to pay the soldiers of the Mexican war the three months' pay provided for in the act of 1848 passed January 17, 1870.

An act directing the Secretary of the Interior to place on the pension-roll surviving soldiers and widows of deceased soldiers of the war of 1812.

Now, Mr. Speaker, with such a record as this the democratic House can safely go to the country secure of the approbation of the patriotic and the just. In the light of such legislation it need not fear the denunciation of agitators who would have us punish in their old age a few Mexican veterans who possibly may have strayed under the folds of another flag than that which they carried to victory in Mexico. Let us do right, whatever may be said of us, and trust to the calm judgment of the American people to vindicate our course.

If, sir, at this late hour, nearly fourteen years after the close of the late civil war, a new persecution is to be begun and a new crusade to be waged against those who were then against us but are now of us, and as patriotic as any, then, sir, we may indeed despair of the Republic. For one, sir, I have more confidence in the people of the North, and do not believe that they will be led away from right and justice by appeals to passion and prejudice.

In conclusion, Mr. Speaker, I appeal to every gentleman upon this floor to divest himself of partisan feeling in considering this subject; and I beg them to give favorable ear to the voice of some of my constituents, Mexican veterans, as expressed in the following letter:

CINCINNATI, February 7, 1878.

GENTLEMEN: As there is some probability that the bill granting pensions to the

surviving soldiers of the Mexican war may again be brought before the House during the present session, we, the undersigned, survivors of that war, most respectfully ask your kind and earnest effort in behalf of the bill, and if possible prevent a repetition of the treatment it received when last before the House. Nearly all the signers are dependent upon their daily labor for the support of their families, and with scarcely an exception are suffering from chronic diseases, contracted while serving their country in Mexico.

George Mason, Company I, Kentucky Cavalry, Colonel Marshall. Charles Williams, Fourth Ohio Volunteers. S. H. Long, Company H, First Ohio Volunteer Infantry. W. L. Douglass, Company K, First Ohio Volunteer Infantry. James Kissick, First Rifles, Ohio Volunteers. Richard Mason, First Ohio Volunteer Infantry. W. C. Hefferman, Company E, First Ohio Volunteer Infantry. J. R. Huston, First Ohio Volunteer Infantry. George Kuhn, First Ohio Volunteer Infantry. Captain Phil. Miller, First Ohio Volunteer Infantry. Benjamin Heur, Second Ohio Volunteer Infantry. J. P. Jacobs, Second Ohio Volunteer Infantry. Adam Kappel, Second Ohio Volunteer Infantry. R. G. McDonald, Third Kentucky. William A. Beard, Second Kentucky. Nic Rivenberger, First Kentucky. Lafayette Atkinson, First Indiana. W. S. Phipps, Second Pennsylvania. Mike Baur, Third Ohio Volunteers.

Hons. MILTON SAYLER and H. B. BANNING.

COMMERCIAL RELATIONS WITH MEXICO.

Mr. COLE. Mr. Speaker, the United States to-day stand first among nations in commercial opportunities. The outside world observes them and comments on our possibilities in terms of unqualified praise. A former prime minister of England, Gladstone, prophesies that we will in the future probably wrest from them the commercial primacy. At the opening of Parliament in December the present premier, Lord Beaconsfield, expressed substantially the same sentiment when he said: "Enterprise in America reacts on that of England. I look forward with much confidence to the influence of American industry and enterprise shortly producing more favorable results than we can now estimate." Lord Derby recently paid us a similar compliment. The question arises, do we see ourselves as others do? Do we see and appreciate our brilliant opportunities? I fear not, and that politics still retain the throne while material interests play a minor part. But there are many present indications that the order will soon be reversed, placing business before politics. Our distinguished Minister of State, Secretary Evarts, has more than once pointed out to the people of this country as a desirable policy for the future "full" foreign trade. In a recent after-dinner speech in New York he said:

Sometimes statesmen have had no resources, after the dissensions of civil war were composed, but to find some new energy, and some new excitement, that would unite the discordant elements and impulses in an advance upon a foreign enemy; but this great and enlightened people know that it is better worth their while to make an advance upon the commerce of the world.

Mr. Evarts himself set the example by making such an advance more than a year and a half ago when he sent instructions to the consuls and other official representatives of the United States throughout the civilized world to examine and report how we could best extend our trade. It devolves upon us to give this new commercial departure every possible support. We, who are sent here to serve the people, have material as well as political interests to guard. We will fail in our duty if we leave obstacles in the way of commercial progress. We should rather be the pathfinders of commerce in advance of the people, and see that all avenues of trade are kept open for their unrestrained use and profit. It is my privilege to represent in this House one of the districts of the commercial metropolis of the Mississippi Valley, a city with whose interests I have all my life been identified. Looking from that stand-point I see south and southwest of the great valley the Spanish American nations which constitute a new, open, and all-important field for the exports of our surplus products and manufactures. I believe that to be a favorite field of the State Department which would make a specialty of American commerce and build up a continental policy. At least I so interpret some official acts and unofficial remarks of the present Secretary.

Those nations, comprising Mexico, Central America; Cuba, San Domingo, and the other West Indies; Peru, Chili, Venezuela, and the other republics of South America, together with the Portuguese Empire of Brazil, have a total population of over forty million souls, or nearly the same as that of our thirty-eight States. They are very deficient in manufactures, and in that respect very dependent upon other nations. They have in the past depended chiefly upon Great Britain, France, Germany, and Holland for the supply of their varied demands. But they are to-day seeking more intimate commercial relations with us, and blind indeed are we to our own interests if we repel their friendly advances. Of these nations the first in order of distance, natural resources, and demand for the arts of our civilization to help develop that wealth is Mexico. She should, then, first receive our consideration; self-interest requires it. Unless we soon occupy more

foreign fields the fallacious cry of overproduction will necessarily gain many converts. It is claimed that overproduction has thrown upon our hands millions of dollars in wares which cannot be disposed of, and that the products of the farm yield a return so small that the producer is discouraged, while the manufacturer stores away his surplus product for a future market, closes his mills and furnaces entirely, or runs them upon half or one-third time. But I maintain that the proper term is underconsumption. Just so long as there is upon the face of the earth a human being unshod, unclothed, or unfed, a farm without implements, a mine in need of machinery, a State without railways, it is idle to talk of overproduction. We should continue to produce and manufacture until the whole world is supplied with the necessities and conveniences of life. The question which first presents itself is, how can we reach these unoccupied or undersupplied foreign fields with our commerce?

With Mexico the natural facilities for transportation are twofold—by land and water—while from the United States to the other states of Spanish America railways are either impossible or impracticable. Our southwestern railway lines have advanced from several directions nearly to the Mexican border, and there abruptly end before an imaginary Chinese wall. But it is only imaginary, for every part of the long dividing line of over fifteen hundred miles is susceptible of an easy crossing. We have a comprehensive railway system spread out like net-work all over our great country, while Mexico has but one short line from the Gulf to her capital on the table-lands. Between the two systems there is a gap of about one thousand miles, the country between the City of Mexico and the railways of Texas being as great a stranger to the locomotive-whistle as the interior of Africa.

Looking at the other side of the picture, facilities for communication by water, we find a similar neglect of opportunities. Between Mexico and the United States is the Gulf of Mexico, a small sea nearly surrounded by the two republics, the former having seventeen hundred and seventy-nine miles of coast line, and the latter nearly the same. The distances across this sea from the principal ports of the one country to those of the other are comparatively short. While the steamship line from New Orleans to Rio Janeiro, for the Brazilian trade, is five thousand and seventy miles, that to Vera Cruz is but about eleven hundred miles. From Galveston to Vera Cruz the distance is only seven hundred and ninety miles. I do not make this comparison to disparage trade relations with Brazil, for I indorse and will actively support that meritorious enterprise. I do it to show the remarkable advantages we have for commerce with Mexico. This Gulf, or American Mediterranean, should be as closely checkered with steamship lines as is the European Mediterranean, for the countries resting upon the former are quite as rich in natural resources as Italy, France, Greece, Turkey, and Egypt, which border the latter sea.

New Orleans, Galveston, Mobile, and Vera Cruz should be as renowned for commerce as Tyre and Sidon of old or Constantinople and other Mediterranean ports of to-day. Unfortunately few steamers cross the Gulf. There is but one line from the Mississippi Valley to Vera Cruz, and that is subsidized only by Mexico. The steamers of that line make the trip from New Orleans but once in three weeks. There is but one line from New York to Vera Cruz, with a steamer every other week. We have, then, no existing railway lines to Mexico, and almost no facilities for water transportation across the Gulf. Such an exclusive policy is a marked discredit to American enterprise unless the quality of the commercial exchanges between the two countries is undesirable. On the contrary, the nature of that trade is most desirable and profitable, for each nation is deficient in staple articles which the other needs. We import each year, chiefly from Cuba, sugar and molasses to the value of \$80,000,000. Mexico has sugar-producing States which can, when developed, easily supply the whole of that demand. Our annual imports of coffee amount to over \$50,000,000, and if they were double that sum Mexico could supply it all.

In making this assertion I do not rely upon the statistics of Mexicans, who might be considered too enthusiastic over the capabilities of their native land, but upon the official reports of our consuls, the writings of Baron Humboldt, and the observations of Englishmen and Americans who have seen for themselves the wonderful fertility of the sugar and coffee plantations of Mexico. We import each year tropical and other fruits to the value of \$11,000,000. Here again could Mexico supply an important demand, for her oranges grow in such abundance that they rot under the trees for want of a foreign market. We have extensive use for fancy woods, nearly every variety of which could be supplied from her forests. We have paper-mills all over our country which require an immense supply of raw material. Mexico has a fiber-plant well suited for this use, and it grows in such profusion that it might easily supply all the mills of America and Europe. Her supply of dye-stuffs is simply inexhaustible. Over one hundred million dollars' worth of cochineal was produced in the state of Oaxaca alone in a period of seventy-five years. That prolific republic can, in brief, supply all the products which we import from Cuba, Brazil, and other tropical lands—equally well as regards the quality of the supply, and better as regards conveniences of transportation, for in the near future there will exist the competitive forces of land and water carriage, which we can never have with the other nations south of us.

If, perchance, it should happen that we do not need coffee, sugar, dye-stuffs, fruits, &c., to the extent of Mexico's demand for our manufactures, we can take in return an article which she always has in great abundance and for which we can always find use. I allude to silver, which for many years, and I think every year of her long and varied history, has constituted the chief item of her exports. From the conquest of Mexico by Cortez in 1521 to the beginning of 1876 she produced \$3,262,000,000 in silver, or nearly half of the world's product during the same period, which was, in round numbers, \$7,232,000,000. I venture to say no nation upon the face of the earth can supply a more select, desirable, and profitable class of exports than these which I have just enumerated.

Now, Mr. Speaker, what can we do for Mexico? We can supply from the neighboring State of California all the quicksilver which is so extensively used in the working of silver. We can supply the farming implements which are almost unknown to her fertile fields, but so very essential to an agricultural development. Think of plantations which can produce three crops a year having none but wooden plows. It is a discredit to them to work with such primitive tools and a discredit to us that we do not occupy that open field for the sale of our unrivaled plows, hoes, shovels, reapers, and other implements. That whole republic is like a fertile but unstocked farm. It needs a thorough outfit to prepare it for future usefulness and profit.

We can easily supply the whole of her extensive demand for cotton goods, which averages each year about \$10,000,000 in value, and which is now chiefly supplied by England, France, and Germany. A high American authority on the subject of the cotton industry, Edward Atkinson, says:

If we could open the Mexican country to our trade so as to compete fairly there with the English and Germans, we could run all the mills of New England on full time.

We can furnish the most improved mining machinery to develop her marvelously rich mines which, rudely worked by Spanish and Mexican miners, have already produced more than fifteen times as much silver as have all the mines of Nevada. In other words, we can supply the keys to unlock her unrivaled and, I may say, inexhaustible stores of precious metals.

We can supply the vast quantities of railway iron and supplies which the coming development of Mexico will require from our foundries, rolling-mills, and machine-shops. We cannot well overestimate the importance of being prepared by friendly intercourse for the improvement of that industrial opportunity. In proof of that assertion, Mr. Speaker, I invite your attention to a few very significant facts. Mexico, with an area and population nearly one-fourth ours—her area being 761,640 square miles and her population ten million souls—and without navigable rivers such as supply our great interior with facilities for transportation, should at the present time have at least one-fourth as many miles of railway as we. But I find she has less than four hundred miles, while we have, in round numbers, eighty thousand miles. That rich land which, as we have before remarked, annually produces nearly half the silver of the whole world has less than one five-hundredth part of the railways of the world. She should even now have twenty thousand miles of new railway in order to have facilities for transportation proportionate to those of our own country.

Such are a few of the products, manufactures, and wants which the one nation can profitably supply the other. They show most clearly that no two nations on the face of the earth are so well situated and fitted to be useful to each other as Mexico and the United States. The question then arises, to what extent are they serving each other?

The official reports show that we sell Mexico no more than we did in 1825, just after she had thrown off the Spanish yoke and become an independent nation. We buy from her a little more than we did then, but the increase of purchases is far below what it should have been. The statistics of the exchanges between the two countries is an interesting study and show conditions which are exceptional in foreign trade relations. Different conclusions in regard to the balance of trade may be reached by including or excluding coin and bullion, which constitute so large a portion of Mexico's exports. If we include coin and bullion we find that from 1857 to 1877, a period of twenty years, we purchased and used of the products of her soil \$166,000,000 in value, while she used of our products and manufactures but \$125,000,000, the balance against us being \$41,000,000. If we exclude coin and bullion, and contrast the imports and exports of merchandise simply, we find that during the same twenty years we bought from her \$57,000,000 in value, and she of us \$120,000,000, the balance in our favor being \$64,000,000. I think the former comparison the fairer, and that we should consider the balance of trade to be against us, for the gold and silver which Mexico exports is the product of her own soil, as are her fruits, coffee, and sugar. Of the \$166,000,000 representing our imports from Mexico \$108,000,000 were coin and bullion, of which latter sum about \$100,000,000 were silver coin, or her own native silver coined in her own mints.

But this is a trifling interchange of commodities for two great and adjoining nations. The trouble is a lack of transportation. The old-fashioned stage-coach and the pack-mule comprise nearly all of her facilities in that line, and retard her development and obstruct our best market. She invites us to invest capital in railways and other internal improvements, and when we do this we will not only

receive large returns upon the capital so employed but swell our exports to enormous proportions.

A temporary drawback is the ill-advised tariff system between the two countries, which needs to be remodeled. It is true that some items, such as agricultural implements, mining and other machinery, steam engines and locomotives, and, indeed, very many other articles, are on her free list, but other commodities are virtually excluded by unnecessary and unwise taxation. Happily there seems to be a widespread desire on the part of the two countries for a change in this respect. That the people of both republics desire more intimate business relations is evidenced by many events of to-day. The presence in Mexico of about one hundred of our most enterprising merchants and manufacturers indicates our wish as a people. The enthusiastic welcome they are receiving from the people, the press, and the President and cabinet of Mexico proves that they most heartily reciprocate. In addition to this industrial excursion, and indeed prior to it, a few merchants of my own city had crossed the border into Northern Mexico with their wares; a few others had gained a foothold as far south as the City of Mexico, and are laying the foundation of what must become a future great trade; still others have invested in silver mines in Chihuahua, Durango, and other border States; and I feel safe in asserting they are but the forerunners of a vast industrial army who will soon help the Mexicans develop the long-hidden treasures of their soil.

Our railway builders have advanced almost to the hitherto unpenetrated wall, and are ambitious to extend these agencies of material progress, peace, and good-will across her table-lands. There is now pending in this House a bill providing for a survey as a precursor to a railway from the capital of Texas across the border and through the rich agricultural and mineral States of Chihuahua and Sonora to the great harbor of Topolobampo, on the Gulf of California. I allude to this as it is a pioneer enterprise in the right direction and will be of great service to both countries in opening up that undeveloped country which all reliable authorities show to be one of the richest portions of the earth's surface. A United States consul in Mexico, in a recent communication, writes:

The Topolobampo project is a good one, and if carried out its results will astonish you all. That is a road that, if built, will do more to Christianize and civilize Mexico than all other projects.

I look upon this proposed railway as the first connecting link between two sister republics, and whenever the bill is reached on the Calendar it will receive my support. I will say the same of all other well-considered enterprises in a like direction, for the barbarous exclusive policy which would estrange neighboring republics should be stamped as a relic of the dark ages.

Still further evidence of the popular wish appears in the recent action of several of our great cities through their chambers of commerce, in inviting the distinguished Mexican minister to visit and address them upon the subject of commercial relations. Boston, New York, Newark, Baltimore, Pittsburgh, and Chicago, have in this manner exchanged friendly compliments with Mexico. Mr. Zamacona has already accepted an invitation from the chamber of commerce of my own city, and I trust he will find it convenient to visit the commercial centers all over our great country and see for himself what we can do for his land in the way of manufactures, to help develop its natural resources. This accomplished and progressive statesman, who advocates so ably the cause of commerce and the arts of peace, is rendering invaluable service to two great nations, and deserves well of each. All honor, I say, to Mr. Zamacona. Would that all nations were as ably represented in their diplomatic service! I trust the commendable work may continue until our commercial exchanges with Mexico exceed those with any other nation.

To formulate the growing popular desire of two great republics, for larger trade with each other, and for more friendly and intimate intercourse, is the object of the resolution under consideration for a reciprocity treaty. I know of no more important duty which this Congress has before it, and I trust it will neither be omitted nor delayed.

CONGRESSIONAL INJUSTICE TO THE COMMERCIAL INTERESTS OF THE PACIFIC COAST.

Mr. LUTTRELL. Mr. Speaker, it has been but little more than a quarter of a century since the United States acquired a foothold on the Pacific coast. We now hold all the territory lying between Mexico and the straits of Fuca, over two thousand miles of sea-coast, embracing the finest agricultural lands, the most extensive forests of timber, and the richest mines of gold, silver, and other precious metals. Nowhere on the globe can be found such vast and valuable forests of timber as exist on the Pacific slope. California, Oregon, and Washington Territory not only produce the finest lumber in the world, but for ship-building it is unsurpassed. Visit the great valleys of the Pacific slope and you will behold the most productive lands ever cultivated by man. You may travel hundreds of miles along the Sacramento, San Joaquin, and Salinas Valleys through one continuous wheat-field. The Willamette Valley, in Oregon, and the Walla Walla Valley, in Washington Territory, are equally as productive. The great valley of the Walla Walla lying east of the Cascades is capable of producing more wheat than all the New England States combined. It produces two and three crops from one sowing, yielding as high as sixty and seventy bushels of wheat to the acre. California alone is

capable of sustaining a population of thirty millions of people, while Oregon and Washington Territory will accommodate a population equally as great if not exceeding it. In fact, well-informed writers estimate that the Pacific slope is capable of sustaining a population of one hundred millions of souls. Nature has blessed these States and Territories with great navigable water-courses:

First, the Colorado, navigable for hundreds of miles; second, the San Joaquin, navigable for nearly three hundred miles; third, the Sacramento and Feather Rivers, draining the Sacramento Valley hundreds of miles and passing through three hundred miles of continuous fields of wheat and other cereals. The bay of San Francisco, extending nearly one hundred miles inland, is surrounded by the richest and most productive lands in the world. The Willamette and Umpqua Rivers drain the valleys of Western Oregon, and are both navigable for steamers of several hundred tons burden. The Columbia divides Oregon from Washington Territory and takes its source thousands of miles from the sea. The Mississippi has been called the Father of Waters, but the Columbia surpasses it in length, depth, and grandeur. It drains our northwestern possessions and is navigable almost to its very source, while its tributaries are also navigable for light-draught steamers. Puget Sound, which makes up from the straits of Fuca, having a shore-line of over two thousand miles, is the most beautiful sheet of water on the American continent, and is surrounded by inexhaustible forests of the most valuable timber and inexhaustible beds of coal, and rich and fertile lands. The sound is deep and smooth, with the best harbors for anchorage in the world; and dotted all around this beautiful inland sea are thriving villages, cities, and towns, filled with business houses, schools, colleges, and buildings of art, bearing the unmistakable evidence of thrift and enterprise. With all that nature has done for the Pacific slope still there is a something lacking, a something left for the ingenuity of man. We need, we must have improvements for our harbors and rivers. It remains for man to remove sunken rocks in our harbors; to construct locks around the rapids and falls that are now and then to be found within the rivers; to remove obstructions which impede the safe and successful navigation of those rivers; to construct light-houses along our coast; to construct harbors of refuge along the coast between San Diego and Puget Sound. Our commerce demands this. It is said that "trade brought to Nineveh prosperity, respect, and power." So it will bring to our western possessions prosperity, respect, and power; bring contentment and happiness to millions of freemen; open up homes for the millions of people who are crowding the great cities of the Eastern States. Do we require appropriations for our rivers?

First. The Colorado takes its source in the Wind River or Rocky Mountain Range, winds its way through rich and fertile valleys, fine grazing lands, and a country abounding in minerals in Arizona Territory, for hundreds of miles to the Gulf of California. By irrigation these lands are well adapted to growing cotton, sugar, corn, and other valuable products. The San Joaquin River in the Sierra Nevada Mountains, running northwest for nearly four hundred miles through the rich and fertile valleys of the San Joaquin to the Bay of San Francisco, affording, with slight outlay for the removal of snags, bars, and other obstructions, every facility for removing the millions of tons of cereals and agricultural products of the extensive valleys that lay along its source. The Feather and Sacramento Rivers take their source in the snow-clad Sierras. The latter draining the Mount Shasta near the Oregon line, it passes through the full extent of the great Sacramento Valley and affords shipping facilities for the most productive grain and fruit growing region in the world. One may travel from Reading to the bay of San Francisco, over three hundred miles in length by nearly sixty in width, through one vast wheat-field without a break or encountering a fence. A liberal outlay would make these rivers navigable all the year round and would afford untold advantages to the State and country.

The Willamette and Umpqua Rivers drain the rich and fertile valleys bearing their respective names—valleys rich and fertile enough to form an empire of themselves, teeming with wealth and industry, only requiring sufficient expenditures to open up these rivers to successful navigation. The great king of North American waters, the Columbia, drains thousands of miles of fertile and rich mineral lands, so fertile for agricultural purposes that farmers inform me that they can grow wheat at a profit if they get thirty-seven and a half cents per bushel. But the great falls or cascades in the Columbia obstruct navigation and completely shut out the rich valleys of Eastern Oregon and Washington Territory from the coast. We want a sufficient appropriation to complete the locks now being constructed at The Cascades, giving free and unlimited facilities for shipping the products to the markets of Portland and Astoria for exportation. In addition we want a line of railroad from the Walla Walla Valley to Seattle on Puget Sound. This will open up for settlement territory sufficient to support a population equal to the population of all the New England States, New York, Pennsylvania, and Ohio. We want light-houses and fog-bells on the sound to enable our mariners to enter and navigate the inlets and harbors of the sound successfully in the foggy weather that sometimes prevails on the North Pacific coast.

Mr. Speaker, we offer to the young men of the Eastern States great inducements to go West. We offer to them homes, the wealth and happiness usually attending the industrious and frugal business man, mechanic, and farmer. But without the facilities for transporting

the necessary supplies or products to market there is but little inducement for them to go to these locked-up valleys. It requires but a small outlay in comparison to the vast wealth to be added to the coffers of the nation, the great prosperity it will bring to those who have and will settle in these fertile valleys of the Pacific. Expend but one-tenth of the amount that you have expended in the improvement of the rivers and harbors of some of the Atlantic States, and we will show you the most prosperous country and the happiest people in the world.

The Legislature of California has time and again demanded of Congress an appropriation for the improvement of our rivers and harbors. Our chambers of commerce, business men, and shippers have petitioned Congress year after year for appropriations to construct harbors of refuge and breakwaters along our coasts; still the Committee on Commerce and Congress deny to us this protection. During the last few years we have lost four hundred and twenty-six vessels, eight hundred and twenty-eight lives, and nearly \$6,000,000 in property by marine disasters on the North Pacific coast, a good portion of which would have been averted had we a harbor of refuge north of San Francisco. I call your attention to an official table, which speaks for itself:

| Marine disasters north of San Francisco from | No. of vessels. | Value. |
|--|-----------------|-----------|
| January 1, 1861, to December 31, 1861. | 14 | \$474,450 |
| January 1, 1862, to December 31, 1862. | 19 | 388,546 |
| January 1, 1863, to December 31, 1863. | 17 | 146,800 |
| January 1, 1864, to December 31, 1864. | 18 | 127,710 |
| January 1, 1865, to December 31, 1865. | 30 | 638,651 |
| January 1, 1866, to December 31, 1866. | 29 | 365,947 |
| January 1, 1867, to December 31, 1867. | 20 | 539,585 |
| January 1, 1868, to December 31, 1868. | 27 | 117,017 |
| January 1, 1869, to December 31, 1869. | 24 | 188,859 |
| January 1, 1870, to December 31, 1870. | 11 | 182,016 |
| January 1, 1871, to December 31, 1871. | 39 | 501,630 |
| January 1, 1872, to December 31, 1872. | 27 | 347,950 |
| January 1, 1873, to December 31, 1873. | 20 | 223,598 |
| January 1, 1874, to December 31, 1874. | 17 | 349,886 |
| January 1, 1875, to December 31, 1875. | 35 | 476,829 |
| January 1, 1876, to December 31, 1876. | 31 | 188,435 |
| January 1, 1877, to December 31, 1877. | 19 | 98,656 |
| January 1, 1878, to November 1, 1878. | 29 | 303,570 |
| Total | 426 | 5,699,128 |

At the last session of Congress I introduced a joint resolution, which passed both Houses, directing the Secretary of War to cause a survey to be made and report to this House the best and most suitable point on the North Pacific coast for a harbor of refuge and the probable cost of the same. I here append the report of the Secretary of War and board of engineers, pages 19 and 20, dated January 11, 1879.

The following are the estimates of cost (gold coin) of breakwaters as proposed for various harbors of refuge on the Pacific coast, between San Francisco and the Columbia River:

| | |
|--|-------------|
| Drake's Bay: | |
| For one mile long | \$6,168,909 |
| Add 10 per cent. for contingencies | 616,891 |
| Total | 6,785,800 |
| Bodega Bay: | |
| For section a b | 580,000 |
| For section c d | 448,000 |
| For section e f | 1,130,000 |
| For section f g | 3,855,000 |
| Add 10 per cent. for contingencies | 6,013,000 |
| Total | 6,614,300 |
| Mendocino Bay: | |
| For section a b | 1,231,250 |
| For section c d | 1,909,750 |
| Add 10 per cent. for contingencies | 3,141,000 |
| Total | 3,455,100 |
| Trinidad Harbor: | |
| For section a b | 2,788,500 |
| For section b' | 288,000 |
| For section c d | 2,009,000 |
| For section e f | 1,909,500 |
| Add 10 per cent. for contingencies | 6,995,000 |
| Total | 7,694,500 |
| Crescent City: | |
| For section a b | 1,771,700 |
| For section c d | 3,703,700 |
| Add 10 per cent. for contingencies | 5,475,400 |
| Total | 5,475,400 |

| | |
|---|------------|
| Mack's Arch: | |
| For section <i>a b</i> | 579,400 |
| For section <i>c d</i> | 704,950 |
| For section <i>e f</i> | 557,700 |
| For section <i>g h</i> | 1,174,200 |
| For section <i>i k</i> | 2,192,000 |
| | 5,226,250 |
| Add 10 per cent. for contingencies..... | 522,625 |
| Total..... | 5,748,875 |
| Port Orford: | |
| For section <i>a b</i> | 4,538,720 |
| For section <i>b c</i> | 4,524,240 |
| For section <i>d e</i> | 489,150 |
| | 9,552,130 |
| Add 10 per cent. for contingencies..... | 955,213 |
| Total..... | 10,507,343 |
| Cape Gregory: | |
| For one-half mile..... | 3,372,880 |
| Add 10 per cent. for contingencies..... | 337,288 |
| Total..... | 3,710,168 |

I now call your attention to pages 13 and 14 of the same report:

TRINIDAD HARBOR.

This harbor is in latitude $41^{\circ} 3'$, about two hundred and forty nautical miles north-northwest of San Francisco. It is about twenty miles south of the middle point of the coast between the entrance into San Francisco harbor and the mouth of the Columbia River. Geographically it is, therefore, well situated for a harbor of refuge between those two places.

Trinidad Head, a bold, picturesque headland, protects a limited anchorage from northwestern winds, but the harbor is entirely exposed to southerly storms. This headland rises to the height of three hundred and eighty feet above low water. It is of metamorphic sandstone, covered about the height of eighty to a hundred feet above the water with a few feet of earth, which supports a thick growth of scrub bushes.

The rock here appears to be of better quality than is generally found along the coast. The fact that it is such a bold, projecting headland, with deep water around its southern face, shows that it has been able to resist the denudation of the sea, and would seem to bear out this conclusion.

The chart shows the lines we have selected for the breakwater. If built as we have indicated they would protect an available anchorage of nearly one square mile with good holding-ground. If a harbor of refuge is made here the light-house now on Trinidad Head should be removed to Pilot Rock. There would be several rocks in the northern part of a harbor here, but they rise high above water. There are no sunken dangers in approaching Trinidad, for the only rocks to be found lie close in shore, just off the high headland, and their position is well marked by two high rocks, one of which rises to the height of eighty feet, the other to the height of one hundred feet above the water. The board was favorably impressed with the advantages of Trinidad for a harbor of refuge; and as it is called upon to "designate the point which should in its judgment be selected for such harbor between San Francisco and Puget Sound," the board, with the information now before it, gives the preference to Trinidad Harbor.

While I am in favor and urge appropriations for all our rivers and harbors, I earnestly urge and demand that work be commenced at Trinidad. It will not only be the means of protecting the commerce or trade of California, Oregon, Washington Territory, and Alaska, but our trade with British Columbia. Trinidad Harbor is only one hundred and thirty miles from the arc of a great circle between San Francisco and Yokohama, or Hong-Kong. The records of the custom-house in San Francisco show the import and export trade as follows:

| | 1874. | 1875. | 1876. |
|-----------------------|--------------|--------------|--------------|
| Value of imports..... | \$31,529,708 | \$35,708,782 | \$37,559,618 |
| Value of exports..... | 28,425,248 | 30,554,081 | 31,314,782 |
| Total..... | 59,954,956 | 66,262,863 | 68,873,800 |

Statement of the number and tonnage of vessels arriving and clearing from foreign ports for the year 1876.

| | Number. | Tonnage. |
|---|---------|-----------|
| Vessels arrived from foreign ports..... | 631 | 723,379 |
| Vessels cleared for foreign ports..... | 659 | 760,770 |
| Total..... | 1,290 | 1,484,149 |

The following were the arrivals for the years 1874, 1875, and 1876:

| | 1874. | 1875. | 1876. |
|------------------------|-----------|-----------|-----------|
| Number of vessels..... | 4,204 | 4,350 | 4,635 |
| Tonnage..... | 1,548,541 | 1,548,123 | 1,793,091 |

Assuming that the number and tonnage of vessels departing is the same as that for arriving, we would have a grand total for the year 1876, of—

Number of vessels arrived and departed..... 9,270
Tonnage of vessels arrived and departed..... 3,586,182

I now append a report which I find in the San Francisco Commercial Herald for 1876. I might append later reports, but this is so full and complete that I adopt it. However, every branch of our

trade and industries have increased each year since this report was published in the Herald:

| | |
|---|---------------|
| Grand totals of Pacific coast products: | |
| California product of wheat in 1876, cents, (or forty million bushels) | 20,000,000 |
| Wheat and flour exports in 1876, cents..... | 11,500,000 |
| Wheat and flour exports for twenty years, cents..... | 84,150,000 |
| Lumber imports at this port in 1876, feet..... | 309,159,972 |
| Domestic coals received in seventeen years, tons..... | 3,436,388 |
| California wool clip in 1876, pounds..... | 56,551,000 |
| Product of California wine for 1876, gallons..... | 10,000,000 |
| Tonnage movement of Central Pacific Railroad in 1876, pounds..... | 2,923,047,250 |
| Freight movement of Southern Pacific Railroad in 1876, pounds..... | 477,794,000 |
| Quicksilver product of California in 1876, flasks..... | 75,000 |
| Increase of immigration in 1876, souls..... | 35,326 |
| Gold and silver yield in 1876..... | 905,000,000 |
| Gold product of the Pacific coast since 1848..... | 1,491,500,000 |
| Silver product of the States and Territories west of the Missouri River since 1858..... | 321,000,000 |
| Combined gold and silver product of the Pacific slope since 1848..... | 1,812,500,000 |
| Gold and silver exports in twenty years..... | 798,780,000 |
| Coinage of San Francisco mint in 1876..... | 42,704,500 |
| Coinage of mint from 1854 to December 31, 1876..... | 452,102,500 |
| Merchandise export, values by sea in 1876..... | 31,315,000 |
| Mining stock sales, 1876, (San Francisco board)..... | 295,765,475 |
| Aggregate mining-stock sales in the regular sessions of the San Francisco board since its organization in 1863..... | 1,595,543,000 |
| Deposits in savings-banks of California..... | 72,500,000 |
| Value of manufactures in San Francisco in 1876..... | 45,000,000 |
| Sale of real estate in San Francisco in 1876..... | 24,000,000 |
| Banking capital of the State..... | 200,000,000 |

Taking into consideration our vast resources, our great marine and commercial interests, should the Government hesitate for a moment to make the necessary appropriations to commence this great national work? I contend that no man worthy to represent a free people in the American Congress can justify his action in denying or longer delaying the commencement of this great work that will prove a boon to the commercial and marine interests of our western possessions. Yet, Mr. Speaker, I find in the bill reported by the Committee on Commerce that they have recommended an appropriation for building a harbor of refuge at Coos Bay, a place not mentioned in the Engineer's report. I am in favor of improving this little harbor, if it can be called a harbor, but I spurn the idea that it is a place suitable for a harbor of refuge for the protection of the vast commercial interests of the Pacific States and Territories and foreign trade. I have examined the bill making appropriations for the improvement of rivers and harbors. I find that the bill appropriates \$5,836,600 for the thirty-eight States and seven Territories; that the eleven States represented on the committee receive nearly two-thirds of the whole amount appropriated, while the twenty-seven States and seven Territories unrepresented on the committee receive but about one-third of the amount appropriated. Is this fair? Is this justice? I contend that great injustice has been done to the twenty-seven States and seven Territories. Examine the Treasurer's report and see the amount of taxes and revenue collected in those States, and then turn to Michigan and other States that get the lion's share of the money appropriated under this bill, and the answer will be that great injustice has been done those States by the committee in the make-up of this bill.

One of the most important works on the Pacific coast is the completion of the Wilmington Harbor. The committee appropriates but \$12,000 for this important work. My colleague [Mr. WIGGINTON] informs me that the excuse of the committee is that the estimate of the engineer is too low; while trade and commerce demand that San Luis Obispo Harbor should receive an appropriation as the duties collected there amount to \$6,336,314.07, and here the committee makes a remarkable excuse that the engineer's estimates are too high. They cannot give to one because the estimates are too high, and cannot give to the other because the estimates are too low. The great trouble is that the chairman had never read the engineer's report. He had not informed himself as to the wants of the Pacific coast.

Mr. Speaker, we of the far West have been neglected, and are being neglected. We feel that the National Government has neglected us for more than twenty years; that the harbors of that coast should be improved in such a manner, by the Government, as to protect the commerce of its western possessions.

I will say that such members of the committee as ROBERTS and FELTON and REA and KENNA (BLISS and Ross were absent) have stood firm in behalf of justice to the Pacific coast, while the chairman and other members of the committee have denied us justice.

California to-day contributes almost as much revenue to the National Government as any other State in the Union. San Francisco stands the third city of the country in respect to the revenue which it gives to the General Government. We have contributed to the commerce of the world more than \$2,000,000,000. We contribute annually nearly \$100,000,000 in gold. We export probably \$50,000,000 of grain. We produce ten million gallons of wine, millions upon millions of feet of lumber, and as much wool as was produced in all the States of the Union in 1860. So I might go on stating product after product.

Yet the Committee on Commerce denies us justice. In looking over this report I find that of the money proposed to be expended Michigan receives \$499,000; West Virginia, \$198,000; Missouri, \$304,000; Texas, \$344,000. Why, sir, the canvas used in the grain-sacks in my district every year would cover the whole State of West Virginia so that the sunlight and dews of heaven would never touch the soil.

I have represented my State in this Congress to the very best of my ability. I know her wants. I have resided there from my boyhood. I have labored here for every measure calculated to advance the interests and prosperity of my State. I have done so irrespective of party. But I say to you to-day that my State is dearer to me than party organization or party dictation, and that should I be a member of the next House—whether I am or not—I shall use my influence to organize the House in such a manner as to place men like GOODE and COX and MORRISON and BLACKBURN and HUNTON and MILLS and others of that class upon committees—men who will do justice to all parts of our country. No man, be he democrat or republican, can ever receive my vote or the vote of any man hailing from the Pacific coast if I can prevent it unless he proposes to do justice to the whole United States. I am a democrat; but my democracy goes no further than my State interests when I see men trying to trample down the rights of the people I represent.

I contend that California and the Pacific slope have been denied that representation on committees to which they were entitled. I contend further that the interests of the whole Pacific slope demand that we shall select for Speaker of this House some one who will reorganize the party, who will place the brains of the party—such men as COX, MORRISON, and others—upon committees where they will represent the interests of the whole people and country.

Prior to the present Congress we have been represented on one of the most important committees of this House, the Committee on Commerce; but in the composition of the committee at the beginning of the present Congress we were denied representation. The result is that we of that coast find ourselves to-day without representation upon this most important committee. Let us for a moment examine the make-up of some of the committees. On the Committee of Ways and Means the West and Northwest have but two members, Messrs. GARFIELD and BURCHARD—both republicans. The free-trade democrats of the great Mississippi valley have no representation—the far West gets nothing. On the Committee on Commerce the West gets three, one democrat and two republicans—the far West gets nothing. On the Committee on Naval Affairs the West gets two, one republican and one democrat—the far West gets nothing. On the Committee on Mining the far West gets one, a republican, although the thousands of laboring-men of the far West are deeply interested in controlling the mining lands and interests, and preventing them from falling into the hands of the few. On the Appropriation Committee Pennsylvania gets two members, the West gets two members, while the old and democratic statesmen like MORRISON and MILLS must take back seats. The whole Northwest given into the hands of the republicans, DUNNELL and HUBBELL controlling the appropriations for rivers and harbors; while such democratic statesmen as BOUCK and BRAGG, and the late lamented General Williams, three of the most talented Representatives on this floor, are assigned to insignificant and unimportant committees.

The great West demands a modification of the high protective tariff. The farmers and laboring-men of the West demand it. We can only secure it by organizing the House with a presiding officer who will recognize the fact that we have a country west of the Alleghany Mountains.

Sir, we must build up the commerce and industries of our country. We must give employment to the people and satisfy the demands for labor. We must break down the barrier erected by the republican party between capital and labor; and we must preserve the public lands for the people. The republican Congress has issued millions of money and bonds, and millions of broad acres to corporations, but not a bond, a dollar, or an acre to the poor man. The other day we could only find twenty-six members who were willing to help the poor man to secure a home in the far West.

Sir, the people demand justice; they demand that every dollar that is issued by the Government, whether it be gold, silver, or paper, should be taken at par by the Government. Let us build up our commerce with Mexico and the South American States. Its trade by right should belong to our people. In conclusion, let us reorganize the committees, and do as our fathers did, recognize the ever-living truth, that we are but the representatives—the servants of the people; that we should do their bidding, for he that labors is a sovereign.

FREE COINAGE OF SILVER COIN OF FULL WEIGHT.

Mr. LATHROP. Mr. Speaker, House bill No. 5604 proposes a radical change in the present statutes, providing for silver coinage. It provides no new coins, but brings the debased or subsidiary silver coins back to full weight and makes them, in common with the silver dollar, a full legal-tender money. The bill also opens the mints to the coinage of silver money upon substantially the same terms that the mints are open to the coinage of gold. The purpose is to make the silver coinage like the gold, one of actual value, and that it shall pass at what it is worth and be worth what it passes for. Anything short of this is net in accord with the recognized principle upon which a metallic currency stands. A metallic currency is meant, in the dealings between man and man, for payment in value just and ample. If forced by law as payment at more than its value, somebody must be wronged. Gold and silver are commodities, articles of commerce, and the real value of any commodity is what it may be exchanged for in the markets of the world, and not what by force of law a creditor may be compelled to receive it at.

Except some recent and comparatively recent statutes relating to silver coinage the clear policy of this Government has ever been to keep its gold and silver coinage at substantially the bullion value of the metals therein. The real force of the bills under consideration, should it become a law, would be to put back the silver coinage under this general policy of the Government from which the gold coinage has never been withdrawn.

The Secretary of the Treasury in his report for 1872 stated the full modern doctrine of metallic money in these words:

The intrinsic value of a metallic currency should correspond to its commercial value, or metals should be used for the coinage of tokens, redeemable by the Government at their nominal value.

The late Director of the Mint, in his report for 1876, in argument against what Congress has since by an overwhelming majority thought it wise to do—the restoration of the dollar of 41 $\frac{1}{2}$ grains silver, says:

In modern times there has never been, so far as the Director has been able to ascertain, an instance of a government undertaking to establish unlimited legal-tender coins at a value above that of the commercial rate of bullion. On the contrary, the actual commercial relation of the precious metals appears in all cases to have been taken into account in fixing money standard, and the metals valued in the unlimited tender coinage strictly in conformity therewith, except in a few instances where a trifling seigniorage had been exacted to cover the cost of coinage.

Mr. Ernest Seyd, in an article upon the injustice of the gold valuation, thus expresses the fundamental idea or theory of metallic money as distinguished from promises to pay money:

The whole theory of money rests upon the representation by coin of distinct stages and divisions of value down to the lowest fraction. In convenient arithmetical proportions it is implied that, say, one hundred pieces of one must make ten pieces of another, and one piece of a third description, and *vice versa*. The whole must be divisible into parts with absolute freedom; hence the parts ought to be able in their turn to accumulate with the same freedom into the whole. Can this take place unless both the whole and the parts have the same characteristics?

The present statutes of the United States providing for silver coinage are in direct conflict with all the settled principles of a metallic money. The silver dollar is pushed into circulation as an unlimited legal tender, not at its own commercial value, but at the value of 25.8 grains of standard gold, be that what it may, and the actual difference is retained as revenue in the Treasury of the United States. The silver parts of a dollar are pushed into circulation to satisfy all the small trade and balance of a great, active, trading nation; their legal-tender quality is limited to sums not exceeding \$5, but their actual or commercial value is a heavy percentage below that of the silver dollar, and the measure of this debasement is also retained in the Treasury as a part of the nation's revenue.

The fact that it is the commercial value of the bullion in a coin that gives the coin its true and actual value is as instinctively in the mind as the idea of value itself. Argument may mystify, but the fact exists, and will in the end assert itself. That the law may compel a creditor to accept a coin as and for a value which it has not, is true. So may the law by its action create such a necessity, as in the case of the subsidiary coinage, that the people, rather than be without any means of exchange in the small affairs of life, will accept and use it at a price known to be far above its real value. But the original and rightful law of dealing between man and man remains—that of giving value for value—and every departure therefrom, whether by force or design, can but work wrong and injury.

The false attitude in which the present legislation places the silver dollar is exposed in our observation of the last report of the Secretary of the Treasury:

It cannot be exported except at its commercial value as bullion.

This is substantially a self-evident truth. The same observation would be just as true of the gold dollars. When they pass beyond the limits of the operation of our statute, both pass as they should—for what they are actually worth. The gold dollar obeys the same law among ourselves, but the silver dollar is made to pass at a value which it has not. If the silver dollar anywhere off from our own soil commands a higher price than its bullion value, it is solely because it may be returned and used to the injury of some home creditor.

The law of 1792 establishing a mint recognized in its fullest force the doctrine that the money value of the coin should correspond with the commercial value of the bullion contained in it, and the provisions to secure this end were of the most ample character.

The act provided what coins of gold and silver should be struck, and the weight and fineness thereof, and that such gold and silver coins, when struck, should be full legal tender (when of full weight) at their declared value, and those of less than full weight at values proportional to their respective weights. The whole expense of the erection, maintenance, support, and carrying on the business of the Mint was made a charge upon the Treasury of the nation, except an option was given the holder of bullion to pay $\frac{1}{2}$ per cent. of his bullion and receive his coin upon delivery rather than wait for coinage in turn, and in such cases the $\frac{1}{2}$ per cent. went toward mint expenses. The Mint was open upon equal terms to every holder of gold or silver bullion. It furnished the alloy and struck the coins, and, when struck, delivered to the owner of the bullion coins containing the same weight of pure metal as contained in the bullion deposited. The $\frac{1}{2}$ per cent charged was not for coinage expenses, but as compensation for the use of the money advanced while the coinage was taking place.

The fourteenth and fifteenth sections of the act expressed clearly

the rights of individuals depositing bullion for coinage, and the duty of the Mint to them. The sections are as follows:

SEC. 14. *And be it further enacted*, That it shall be lawful for any person or persons to bring to the said Mint gold and silver bullion, in order to their being coined; and that the bullion so brought shall be there assayed and coined as speedily as may be after the receipt thereof, and that free of expense to the person or persons by whom the same shall have been brought. And as soon as the said bullion shall have been coined, the person or persons by whom the same shall have been delivered, shall upon demand receive in lieu thereof coins of the same species of bullion which shall have been so delivered, weight for weight, of the pure gold or pure silver therein contained: *Provided nevertheless*, That it shall be at the mutual option of the party or parties bringing such bullion, and of the direction of the said Mint, to make an immediate exchange of coins for standard bullion, with a deduction of $\frac{1}{2}$ per cent. from the weight of the pure gold or pure silver contained in the said bullion, as an indemnification to the Mint for the time which will necessarily be required for coining the said bullion and for the advance which shall have been so made in coins. And it shall be the duty of the Secretary of the Treasury to furnish the said Mint from time to time, whenever the state of the Treasury will admit thereof, with such sums as may be necessary for effecting the said exchanges, to be replaced as speedily as may be out of the coins which shall have been made of the bullion for which the moneys so furnished shall have been exchanged; and the said deduction of $\frac{1}{2}$ per cent. shall constitute a fund toward defraying the expenses of the said Mint.

SEC. 15. *And be it further enacted*, That the bullion which shall be brought as aforesaid to the Mint to be coined, shall be coined, and the equivalent thereof in coins rendered, if demanded, in the order in which the said bullion shall have been brought or delivered, giving priority according to priority of delivery only, and without preference to any person or persons; and if any preference shall be given contrary to the direction aforesaid the officer by whom such undue preference shall be given shall in each case forfeit and pay \$1,000, to be recovered with costs of suit. And to the end that it may be known if such preference shall at any time be given, the assayer or officer to whom the said bullion shall be delivered to be coined shall give to the person or persons bringing the same a memorandum in writing under his hand, denoting the weight, fineness, and value thereof, together with the day and order of its delivery into the Mint.

By this act the Mint was as open to the holder of any gold or silver bullion to have it coined into legal-tender money without charge as were the markets of the world open in which to purchase the bullion.

Under the operation of this statute how could the value of coin and the commercial value of the bullion materially differ? Any holder could have his bullion converted into coin without expense and without limit as to quantity. The debtor had his option to buy coin or buy bullion and have it converted without charge.

The law exactly accomplished its purpose, weight and fineness considered; it made the coins worth their weight in bullion, and bullion worth its weight in coin. The coin expressed value, nothing more, nothing less. Dealing was value for value. To effectuate this object of public policy, the nation paid the whole expense.

By the act of 1795, Congress required the depositor of gold or silver bullion which was below standard to pay a fixed price for melting and refining the same. This act left all standard gold and silver to be coined without expense, and was no departure from the policy expressed in the act of 1792. Bullion was not marketable until its weight and fineness were established. It in effect required the owner of bullion to pay for putting it in marketable condition.

The eighteenth section of the act of January 18, 1837, specified exactly what charges should be made against the depositor of gold or silver bullion for coinage. He was to be charged for refining when the bullion was below standard; for toughening when the bullion contained metals which rendered it unfit for coinage; for copper used for alloy when the bullion was above standard; for silver introduced into the alloy of gold, and for separating the gold and silver when these metals existed together in the bullion; and these charges were to be fixed by the Director of the Mint with the concurrence of the Secretary of the Treasury, so as not to exceed in their judgment the actual expense to the Mint of the labor and materials employed in such operations. In all of these acts the plain policy of the law to make coinage free and preserve the quality of value in coin and bullion was substantially observed. The only charges made were for bringing bullion to a standard and for the use of money paid in advance of coinage.

This policy of the Government to make coinage free both as to gold and silver, and to make the coins of both metals an unlimited legal tender, remained intact until the passage of the act of February 21, 1853. By this act the half dollar, quarter dollar, dime, and half dime thereafter to be coined were debased in weight, their legal-tender character reduced to sums not exceeding \$5, their free coinage forbidden, and the treasurer of the Mint directed to purchase the bullion therefor, and to "charge himself with the gain arising from the coinage of such bullion into coins of a nominal value exceeding the intrinsic value thereof."

This act left the mints open for the coinage of silver dollars as well as for the coinage of gold, but in addition to the charges before made for refining or parting the metals, this act imposed upon the depositor of bullion a charge of $\frac{1}{2}$ per cent., whether the metal was to be coined or cast into bars or ingots.

This act first made provision for the owner of gold or silver bullion to deposit the same in the Mint for the purpose of having it cast into bars or ingots of pure metal or of standard fineness as the owner might desire; but the act made the charge for coinage and for casting into such bars or ingots identical. The act itself, save as it had debased and degraded the parts of a dollar, most forcibly expressed the fundamental idea of metallic legal-tender money; that its coin value and bullion or commercial value, should be substantially identical, by making the same charge for reducing and stamping the

weight and fineness upon the bullion bars as for striking it into coins. It is true that in March, 1853, an act was passed making the charge for casting gold or silver into bars or ingots, or forming the same into disks at the Mint, equal to but not exceeding the actual cost of the operation, including labor, wastage, use of machinery, materials, &c. Whether this was a relief or burden to bullion, I do not know.

The coinage act of 1873 dropped from the coinage of the country the silver dollar, which from 1792 until that time had stood upon the statute-books as the unit of value, and made the gold dollar of 25.8 grains standard the unit of value, and imposed a charge of $\frac{1}{2}$ of 1 per cent. for converting standard gold bullion into coin. By this act silver coin as a full legal tender ceased to be struck, and by the provisions of the Revised Statutes of 1874 gold coins alone became a full legal tender. By the act of January 14, 1875, the small percentage of $\frac{1}{2}$ of 1 per cent. charged for converting standard gold bullion into coin was repealed and the policy again asserted of making the money value of the full legal-tender coin correspond with the commercial or bullion value of the metal therein.

In respect to its gold coinage this just policy of the Government has never been materially departed from.

The act of February 28, 1878, authorizing the coinage of the standard silver dollar and restoring its legal-tender character, is in flagrant violation of the just principle so uniformly recognized and adopted by this Government, and a principle in substance observed by every commercial and enlightened state. It is true the Government has not committed the deception of lessening the weight of its coin, but it buys the bullion at one price and forces the circulation of the coin at quite another value. The difference between the coin value and bullion value of the metal goes into the Treasury as revenue. This difference makes an annual sum of no mean magnitude upon a coinage of \$2,000,000 per month. Is not somebody wronged, somebody cheated? The proposition does not admit of argument. It is an utter violation of principle and of right. It is force substituted for value—flatism introduced into the metallic currency of the nation. There is neither excuse nor justification for the restrictive provisions of said act. The restrictions should be removed, and the coinage of the dollar made free, placed upon an equal footing with the gold coinage, and to circulate at its actual value or not at all.

It is true that the present situation of the silver coinage in respect to the dollar is the result, in a great measure, of the controversy between the advocates of a single gold standard and the advocates of the gold and silver standard. The law as it stands neither is nor ought it to be satisfactory to either class. It neither expresses the views nor answers the purposes of either party. It is neither relief nor justice to the debtor, and is a source of uncertainty and peril to business and to the creditor. It simply expresses the determined will of the people to have both metals as unlimited legal tender, but the law neither realizes nor secures that will. The advocates of the single gold standard, not able to defeat the restoration of the double standard, have still been able to ingraft upon the legislation provisions false in principle, and which practically defeat the objects sought by the restoration of the silver dollar.

The legislation of 1873 and 1874, which in effect introduced the single gold standard and demonetized silver practically, (except as to the debased and degraded parts of a dollar,) either from the manner of its accomplishment or the inattention of the people passed unobserved and without assent or acquiescence on their part. Metallic money, great or small, was not then in common use in the business of the country. As soon as the act of demonetization was discovered the people who were to be affected by this act, and who alone have the right to dictate policy, with a surprising unanimity declared this legislation a cheat and a swindle and demanded it should be undone and silver restored to its time-honored position in the metallic currency of the country. The delusive act of 1878 is as yet the only response to that demand. If this will of the people as expressed in the election of 1876 is not to be annulled or revised and the single gold standard adopted, then that will should be respected, and silver restored in spirit and in fact to its position in the metallic currency of the country.

There has no organized party yet arisen so bold as to advocate the adoption of the single gold standard. Many individuals would prefer it. The owners of promises to pay are interested in scarce and dear dollars; the masses of the people are not. Abundance of good, honest money means activity, enterprise, and growth. This they desire, and with them there has been no sign of wavering or doubt as to the wisdom of the judgment in favor of the double standard and of the settled policy of the Government from 1792 until 1873. When the making silver a part of the full legal-tender money of the country shall no longer be resisted the laws of trade will soon bring its coinage into harmony with the settled policy of the Government. But so long as the policy of crowding the silver dollar into the channels of trade at a fictitious or false value, at a value which it has not, so long will there be irritation, disputes, and controversies. The law, in honest dealing, of value for value existed before statutes and is irrepealable by them. It is one thing to impose a false principle upon the minor transactions of business and quite another to incorporate a like principle as an element or possible element in all the great and extended transactions of commerce.

The silver dollar cannot be made to enter into the active business

of buying and selling upon an equal footing with the gold dollar while in fact it is intrinsically worth only eighty-five cents or ninety cents of the value of the gold dollar. They are not interchangeable, nor has it ever been the law or policy of the Government to make its full legal-tender gold and its full legal-tender silver coinage interchangeable. Prior to the act of 1878 the law simply prescribed the weight and fineness of the respective full legal-tender coins, whether of gold or silver, and left them there to be operated upon by the fundamental rule of man's selfishness: that in loans the creditor would advance the least valuable money, and in payments the debtor would pay in that which he could obtain with the least expense and burden to himself.

Under this rule in payment of debts if both metals advanced it was to the creditor's advantage; if both or either declined in value, it was the debtor's gain. Some risks must be taken. This rule was open, and as fair to the one as to the other. It stood as the rule of law and the declared policy of the Government from the establishment of the Mint in 1792 until the passage of the coinage act of 1873, when the silver dollar was dropped. There is nothing to warrant a belief that the people will consent to abandon either metal as full legal-tender money. The general judgment is that both are required for the prosperity of society as a whole. What is demanded is that each shall take its place in the coinage of the country, and the coins pass at their commercial or intrinsic value, and that the prices of property and of labor may be allowed to adjust themselves to such real values.

Nor is it probable that the weight of the silver dollar as a full legal-tender coin will be changed. In the act establishing the Mint in 1792 the silver dollar, or "unit," was provided, and was "to contain three hundred and seventy-one grains and four-sixteenths of a grain of pure" silver. In all the changes of coinage from that day to this, this silver dollar has remained intact in the amount of pure silver contained therein. The amount of alloy has been changed, but alloys have never been treated as an element of value in American coinage. In 1834 the weight of the gold coinage was very materially reduced. By law from 1792 until 1834 the debt-paying power of a pound of pure gold was equal to that of fifteen pounds of pure silver; but the act of 1834 changed this debt-paying power so as to make one pound of pure gold equal, substantially, to sixteen pounds of pure silver. These proportions, as fixed by law, have rarely if at all exactly corresponded with the market values of the two metals, and experience has proven that during all this period when metals have been used as money the cheaper of the two has been mainly relied upon, or used to perform the offices of money.

From 1792 until 1834, while the legal relation was as 1 of gold to 15 of silver, fifteen pounds of pure silver in market would not buy one pound of pure gold, and during this period silver was mainly used as coin; but, from 1834 to 1873, when the dollar was dropped, sixteen pounds or 15.98 pounds of pure silver in market would buy more than one pound of pure gold, and so gold became the metal mostly used as money, except for parts of a dollar, into which silver alone was coined. But during all this time, from 1792 until 1873, both metals were by the law treated with equal favor as money, and stood together upon the statute-book with their respective powers of payment, for the benefit and security of trade, and for the protection of the debtor against any possible scarcity or undue advance in the price of either. As nearly as practicable, during all this period Government performed upon the legal-tender coins of each metal its theoretical duty; it fixed by its stamp their weight and fineness, and left them to pass in the dealings of the people at what they were worth. While both gold and silver were by law made money, and the weight and fineness of the dollar of each defined by law, it was clearly the right of the debtor, public or private, to pay in either or in both, (in the absence of express stipulation to the contrary,) as the debtor might find most convenient.

It is equally clear that it was the right of every debtor, public or private, to pay and discharge any contract entered into while such was the law (if without stipulation to the contrary) in dollars of either gold or silver, as the debtor might find most convenient. The law itself defined and fixed the obligation of the contract as completely as if it had been written into the body thereof. These provisions measured the rights of the creditor and the duties of the debtor. It was not the moral right of any authority to change the terms without the assent of each party. The rights of the debtor and creditor are equally sacred in morals and should be in law. It is the right of the one to have and the duty of the other to perform the contract as made. It is unjust legislation, except in cases of overruling necessity, which impairs the obligations of fair contracts, and it is equally unjust legislation which imposes new obligations, or deprives the debtor of any of the substantial advantages of his contract as made.

In the United States the great debt-contracting era culminated in 1873. Promises to pay, public and private, had been multiplied until they broke down of their own weight. It is true that in the main dealings had for years been conducted on promises to pay, at some time, coined money or money which was value itself, but these promises were but debts themselves, and referred back to the coinage acts to fix their obligation when they should be made good.

Had the silver dollar remained a part of the authorized coinage as it had existed from 1792, and not been dropped as it was by the legis-

lation of 1873, no one could or would have doubted the legality or morality of paying any and every debt, public and private, when not otherwise stipulated, in silver dollars. The right did attach to every such contract entered into prior to the act of February 12, 1873, and the right to pay in any full legal-tender silver before that time struck, attached as a part of the law to every contract entered into prior to the adoption of the Revised Statutes in June 1874, when the legal-tender character was withdrawn from such silver coins.

From the moment it was discovered that silver had practically been demonetized by the coinage act of 1873 until the passage of the act of 1878, purporting to restore the silver dollar, the demand from the people that the silver dollar should be restored to its old position in the coinage of the country was so general and so continued that if any creditor, public or private, contracted or claims to have contracted upon the faith of a continuing single gold standard he exhibits a credulity of a kind scarcely capable of protection. When we remember in what and for what the bulk of the debt existing in 1873 had been contracted they certainly appear burdensome enough with every advantage left which was included in the contract. To lift them up to coin was no light operation, but artful legislation, which, from that point, indefinitely added to their burden is without excuse or possible justification.

It is true that the relative bullion value of silver and of gold has greatly changed since 1873, and this change measures the increased burden cast upon the American debtor by the legislation of that year. From this increased burden the debtor can have no relief so long as silver is by law forced into circulation at the price of gold. What this increased burden amounts to it may be impossible to compute, but certainly the aggregate is enormous. The bullion value of the silver dollar is now from .12 to .15 less than that of the gold dollar. Whether this arises from an enhanced value of gold or from the depreciation of silver or partly from both, changes not the result.

The nation now owes more than two billions, every dollar of which was contracted when both metals were full legal-tender money, and in every bond therefor issued since the refunding act of 1870 it is stipulated to be paid in coin of the then standard value.

As the result of the legislation of 1873 and the failure to make the coinage of silver free, as it stood when the debt was contracted, with the present relative value of gold and silver, an additional burden of more than \$250,000,000 is imposed upon the American tax-payer. In 1870 the indebtedness of the States, counties, towns, and cities, as shown by the census returns of that year, amounted to near \$865,000,000. This debt certainly did not diminish in the three years of inconsiderate debt contracted preceding 1873; and whatever it was in 1873 it is certain that the great bulk of the amount is yet unpaid. Even upon the amount existing in 1870 the increased burden has become more than \$100,000,000. The funded and floating debts of the railroads of the United States are stated at about \$2,500,000,000. This debt must have been mainly contracted while gold and silver both were by law full legal-tender money. From 1865 to 1873, both inclusive, the miles of railroad in the United States were increased from 33,908 miles to 70,784 miles. This was the period of extreme high prices and easiest credits. Since 1873 the rate of building has been slow and the cost light.

If we estimate that two billions of this was contracted prior to 1873, it would not be an overestimate, for the about seven thousand miles since that time built could not have cost five hundred millions. Then, upon this class of indebtedness, from the same cause, the increased burden is more than \$250,000,000 more. The railroad indebtedness, if paid at all, must be paid by those who use the road, the great body of the producers of the country; and the burden of this class of indebtedness bears upon the producing interests of the country scarcely less directly than the burden of the national debt. These three items leave untouched the great mass of corporate and individual debts. What their huge aggregate is would be at best a matter of vague conjecture. This is certain, that all classes of indebtedness have been subjected to the same law of increase of burden, and from the same cause. It is no more probable that the debtor class will submit to this increased burden than it would be just that it should, whether attempted by an increased weight of the silver dollar or the continued attempt to force its circulation at the price of gold.

The American debtor is not responsible for the present difference between the bullion value of gold and silver, nor is the fact of this difference a reason why the contract should be changed to his prejudice or to the benefit of the creditor.

The late Director of the Mint, in his report for the year ending June 30, 1876, then arguing against the demand for the restoration of the silver dollar and to disprove the intimation that the legislation of 1873 was in the interest of certain creditors of the United States, and to insure payment of the national debt in gold coin, in speaking of the change in the relative value of the two metals and the causes thereof, says:

The change in the relative value of the precious metals is not, however, due altogether to the depreciation of silver, there evidently having been during the same period, 1871 to 1876, an appreciation of gold; but it is slight compared with the depreciation of silver. In making this statement in reference to gold, I am aware that nearly all the prominent authorities in Europe, including the highly intelligent British commission which recently examined and reported on this subject, treat the change in the relative valuation of gold and silver as being solely a depreciation of silver. The new gold coinage of Germany, which commenced in

1872, now amounts to more than \$337,000,000 in our money terms. While this coinage has been in progress, Austria and the Netherlands, countries of the silver standard, have each coined gold for the purpose of regulating and conducting foreign exchanges, and France has largely increased her stock of that metal. I cannot but think that the demand for gold by these countries and the Scandinavian states, in which there has been recently a change to the gold standard, exceeded the supply available for coinage from the mines of the world, and to a sufficient extent to produce a slight advance in its value.

The dividing line between the depreciation of silver and the appreciation of gold cannot be accurately determined; but it is very clear that the change in the relative value of the two metals has been principally caused by depreciation of silver. The causes which effected this unexampled change were stated and discussed in my previous reports; but they may be summarized in the order of their importance in producing the decline as follows: First, the change from the silver to the gold standard by the German Empire and the Scandinavian states; second, the use of a forced paper currency in Russia, Austria, and some other countries; third, diminished demand for export to the Indies and China; fourth, the limitation placed on the coinage of silver by countries of the double standard; fifth and last, increased production of that metal.

The alteration in the relative value of the two metals shows conclusively that their exchange or purchasing power is due, in a greater degree, to their use as money, than has heretofore been generally conceded, and this point must not be lost sight of in considering their probable future relative value.

In these reasons there is not one for which the American debtor is responsible. It has not been at his instance that the German Empire and Scandinavian states have changed from a silver to a gold standard, nor that Russia and Austria have resorted to a forced paper circulation, nor that misfortune has overtaken India and China and limited their ability to buy, nor that other nations have placed a limit upon silver coinage, nor that the world has been blessed by an unusual yield of silver. In the above quotation the Director states that the German Empire, between 1872 and the date of the report, had produced of her new gold coinage more than \$337,000,000, well-nigh the credited product of all the gold mines of the world during the time. This one item of the new demand for gold and its effects upon the markets of the world had evidently awakened the attention of the Director to the logic of modern action, and he adds:

The alteration in the relative value of the two metals shows conclusively that their exchange or purchasing power is due in a greater degree to their use as money than has heretofore been generally supposed, and this point must not be lost sight of in considering their probable relative value.

There has not been a force by legislation exerted against silver but what tended with equal power to enhance the demand for and consequently the price of gold. That a vast scheme has been formed, and for the past ten years pushed with wonderful vigor, to absolutely discard silver as money throughout the commercial world, no longer admits of dispute or debate. Its effects are everywhere visible in the enhanced power and value of promises to pay and in the weakened prices of property of every description, and of the labor engaged in its production. The national debts of the world alone are estimated to amount to no less than from twenty to twenty-three billions of dollars, and they are but a fraction of the whole amount of indebtedness of the commercial world, to be enhanced in power and value by discarding silver as money. Is it not possible that the spirit of human selfishness, operating upon the holders of all these promises to pay, has inspired the recent effort to discard silver as a part of the metallic money of the world?

In this country the ruinous effects, upon business enterprises and labor, of violent contraction of circulation are understood, and the people have looked with extreme distrust upon every proposition to contract even promises to pay. But the scheme of contraction proposed by the advocates of a single gold standard is all-pervading in its consequences and grand in its proportions. Mr. Seyd, in 1871, estimated the amount of gold and silver used for money in the world, including coin and bullion, at \$6,750,000,000, of which he estimates \$3,500,000,000 are gold, and \$3,250,000,000 are silver. Mr. Fawcett, in his Handbook of Finance, estimates the metallic money in the world, gold, silver, and base metal, at \$9,400,000,000, of which he estimates twenty-seven hundred millions as gold, and sixty-seven hundred millions as silver and base metal, and of this he estimates one-tenth, six hundred and seventy millions as base metals, leaving for silver \$6,030,000,000. These estimates greatly differ, and especially as to silver, and each may be very far from the truth; accuracy is not even claimed. In speaking of the quantities of silver and gold, Adam Smith says:

When we compare the precious metals with one another silver is a cheap and gold a dear commodity. We ought naturally to expect, therefore, that there should always be in the market, not only a greater quantity but a greater value of silver than of gold.

Make the most favorable assumption, and yet the fact remains, that the proposition to demonetize silver is to deprive the world of well-nigh one-half of all its actual money, and to deprive it of a half or more than half of its possible future supply of actual money. What the result of the full execution of the project would be it is not necessary to conjecture. Possibly states organized upon an aristocratic basis, and where the preservation of rank in society is the primary object, might submit, but in a Government organized as this is, where equality of right and of opportunity is the fundamental rule, such an injustice cannot long be maintained.

The United States silver commission, in its report, page 107, adopts the estimate of £5,000,000, or \$25,000,000 as the annual consumption of gold in Great Britain alone. For the United States in 1873 the estimate of the annual consumption of gold for jewelry, gold-leaf, and in the arts was \$10,000,000. Mr. Fawcett, in his Handbook of

Finance, adopts the following table as the "assumed annual consumption of gold in the arts, by the loss and abrasion of coins, and by the loss, wear, and accumulation of jewelry."

| Year. | Amount. | Year. | Amount. |
|-------|--------------|-------|--------------|
| 1839 | \$25,000,000 | 1857 | \$55,000,000 |
| 1840 | 25,500,000 | 1858 | 59,000,000 |
| 1841 | 26,000,000 | 1859 | 63,000,000 |
| 1842 | 26,500,000 | 1860 | 67,000,000 |
| 1843 | 27,000,000 | 1861 | 71,000,000 |
| 1844 | 27,500,000 | 1862 | 74,000,000 |
| 1845 | 28,000,000 | 1863 | 77,000,000 |
| 1846 | 28,500,000 | 1864 | 81,000,000 |
| 1847 | 29,000,000 | 1865 | 85,000,000 |
| 1848 | 29,500,000 | 1866 | 89,000,000 |
| 1849 | 30,000,000 | 1867 | 92,000,000 |
| 1850 | 32,000,000 | 1868 | 93,000,000 |
| 1851 | 34,000,000 | 1869 | 97,000,000 |
| 1852 | 37,000,000 | 1870 | 101,000,000 |
| 1853 | 40,000,000 | 1871 | 105,000,000 |
| 1854 | 43,000,000 | 1872 | 109,000,000 |
| 1855 | 47,000,000 | 1873 | 110,000,000 |
| 1856 | 51,000,000 | 1874 | 108,000,000 |

The following table of the world's estimated annual production of gold and silver since 1852, from the *Journal des Économiste*, seems to be as much relied upon as any:

| Years. | Estimated product. | | |
|--------|--------------------|---------------|---------------|
| | Gold. | Silver. | Total. |
| 1852 | \$182,500,000 | \$40,500,000 | \$223,000,000 |
| 1853 | 155,000,000 | 40,500,000 | 195,500,000 |
| 1854 | 127,000,000 | 40,500,000 | 167,500,000 |
| 1855 | 135,000,000 | 40,500,000 | 175,500,000 |
| 1856 | 147,500,000 | 40,500,000 | 188,000,000 |
| 1857 | 133,000,000 | 40,500,000 | 173,500,000 |
| 1858 | 124,500,000 | 40,500,000 | 165,000,000 |
| 1859 | 124,500,000 | 40,500,000 | 165,000,000 |
| 1860 | 119,000,000 | 40,500,000 | 159,500,000 |
| 1861 | 114,000,000 | 42,500,000 | 156,500,000 |
| 1862 | 107,500,000 | 43,000,000 | 152,500,000 |
| 1863 | 107,000,000 | 49,000,000 | 156,000,000 |
| 1864 | 113,000,000 | 51,500,000 | 164,500,000 |
| 1865 | 120,000,000 | 52,000,000 | 172,000,000 |
| 1866 | 121,000,000 | 50,500,000 | 171,500,000 |
| 1867 | 116,000,000 | 54,000,000 | 170,000,000 |
| 1868 | 120,000,000 | 50,000,000 | 170,000,000 |
| 1869 | 121,000,000 | 47,500,000 | 168,500,000 |
| 1870 | 116,000,000 | 51,500,000 | 167,500,000 |
| 1871 | 116,500,000 | 61,000,000 | 177,500,000 |
| 1872 | 101,500,000 | 65,000,000 | 166,500,000 |
| 1873 | 103,500,000 | 70,600,000 | 173,500,000 |
| 1874 | 90,500,000 | 71,500,000 | 162,000,000 |
| 1875 | 97,500,000 | 62,000,000 | 159,500,000 |
| Total | 2,913,000,000 | 1,187,500,000 | 4,100,500,000 |

If there is any reliance to be placed upon these estimates of the recent annual production and consumption of gold, then we are confronted with the fact that the annual consumption for purposes other than use as money already equals or exceeds the total gold supply, so that additions to the stock of gold money can only be obtained when the pressure for money shall overcome the selfish desire or ability for ornamentation and use in the arts.

These statistics also show that gold production has steadily declined from more than \$180,000,000 in 1852 to less than \$100,000,000 in 1875, and that the production of both gold and silver has diminished so that the quantity annually produced in 1875, and for a few years preceding, was many million dollars per year below the annual production in 1852 and for several succeeding years.

Since the discovery of the California and Australian gold mines and the great increase in the stock of the precious metals following the discovery, it has been a period of unexampled activity in every department of business. Production and consumption have assumed proportions not known before. Whether this increased volume of business and traffic between man and man and people and people is rightly estimated at double or fourfold what it was before, the one fact remains: that money in some form is the medium through which the exchanges are effected and the balances satisfied, and that for the economical transaction of the business the medium must bear some just proportion to the volume of business to be transacted.

Unless new and unexpected deposits should be discovered, gold is already out of the question to meet the requirements of even the present volume of business, and had not our people already determined that silver should be maintained permanently as a part of their legal-tender metallic money, it is evident that that determination could not be long delayed. What is needed and required now is to bring the silver coinage into harmony with the general policy of this Government and of all modern commercial states in respect to their full legal-tender coins.

We have just passed through a canvass and election in which the question of fiat money, or money of force, as distinguished from a

money of value has been submitted. The people have declared against the scheme. A money of value, true honest value, is what they expect and demand.

Yet the whole silver coinage of the country is in direct conflict with this judgment of the people—in conflict with the general policy of the Government from its foundation, and in conflict with the general policy of every modern commercial state. The silver dollar and parts of a dollar purport to be a coinage of full value. The coin by law is neither redeemable nor exchangeable. It purports to be value itself, and the law compels its receipt in payment of debts—the dollar in unlimited amounts, and the parts of a dollar when the sum does not exceed \$5. The circulation, so far as law can accomplish, is now forced at the price of gold, and not exchanged in trade at its value. The silver dollar is now worth as silver about .55 of the value of the gold dollar, and the subsidiary silver some .07 less. To accomplish this result, Government buys the bullion, restricts the coinage, and forces the circulation. The profit between the actual value of the metal and the price at which its circulation is forced is retained in the Treasury as revenue. In the matter of the parts of a dollar, the Government in effect says to the people, "take this debased coin and use it, or go without money in all the infinite small dealings of a people." The Government undertakes to gauge the issue by the pressure of necessity on the part of the people. The basis is, to create a pressure or demand for small money to transact and adjust the small affairs of business, which shall be equal to more than 20 per cent. of the actual value.

We experience the result in the change we daily use. That it is a cheat and a swindle is confessed and proclaimed in the provision of law that it shall only be forced between man and man in sums not exceeding \$5. If men can deal in sums exceeding \$5 at a time, by law they are saved from this imposition. It can be forced upon the laborer for his day's wages, but with it he can neither pay for a cow nor a coat. If the use of this debased coin is just, and works no injury in the transaction in which it may be used, then no one can deny that it would be just, and work no injury if introduced by law into every transaction of business, small and great. Reduced to words, this debased coinage is forced upon the people with the assurance that you can cheat as much as you are cheated. Can cheating be so reduced to system by law as to work no injury, and be the equivalent of honest dealing? If so, then this silver coinage can be justified; but if not, then in behalf of public morals the abuse should be corrected and we return to the acknowledged rule of dealing—value for value.

It is a fundamental rule of any honest system of legal-tender coinage that it shall be left to the laws of trade to determine what the amount of that coinage shall be, that it may be just so much as under all the circumstances and conditions of a people they find it profitable to retain and use of actual value in the form of coined money. To force this circulation at a fictitious value, Government constitutes itself an absolute monopoly and dictates to the last dollar how much of the coinage may enter into the channels of commerce, and attempts to dictate at what price it shall be given and taken. This monopoly is to repress the laws of trade, not create them. It is beyond legislative power to prescribe the laws of trade, but unwise statutes may fetter and embarrass their operation. The Secretary of the Treasury, in his last report, in speaking of this silver coinage, says:

Experience, not only in this country but in European countries, has established that a certain amount of silver coin may be maintained in circulation at par with gold though of less intrinsic bullion value.

And how? Simply by suppressing the laws of trade, and as far as monopoly power can be stretched, substituting it therefor. Values are real; and upon no other theory can the lesser be made equal to the greater in the common dealings of mankind. So with equal truth might it be affirmed that in the experience of some European countries a debased, under-weighted coinage has been made to satisfy the demands for a full-weighted coinage. The acts were crimes when committed, and have been adjudged so from that day to this.

The Secretary of the Treasury reports the revenue derived from this seigniorage and forced circulation of silver coin, for the fiscal year ending June 30, 1878, at \$1,690,762.33, and the estimated profit from this source for the year 1879 at \$1,800,000, and for the year 1880 at \$1,600,000. This is not a tax in any proper sense, but is the measure of the desolation inflicted in the first changing hands of this debased coinage, and is there started upon its endless round of falsehood and wrong, without remedy, except the power of the cheated to cheat.

The resistance to the receipt of the silver dollar at its false value is but the inherent judgment of man against wrong, in whatever form presented. It is at war with right and with public policy, and the Secretary of the Treasury but recognizes the force of the inherent law of value when he says, "as they," the dollars, "increase in number they will fall to their value as bullion." When that point is reached, then they will be money true and honest.

If there was ever any reason for the debased coinage of the parts of the dollar, that reason long since ceased to exist; and with the reason should have ceased the law. The small transactions of a community are the field out of which all the larger transactions are gathered.

It is the small transactions that most demand fostering care and encouragement. They fill the channels of commerce as springs fill

the banks of the river. The law of value as surely asserts itself in the small dealings of life as in the large ones. Good policy requires that equal or greater care should be taken to leave free and unobstructed the laws of fair and just dealing in the small as in the larger transactions of life. This is certainly not done by the law as it now stands, except the silver dollar which is also a violation of every rule of right. Every transaction of \$5 and upward is left under the rule of value for value, and that in a coinage free and limited only by the demands of business for it. The small transactions are compressed to the use of so many dollars as the Government finds can be supported at some highly fictitious value. Freedom, so necessary to the growth of trade, is forbidden in all small dealings. Who knows or can estimate the amount of money of actual value that forty-five millions of busy, active people would find it profitable to employ in all the minor transactions of life? Why should the poor in fact be condemned to a debased money from which their more fortunate neighbors are relieved? And why should a whole people be condemned to hold and use \$50,000,000 or more of money which is always present, and yet absolutely worthless as money in even the ordinary transactions of business.

If the dollar is good enough to pay debts with, great and small, then certainly the full-weighted fractions of a dollar would be good enough for the same purpose. They purport to be value, circulate as value, and without redemption. The minor coins, five cents and under, are redeemable in lawful money. They are promises to pay in fact, and while the Government pays gold for its notes are as good as gold.

It is not now an open question whether we will have gold alone as legal-tender metallic money. That question has been passed upon. The decision is that both silver and gold shall be used as full legal-tender money. Upon this assumption our silver coinage legislation should be made to conform to principle and public policy. At present it is a flagrant violation of both. Place silver, the dollar and parts of a dollar, back to the position it occupied in the coinage acts prior to 1853, (and, as respects the dollar, prior to the act of 1873,) with coinage as free as that of gold, and if they circulate at all, let them circulate at their intrinsic or commercial value. We have long enough had poor money for the poor and good money for the better circumstanced. Let us have one rule for all:

It is objected to the free coinage of silver that the effect would be to drive gold from circulation and from the country, because of its superior value as coin, and compel the use of an exclusive silver coinage. Possibly at the present market rate of the metals that might be the tendency, but would even that furnish a justification of a false system? We should then deal in real values and be freed from the enforced imposition of false estimates. Silver is a commodity of intrinsic value, as well as gold. A given value of silver is every way as desirable as the like value of gold. The object of business is the acquisition of real value in some form; in what it appears is a matter of minor importance. No one need fear that the owner of gold will part with it without the receipt of its worth in something in return. Of late we seem to have been seized with a peculiar fancy for gold.

It may be real, and it may be stimulated to some extent by some purpose not usually avowed. Whether real or unreal, it can constitute no sufficient reason for attempting to introduce, or continuing in our commercial dealings the radically false principle of forcing money at a fictitious value, nor can it furnish any just reason why the American debtor should have forced upon him the extra burden of a billion or a billion and a half of debt, beyond the fair terms of his contract. To adhere to principle is safe; to depart from it is peril. Gold is a commodity; has its value and its uses; but we can neither eat nor wear it. As a people we have ever sold the great bulk of what gold our mines have produced, and better by far that the process should continue than that in our commercial dealings the rule of value for value should be systematically violated.

SALE OF INTOXICANTS IN DISTRICT OF COLUMBIA.

MR. MONROE. Mr. Speaker, I avail myself of the few moments allowed me to explain the provisions of House bill No. 5813, which is entitled "A bill to provide against the evils resulting from the sale of intoxicating drinks in the District of Columbia." The whole bill reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be unlawful for any person, by agent or otherwise, to buy for, or sell or furnish to, any minor in the District of Columbia any distilled or fermented liquors or other intoxicating drinks, unless upon the written order of the parents, guardians, or family physician of said minor.

SEC. 2. It shall be unlawful for any person, by agent or otherwise, to sell any distilled or fermented liquors, or other intoxicating drinks, within the District of Columbia, to any person who is intoxicated, or who is in the habit of getting intoxicated.

SEC. 3. Every person who shall violate the provisions of either of the foregoing sections of this act shall, upon conviction thereof, pay a fine of not more than \$100, or be imprisoned in the jail of the District of Columbia for a period of not more than thirty days, or both, at the discretion of the court.

SEC. 4. If any member of the police force, or if any two or more householders, shall report in writing, under his or their signature, to the major of police, that there are good grounds, stating the same, for believing that any room, house, or premises within the District of Columbia is kept and used for the sale of distilled or fermented liquors, or other intoxicating drinks, contrary to law, it shall be lawful for the major of police, by his written order, to authorize any member or members of the police force to enter such room, house, or premises, and arrest all persons

there found offending against law, and seize all such distilled or fermented liquors, or other intoxicating drinks, and convey the persons so arrested before the police court, and the distilled or fermented liquors, or other intoxicating drinks, so seized, to the office of the major of police. Such persons so arrested shall be prosecuted for said alleged violation of law, and, upon conviction thereof, shall be punished therefor as the law directs; and said liquors or drinks shall be destroyed, and said room, house, or premises shall be closed by said major of police.

SEC. 5. Whenever the Commissioners of the District of Columbia, or a majority of them, shall be convinced that any person to whom a license may have been or shall be issued for the sale of intoxicating drinks is improperly using the same, or is keeping a disorderly house, or is an unfit person to continue the sale of such intoxicating drinks, they shall withdraw their approval of the license of such person, and revoke the same, and immediately cause a notice of such withdrawal or revocation to be given to such person, who thereafter shall be subject to the provisions of this act and to the fines and penalties for the illegal sale of intoxicating drinks now in force in said District, or which may hereafter be in force therein, as if no license had been issued to such person.

SEC. 6. The Commissioners of the District of Columbia are hereby authorized and empowered, in any case where, in their judgment, the public peace and safety may demand it, as in cases of riot or other like circumstances, to issue an order closing all places where intoxicating drinks are sold, and prohibiting the sale of the same, for such length of time as they may deem necessary; and it is hereby made the duty of the major of police to cause such order to be executed. Any person who shall sell intoxicating drinks in violation of the provisions of this section shall, upon conviction thereof, be fined in any sum not exceeding \$200, or be imprisoned in the jail of the District of Columbia for a period of not more than sixty days, or both, at the discretion of the court.

I do not propose to enlarge, on this occasion, upon the evils of intemperance. To do so, would hardly be treating with the respect which it deserves the intelligence of this House. The terrible character and vast extent of these evils are universally acknowledged. All classes admit that a large portion of the poverty, disease, and crime of our country, and of the world, is due to this cause. The pulpit, the bench, the bar, the medical profession, and the teachers of youth, unite in voices of warning upon this subject. There is no civilized country which has not attempted to provide by law, in some degree, against the evils of intemperance. Any extended review of these evils has been made unnecessary by the thorough and exhaustive treatment which the subject has received in speeches addressed to this House during the last and the present Congress by the able Representative from New Hampshire, [Mr. BLAIR.]

It is no doubt true that we can attain only approximate accuracy in the statistics of crime and misery which the traffic in alcoholic beverages furnishes us, but we all know that the calamity is so great that it would be difficult to find any statistics that could accurately measure it, or any imagination, should such statistics be reached, that could fully embrace their meaning. The quality of our statistics, however, will be greatly improved whenever the House will consent to pass the Senate bill "to provide for a commission on the subject of the alcoholic liquor traffic"—a good work which I hope we shall accomplish before the close of the session. Such a commission could not do everything, but it could do much. It could extend the bounds of accurate knowledge in regard to our monster evil, and, so far as it should go, would give us a body of facts which would be authoritative and which could not be attributed to party prejudice or to the extravagance of high-wrought feeling.

Unhappily the District of Columbia is not free from the calamity which afflicts other portions of the country. The evil exists here in such proportions as to challenge attention and demand legislative remedies. In saying this I do not at all express approval of statements which have sometimes been published that Washington is among the most disorderly, intemperate, and immoral cities of the Union. On the contrary, I believe that the opposite of this is true. I am convinced that the relative character of this city for sobriety and good order is very high. But, while Washington may justly claim this relative merit, the evils resulting from the sale of intoxicating drinks in this District are absolutely very great. As introducing us at once to some knowledge of the extent of these evils, I present to the House a letter which I have recently received from the excellent superintendent of police, who has devoted himself to the cause of good order and sound morals in this metropolis with unusual courage and earnestness:

DEPARTMENT OF METROPOLITAN POLICE,
OFFICE OF MAJOR AND SUPERINTENDENT,
202 FOUR-AND-A-HALF STREET,
Washington, D. C., January 27, 1879.

SIR: Having reference to our conversation relative to the contemplated bill in regard to the sale of intoxicating drinks in the District of Columbia, I have the honor to inclose a copy of the last report of the operations of this department for the year ending September 30, 1878, from which may be gleaned items of service in urging the necessity for change in the existing law.

It is safe to say that seven-tenths of all arrests made are due directly to the immoderate use of intoxicants.

There are at present upward of five hundred licensed bar-rooms in the District, and it is estimated that there are at least three hundred additional places where liquor is sold contrary to law.

Wishing you success in your efforts to diminish crime and aid the cause of good order,

I am, very respectfully,

THOMAS P. MORGAN,

Major and Superintendent Metropolitan Police.

Hon. JAMES MONROE, M. C.,
House of Representatives.

If any apology were needed for introducing into this House a bill to protect the people from the evils of intemperance, certainly an ample one would be found in the fact that seven-tenths of all the arrests made in the very city where we assemble are due to this cause. But what are the number and character of these arrests? A satisfactory

answer to this question may be found in the following summary of arrests, taken from the report of the operations of the police department for the last year, furnished me by the superintendent:

SUMMARY OF ARRESTS.

| | |
|---|--------|
| Total of persons arrested | 12,333 |
| Of which were males | 10,426 |
| Of which were females | 1,907 |
| Of which were married | 4,293 |
| Of which were single | 8,040 |
| Of which were native born | 10,339 |
| Of which were foreign born | 1,994 |
| Of which were between ten and twenty years of age | 2,760 |
| Of which were above twenty years of age | 9,573 |
| Of which could read and write | 8,948 |
| Of which could not read and write | 4,085 |
| Of which were offenders against the person | 8,798 |
| Of which were offenders against property | 3,535 |
| Of the 10,339 native born persons arrested, 5,315 were white, and 5,024 were colored. | |

The fact which first fixes attention, in this summary, is the number of arrests, 12,333; seven-tenths of which, or 8,633, according to the safe estimate of the superintendent, were due to the immoderate use of intoxicants. Other painful facts are disclosed. Nearly one-half of the arrests, or 5,315, were of native white persons. The offenses against the person are 8,798, or nearly three-fourths of the whole. Two thousand seven hundred and sixty persons arrested—almost one-fourth of the whole number—were between the ages of ten and twenty, mere boys and girls. Keeping these deplorable facts in mind, and remembering in how large degree they were produced by intoxicating drinks, intoxicating drinks furnished by eight hundred tippling houses, three hundred of which exist in defiance of law, we shall see how little excuse there can be for apathy upon the subject in this House, to which, with the other branch of Congress, has been given by the Constitution power "to exercise exclusive legislation" over the District of Columbia. Facts like these have made me feel that I could not justify myself in remaining quiet in my place without attempting to secure the passage of some bill like that which I have introduced.

The regard which we feel for the virtue, intelligence, and happiness of the people, the desire to promote the general welfare which is, no doubt, sincerely felt and is often expressed upon this floor, the very pride which we take in this capital of our common country, should prompt us to adopt some form of remedial legislation.

Some law to provide against the evils of intemperance in this District is demanded, not only by the sense of duty but by the best public opinion. Early in the present session I had conferences upon this subject with the District commissioners, the major of police, clergymen, business men, and other prominent citizens, all of whom I found deeply interested in this question of good order and public morals. At a later period a petition was intrusted to me, signed by the accredited representatives of fifty-three temperance organizations, secular and religious, representing more than six thousand members—a petition which I presented to this House, and had referred to the Committee for the District of Columbia. In compliance with the earnestly expressed wish of these petitioners, and in accord with the judgment of many intelligent citizens, I offered to the House the bill which has been read. No bill could be more reasonable and moderate and retain any considerable degree of efficiency.

Its provisions will require little explanation. Sections 1 and 2 make it a criminal offense to sell intoxicating drinks to minors or to persons intoxicated or in the habit of becoming intoxicated. I will venture to say that no member of this House will object to these provisions. No sane man will contend that intoxicating liquors should be sold to either of these classes. Sections substantially like these have long formed a part of our Ohio law, where they have produced excellent results in protecting those who are least able to protect themselves. Section 3 provides suitable penalties for the violation of the provisions of sections 1 and 2.

The object of section 4 is to break up those places where intoxicating liquors are sold contrary to law. These places defraud the revenue, demoralize our youth, and promote lawlessness and disorder generally. To the evils of dram-selling they add the moral degradation which comes from concealment, evasion of the law, and attempts to escape the police. Heretofore the right of the police, under the law, to enter these places for the purposes of exposure and prosecution has not been clear. This section, properly enough, gives the same right to the police to enter houses of this kind that they already have to enter gambling-houses or places where lottery tickets are sold. It treats the implements of the trade in these unlawful drinking-houses as affording *prima facie* evidence, as in the case of burglar's tools and the furniture of gambling-houses, that an unlawful business is carried on.

Under this section the major of police is authorized to send members of his force to enter all premises where intoxicating drinks are sold contrary to law, to arrest all persons engaged in the unlawful traffic and bring them before the police court, and to seize the intoxicating liquors and convey them to the office of the major of police. The persons so arrested are to be prosecuted and, upon conviction, to be punished, and the liquors seized are to be destroyed and the premises to be closed. This is a thorough process, but it is necessary to accomplish the object, and I do not see that any well-founded

objection can be urged against it. No reason can be given for making this mode of procedure lawful in case of gambling-houses and other like places that are kept in defiance of law which does not equally apply to places where liquors are sold.

Section 5 authorizes the commissioners of the District to revoke and withdraw licenses from all persons who keep disorderly houses or show themselves unfit persons to continue the sale of intoxicating drinks. It may be said that this is too large a grant of power to be intrusted to the judgment of the commissioners. But if their judgment is adequate to the responsibility of granting licenses, why should it not be equal to the work of withdrawing them? The latter seems to me much the less difficult and delicate task of the two.

To section 6 no objection can be urged. Every one must approve of giving the commissioners power to close all places, from end to end of the District, where intoxicating drinks are sold, whenever, as in cases of riot or other like circumstances, the public peace and safety may demand it.

Such are the provisions of this bill. It contains no extreme measures, but is wholly moderate and conservative in character. My objection to the bill is that it does not deal thoroughly enough with an evil which is so injurious and burdensome to this city and to the country. But, if it should become a law, it would do great good so far as it goes, and it has the indispensable advantage that it would be sustained by the public sentiment of this District, and hence could be executed. In a visit which I paid to the committee-room of the Committee for the District of Columbia I was glad to find that most of the provisions of this bill are likely to be reported to the House, either in the code which has been prepared for the District or in some other measure. In spite, therefore, of the shortness of the session and of the pressure of appropriation bills, I am not without hope that at least a portion of these provisions against the evils of intemperance may pass this House before the final adjournment. To this end I ask the candid consideration of members of this body for a bill which, in the language of the major of police, is an effort "to diminish crime and aid the cause of good order."

THE BANK MUST NOT BECOME THE GOVERNMENT.

Mr. FELTON. Mr. Speaker, the financial measures of the Government, all questions touching the supply and demand of money, the present and future *status* of gold and silver coins, of greenbacks and national currency, continue to excite and interest the American people.

I have heard it said since this session of Congress commenced that these financial questions should not intrude themselves upon our deliberations; that in view of approaching national elections we should seek to suppress rather than encourage discussion; that all differences of opinion should be merged into one desire and purpose to succeed politically, to carry our favorite candidates to a position which will enable them to apportion out the offices and perquisites of Executive patronage.

I also desire earnestly the success of democratic candidates; but this desire is prompted only by the higher consideration that with the elevation and success of men we may realize the elevation and triumph of certain measures. "Principles and not men" should be the political maxim of every American citizen, or rather he should recognize men as the representatives and embodiment of certain principles which he seeks to establish and perpetuate.

It is unfortunate for the material and political interests of the country when undue importance is attached to mere party success, when the shibboleths and technicalities of political organizations are placed above measures which are supposed to underlie and vitalize the industries and wealth of the country.

It may have been necessary in the formative periods of the Government to devote much time to the discussion of abstract political truths; but now abstractions must resolve themselves into the practical problems of life and the theories of partisanship must be verified by useful results.

Aspirants for office must remember that the "glittering prize" is only within the gift of a people who demand material guarantees for the confidence and suffrage they bestow. These guarantees are good government, economy in all public expenditures, absolute honesty in all official positions, and such financial legislation as promises relief to the embarrassed industries of the country.

What care the people for the success of any man or combination of men constituting a party, if that man or party must be divorced from the measures which the popular mind considers essential to the establishment of justice, the promotion of the general welfare, and the securing of the blessings of liberty to ourselves and our posterity?

What care the people for the enthronement of a party if honest industry must go unrewarded and the tax-gatherer must continue reaping the accumulations of by-gone years?

What care the strong-armed multitude for political triumphs which continue their homes and families under the old *régime* of contraction, of a single-metallic standard of value, of national banks, and of a bondholding aristocracy?

These financial questions underlie and interlace all the axioms which compose that splendid political creed known as Jeffersonian democracy. In my opinion not one of the fundamental principles of this democracy can ever be established while the present financial system of the Government continues in force. It is at war with this democracy, and to me it is strange that any friend of a "perfect

Union" of all sections of a common country, of equal and exact justice to all men, of the rule and supremacy of a majority of the citizens as against minorities, and of the rights of the States as against a centralized despotism, should ever consent, by word or by vote, to the continuance of a system that is silently and effectually destroying these grand bulwarks of constitutional liberty—this system of finance by which the rich and the poor are made to antagonize each other, when nature and personal interest all conspire to place them on a pleasant and profitable relationship to each other.

Our present financial system is propped and sustained in its position by national banks. Our solar system does not revolve around its central sun more regularly and dependently than our financial policy revolves around these chartered monopolies—monopolies which, in my judgment, will prove themselves a commissioned corps of "sappers and miners" which will to the extent of their capacity undermine and explode some of the grandest features of our form of popular government.

Mr. Calhoun, who was probably endowed with greater foresight than most men, amounting in some instances to almost political prophecy, and who was especially jealous of all encroachments upon popular liberty, when describing the pernicious results of an alliance between the Government and the banks, uses these words:

It behooves us to inquire whether the system is favorable to the permanency of our republican institutions, to the industry and business of the country, and, above all, to our moral and intellectual development.

He then proceeds to demonstrate with his usual logical accuracy the injurious influence of the "union of government and banks" upon our political, industrial, and intellectual development.

Let us remember that the system against which Mr. Calhoun was battling had far less connection with the General Government than our present system of banking. He was arraigning at the bar of public opinion one national bank, the charter of which had expired in the previous March, the authorized capital of which bank had been \$35,000,000, of which capital \$7,000,000 were subscribed by the United States Government in 5 per cent stocks, and \$28,000,000 were subscribed by individuals or corporations, one-fourth in specie and the remainder in United States stocks. Its notes were receivable in all payments to the Government and the public moneys were deposited in the bank, subject to other directions by the Secretary of the Treasury, the bank to act as the commissioner of loans for the several States. In addition to this one national bank there were other banks included in this system of banking, which was at the time being criticised and condemned by this most sagacious statesman.

These were private banks of deposit and circulation, chartered and authorized by the several States. The Bank of North America, which originated with Robert Morris in 1781, and was established by Congress at his suggestion, obtained, in addition to its national authority, charters from the States of New York and Pennsylvania, and thus became the pioneer of that system of State banks which had expanded from one bank in 1781 to six hundred and thirty-four banks in 1837, when Mr. Calhoun was reviewing the system, and from a capital of \$400,000 to \$290,000,000.

The State banks sought the overthrow of the national bank and were delighted at President Jackson's message of December, 1829, in which he questioned the constitutionality of the law creating the national bank. The bank was overthrown. The public deposits, amounting to some \$10,000,000, were removed and placed in charge of certain favored State banks; precisely what those banks desired, because it removed a dangerous rival and placed within their vaults ten millions of the public funds.

From this time certain designated State banks became depositories of the public moneys, and also commissioners of public loans. They were inseparable from the Government, and the Government was thoroughly identified with the banks.

It was this system of banking, this dependence of the Government upon the banks, and this aid the banks desired from the Government, this union, this association, that Mr. Calhoun characterized as subversive of our political, industrial, and intellectual prosperity.

But, sir, under different names and with increased powers for mischief, the system still continues. The Government of the American people and the speculators of Wall street are still forced into an unequal alliance. The temple of our liberties is still profaned by the presence of money-changers. When the ark in which are deposited the tables of "our law is jostled with difficulties" the unclean hands of syndicates and clearing-houses, of brokers and stock-jobbers, are thrust forward for its protection. The revenues of the Government, which some one has said is the Government itself, are still under the control and keeping of the banks, and the banks are still the pets and *protégés* of the Government.

Bank officers and directors must be conciliated and their co-operation secured before specie resumption authorized by law can become an assured success. Their interest must be consulted and their anger appeased before the law remonetizing silver can become effective.

Like the dog Cerberus that guarded the infernal regions and only resisted those who were attempting to escape from Hades, so these banking monopolies keep watch over the misfortunes, necessities, and embarrassments of the people and of the Government, and neither the one nor the other can escape these evils until "a sop" has been thrown to the insatiate monster.

In 1863 Congress authorized the establishment of national banks,

not having a gold and silver basis, but founding their circulation upon interest-bearing bonds of the United States, their bills to be redeemable in the lawful money of the United States, and the Secretary of the Treasury is authorized to deposit the public moneys with them.

These banks now number two thousand and fifty-three, and the amount of their circulating notes on the 1st of last July was \$324,514,284. The amount of interest-bearing bonds held in trust by the Government for these national banks is \$368,534,279, on which bonds the Government is paying to these banks, annually, some \$18,000,000 as interest.

The Secretary of the Treasury has selected one hundred and twenty-four of these banks as depositories for the public moneys. Now, to show their connection with the Government and the influence they must exert on the finances of the country, it is only necessary to state that in the last fifteen years these depositories have received \$3,308,750,346 of the public funds, or over \$220,000,000 a year. The banks transfer to the Treasury all sums of money drawn by the Treasurer, and the Treasurer transfers at pleasure the public moneys to these depositories, and he is at liberty to bestow his favors liberally upon some special banks, and sparingly or even nominally upon others. In other words, these selected and favored banks are the fiscal agents of the Government—brokers, to buy and sell, to receive and pay out, to “bull or bear” the public funds.

The apprehensions of our fathers at the existence of one United States bank, and also their expressed fears because of the Government's connection with and dependence upon a system of State banks, seem trivial.

What was one bank with a capital of \$35,000,000 compared with over two thousand United States banks having a paid-up capital of \$470,393,366 and a surplus fund of more than \$18,000,000?

What was \$7,000,000, which was the amount of stock held by the Government in the old United States bank, compared with a mortgage, which these two thousand banks hold on the Government of the United States, to the amount of \$368,534,279, the annual interest on which mortgage is nearly \$18,000,000? Ah! a mortgage much greater than this amount, for if we add to this value of United States bonds held by these banks the sum of \$64,400,000 legal-tender notes in the vaults of these banks and in the Treasury for the redemption of their own notes, we have the sum of \$432,934,279 in the shape of a mortgage held by these banks upon the labor of the country.

What was the management and control of some thirty or forty millions of public expenditures and receipts in that day compared with the hundreds of millions which now make up the receipts and expenditures of the Government?

President Jackson stirred this nation to its very depths by removing some nine or ten millions of deposits from one United States bank.

The possibility of fraud and corruption implied by such an alliance between the Government and a fiscal agent was sufficient to arouse an opposition to the bank that sustained the President in his very questionable proceeding. The people saw in that alliance of government and banking establishments an arrogance and despotism that threatened the continuance of their liberties. Now, I submit that no argument was ever used against the United States Bank, or against the connection of the Government with a system of State banks, that does not apply with increased force to the present system of national banks. The bills of former banking institutions professedly represented gold and silver. The bills of these national banks do not represent the precious metals. They are not redeemable in gold and silver, but are redeemable in legal-tender greenbacks. They are simply the representatives of “greenbacks” or Treasury notes.

Why not let the people have the genuine greenback instead of its representative? Why should the Government issue a paper currency simply as a banking capital for the rich? Is it too valuable for the great multitude? Must it be retired into the vaults of national banks, so that the shareholders and officers of those banks may increase their wealth by furnishing the common people “with their corporate promises” to pay? To pay what? Is it to pay gold that these bankers have been so anxious to make the single standard of value in this country? No, sir. Is it to pay silver that they have labored so earnestly to keep demonetized? No, sir. It is to pay “greenbacks,” the money they have argued in season and out of season should be burned up because, as alleged, its legal-tender character makes it unconstitutional.

Did I say their bills were the representatives of these greenbacks? No, sir. They are the substitutes of these valuable and popular legal-tender bills. These banks have retired these greenbacks from circulation by hoarding them in their vaults, and to-day we find over one-fourth of the three hundred and forty-six millions of greenbacks said to be in existence in the possession of the Treasurer and the national banks.

But the shareholders and officers of these banks tell us that the people can exchange the bank currency for legal-tender notes and then convert those notes into gold. Let us examine this plausible fraud upon the people.

These bank bills must be redeemed with legal-tender notes at the counter of the particular bank issuing them, and then the valuable greenback currency must be sent in sums of not less than \$50 all the way to New York, and there, at the sub-treasury in that city, the farmer in Georgia and the mechanic in the West can have it ex-

changed for gold or silver, at the option of the Secretary of the Treasury. Resumption of specie payments! Why, it is a farce as far as the laborers and great producing multitude are concerned. Why are these banks relieved from compliance with the law requiring specie payments? Their bills not only act as a substitute for legal-tender bills but they also act as a substitute for gold and silver, and practically confine these metallic standards of value to the Treasury of the United States.

Here are the banks, holding the legal-tender notes with which to redeem their own bills, and the Treasury hoarding gold and silver with which to redeem the legal-tender notes. In a few years this national-bank currency will be the only currency known in the country. Then this moneyed monopoly will have been perfected and will have within its grasp the property and productive industries of the country. At their good pleasure they can expand or contract the currency. We know what contraction of the currency in this country means. The money power resolved to increase the purchasing power of money. They know as the volume of the currency is diminished so the value of property and labor is decreased. Ah! they know that a small absolute reduction of the currency makes a great absolute reduction of the value of the entire property of the community.

This money power commenced the work of contraction, destroying greenbacks, demonetizing silver, erecting one standard of value, and that a gold standard, and the result was that financial distress unparalleled in our history extended over the country, and still continues throughout the productive portions of the Union.

I have heard men congratulating themselves and the country upon the brilliant success attending resumption of specie payments. It reminds me of an incident in the life of Julius Caesar related by Plutarch.

After the battle of Munda, in Spain, in which he won a decided victory over the sons of Pompey, and which victory removed all his rivals and placed him as dictator for life on the throne of the fallen republic, he issued a congratulatory address to the citizens of Rome, and by his own order the victory was celebrated with shows and feasts for many days. But Plutarch says it displeased the people, for he had not defeated foreign generals, but destroyed the children of the greatest men of Rome. They said he was leading a procession in celebration of the calamities of his fellow-citizens; heretofore he had seemed rather ashamed of his actions, but now demanded honors to be paid to him.

They remembered that Rome had been well-nigh depopulated by his ambitious wars; that poverty and suffering had been entailed upon them; that their liberties were crushed under the iron heel of a military despotism, and for all these things they were now called upon to congratulate themselves.

It reminds me of an incident that occurred only a few years ago in France. We were told with a great flourish of trumpets that the “empire meant peace,” and all Europe was called upon to congratulate itself because of the happy event. But Europe remembered that the “empire” was built up by a *coup d'état* that crushed “law and liberty,” and was soon to be followed by communistic riots which with their bloodshed and vandalism would put to blush the civilization of the century.

Now we, the Representatives of the people and the people themselves, are asked to congratulate ourselves upon the success of a forced resumption of specie payments.

We forget that our congratulations “celebrate the calamities of our fellow-citizens;” we forget that successful resumption is the result of contraction which has crowded our penitentiaries, jails, and work-houses with inmates. It has made our poor-houses and asylums too small to accommodate the applicants for admission. State Legislatures must enlarge their public charities, and must call to their aid private munificence to meet the demands of pauperism. From all of our densely populated States come assurances of an increase of pauperism, of social dilapidation, and of crime which startles all who have made social science a study.

From all of our Southern and Western States devoted to agriculture, though blessed from year to year with abundant harvests—cotton crops unequaled in quantity, grain crops that are the wonder of the world—yet from these States comes the evidence that men are unable to pay their taxes, that thousands are reduced to the greatest straits, and that bankruptcy threatens every laborer and producer.

In the midst of plenty we are in poverty; right by the side of bursting granaries there comes the wail of ruined men and broken-hearted mothers; the rich growing richer and the poor growing poorer; hopes blighted, energies crushed, houses and lands covered with mortgages; and no future for two-thirds of the people, who are manacled with debt. Yet for all these things we are called upon to congratulate ourselves that resumption of specie payments is a success; for it was this coerced resumption that has produced all this financial distress; it was this “idiotic idea” that there must be but one standard of value, and that a gold standard, that has produced all this suffering and want. That “idiotic idea” is doing its work to-day in England and in Germany. The scenes transpiring in those countries are only *fac similes* of scenes which have been occurring here for years ever since this idea of “gold” possessed the minds of our legislators; an idea which could be generated and propagated only by the brain of a

moneyed aristocracy which seeks to make tributary to its wealth the labor and industry of the world.

Now, sir, let me ask who have been most importunate in demanding this contraction of the currency? Who have insisted most untiringly for this single gold standard of value? Who have fought most uncompromisingly at every stage of its passage the silver bill, and are now to the extent of their capacity prepared to nullify the provisions of that act. I answer, the two thousand national banks of this country. They, as the embodiment of the money power of this country, have instigated all these measures of contraction. They have desired to increase the power of money, to make it costly, and thereby to create a separate moneyed interest, accompanied with all the dangers which must result from such a distinctive interest—a moneyed class; the destiny of the many placed in the hands of the few; a mighty power capable of controlling and corrupting all the channels of legislation, possibly shaping the counsels of political conventions and dictating the policy of administrations.

Having control of the currency, it must necessarily have supremacy over the industries of the country and, as experience demonstrates, will influence the politics of the country. Consequently a few aspiring and wealthy individuals must soon manipulate all this industrial and political power for their own profit and aggrandizement.

Again, on the 1st of October, 1878, the Secretary of the Treasury had in the public depositories the sum of \$64,207,814 in coin. Of this amount \$45,097,061 was in one bank in the city of New York and over fifty millions of these deposits were in eight banks in that city.

This system of banking concentrates the banking capital and the public deposits in the larger cities at the expense of the country and the country towns.

It gives these cities where the banking capital of the Union is accumulated positive control of the currency of the country, and thus gives them absolute control of the productive industries of the country—not only of the industries, but also of the politics and legislation of the country. Mr. Calhoun said "the Government must become the bank or the bank the Government," and we are very sensible of the fact that the "money power" or banking capital of the country is now well-nigh the Government of the country.

This power is concentrated in New York City. That city is now the commercial and political dictator of this country. By its control of the currency it regulates prices and wages. All the farms and shops, all the factories and mines of the United States are under the superintendence and direction of this rapidly growing metropolitan power. When the leading agricultural products of the South and West are ready for market this "money power" which is enthroned in Wall street immediately establishes the price, and thus all our tributaries of wealth are made to increase the power and influence of this city.

The bankers and stock jobbers of that city must be consulted in regard to all political arrangements. They must name the candidates for the Presidency, and Federal legislation must accord with its financial interest. Other States are provincial dependencies and must not rise above the political and commercial mark registered by the decrees of Wall street. Yes, Mr. Speaker, this system makes the "bank the Government," and locates its powers with this commercial autocracy.

But again, this entire banking system is based upon a "national debt"—interest-bearing non-taxable bonds. If the system lives the debt must be perpetuated. The advocates of the one are the friends and supporters of the other.

These banks conceived, and by act of Congress executed, the plan of turning the bonds of the country into bank currency without surrendering the bonds. This currency is absolutely a gift from the Government to these banks—a gift which in value may reach nearly to within 19 per cent. of the whole bonded debt of the country. These banks can at their option surrender this currency and take up their bonds, which are always equal to coin, or place their bonds in trust with the Government and receive this "currency gift from the Government." I repeat, the system perpetuates a national debt, with all its heavy burdens, upon the labor of the country. The owners of these bonds pay no taxes thereon to either the Federal or State governments—lords who reap all the benefits of government and contribute nothing to its support.

The farmer is taxed; his land, his implements, his live stock, all must pay a State and county tax. The mechanic must pay a tax *ad valorem* upon his tool-chest; the manufacturer is taxed upon his machinery and all his investments; the merchant is taxed; and one of our leading agricultural products is taxed by the Federal Government. Taxation, State and Federal! There is no department of business or article of consumption which escapes the heavy hand of the tax-gatherer. But national banks and individual capitalists can invest their millions in these interest-bearing bonds, and the Government, which protects capital and oppresses labor, exempts these investments from all taxation. Even an income tax is steadily resisted by this House for fear its operations might reach the semi-annual harvests of these bondholders. The labor of this country is continually drained for the benefit of men who do not contribute to the real wealth of the country but, like the parasite, live and flourish upon the activities of another.

We have a magnificent country, of immense capabilities, inexhaustible in all the elements of wealth, and as regards population, material riches, social and political influence, it promises a future absolutely

wonderful to contemplate, dwarfing in its grandeur and desirableness the wildest dream of its patriotic founders.

But this future is in the hands of our wealth-producing classes. They only can convey the present and coming generations to the full measure of our hope for glory; and if we weigh down those classes by unjust taxation upon the products of their labor in order to sustain our financial schemes, which pivot themselves upon these banking monopolies, then this future will prove a dancing and receding mirage that will elude our grasp and disappoint our expectations.

Let these national-bank notes be retired. Let us destroy forever this connection of the Government with any species of banking and let us confine the Government to its constitutional prerogative of stamping or coining money.

Let us supply the place of these retired bank notes with legal-tender "greenback notes"—a currency bearing the broad seal of the American Government and receivable for all dues public and private wherever the American flag floats. Then let us order the unlimited coinage of the standard silver dollar and surround that coinage with all the privileges now attaching to gold coinage, and verily we will have metallic and paper standards of value interchangeable with each other at the option of the Government or of the individual in all localities reached by the authority and power of the Government.

Let this legal-tender paper currency issued directly by the Government, backed by an unlimited silver coinage, supplant our present banking oligarchy and immediately you circumscribe, if not destroy, every monopoly which is now crushing our industries and threatening the liberties of our country. Do this and immediately you send joy and gladness to those "captains of industry" who are most energetic and successful in developing our resources and bringing to light the "hidden treasures" of wealth.

Our countrymen are looking to us; our industries await the orders of the American Congress. Apply the stimulus which they demand and which we can furnish, and they will move forward with a strength and glory unequaled in history.

OKLAHOMA.

Mr. CRAVENS. Mr. Speaker, the management and conduct of Indian affairs is now and always has been a subject of much concern. A vast amount of money has been expended out of the Federal Treasury from first to last, and the end is not yet; annually large appropriations being made for the education and support of the wilder tribes. For this reason if for none other, the whole people have an interest in the Indian management. Having been the original occupants of this country, had they not been unchristianized savages our forefathers could not have claimed it by discovery or gained it otherwise than by conquest or purchase. Although many sanguinary conflicts between the whites and Indians, from the earliest settlements by the whites up to the present time, have taken place, in all of which the whites by superior skill and numbers have been the victors, still our title to the soil has never been claimed by conquest or our ability to drive them from it, as would have been the case had these conflicts been with a civilized people.

The European governments in times past, obtaining foothold and claiming jurisdiction on this continent, without exception professed to have derived the same from discovery by their subjects. It was held by them all that discovery gave title which might be perfected and made complete by possession. While the method of acquiring title and the justification for the same was uniform among the civilized nations of the Old World, yet conflicts arose between them as to the extent of their possessions. To settle such differences their skill and prowess were often tested, while the territory over which the contests arose remained in the actual and exclusive possession of the uncivilized Indian, no note being taken of the fact.

A conflict between England and France terminated by settling upon the Mississippi River as the dividing line between their possessions, the English claiming to the Atlantic and the French to the Pacific at a time when neither the one nor the other occupied in fact any considerable portion of the territory so claimed. Their titles, however, and their sovereignty were acknowledged by the law of civilization, notwithstanding the actual and exclusive occupancy by the Indians of vast districts within their several possessions. The justification offered by the Europeans for thus establishing sovereignty and jurisdiction over the lands found in the possession of wild tribes of Indians was that they themselves were Christians, while the tribes were savages. It was held that the revelations of Christianity and the ultimate end and aim of man's creation disclosed by it warranted the seizure, and that the Indians would be fully compensated for the loss of jurisdiction by benefits from the Christianizing and civilizing influences which their presence and control would certainly bring to them as a race.

The claim of superior civilization so made by the first European settlers, or by their governments for them, is shown to have not been without foundation, by the establishment and building up of a great and prosperous nation—the United States. While our people have progressed beyond their expectations, have the Indians derived the benefits and made the advances in civilization which it was expected would be made by way of compensation for the intrusion of our fathers? As to all those who were brought into early contact with our race, it is said no people ever made more rapid advances. The press-

ing tide of emigration westward has at length brought the entire Indian race within our borders face to face with the white man. The blazing light of civilization reaches now the wildest tribes within our vast domain. Their reservations as a general thing are within States or organized territorial governments.

There is no longer vast wildernesses or unoccupied plains to be utilized solely for fishing and hunting grounds. The edict that they with their fellow-men shall eat bread by the sweat of their brow will soon be fulfilled, when they shall betake themselves to husbandry through the example of their neighbors. The Indians of many tribes have abandoned their original pursuits of war, hunting, and fishing, and sustain themselves by the tillage of the soil. Foremost among these are the Cherokees, Creeks, Seminoles, Choctaws, and Chickasaws. Doubtless the Indians as a whole at this day would have been much better off had the country been less extensive.

Upon its discovery and settlement by Europeans, with the claim of title and jurisdiction as before stated, the rights of the Indians were not totally ignored. They were regarded as rightful occupants; and while the governments claiming jurisdiction and the full fee conferred by eminent domain did not and could not, because of their savage state, incorporate them as part and parcel of the body-politic proper, yet their right to remain upon the lands occupied by them or to dispose of the same only to the governments so assuming such authority and power was not questioned. Their natural warlike disposition in many instances caused them to resist such assumptions of authority and power, but their simple means of warfare and inferior numbers prevented successful resistance.

The whites did not care to have the savage and ferocious Indians as neighbors, while the Indians, unable to check the invaders, as they regarded the whites, would dispose of their lands or retire from them, seeking new homes farther west, better suited to their pursuits. The whites, to secure their settlements from incursions by the Indians, bought their right of occupancy in certain districts, and granted to them certain other districts as hunting-grounds, to be held by like right. Thus the settlement of this country progressed until the period of the Revolution, and after that period and the establishment of the Government of the United States the process has been much the same. Thus the wild and wide-extended domain in times past has had much to do in maintaining the wild character of the tribes.

Now, as said before, the Indian everywhere is brought face to face with the white man and his destiny must soon be determined. Facts, undeniable facts, show more or less of selfishness upon our part in the conduct of Indian affairs. The Indians, whether for their welfare or not is questionable, have constantly been retiring until now they are principally west of the Mississippi River. In the practice of the high Christian virtues by which we took possession of their country and claimed sovereign jurisdiction over it, ought we not to have sought and established closer relations with them, allowing them to live more in our midst and receive through precept and example the blessings of a higher civilization. It may be answered that their nature forbade it.

This may have been true in the first instance, but as they made progress it seems to me a more liberal policy might have been adopted. It is a part of the history of the more recently settled States, within the knowledge of all, that the white settlers were far more anxious that the Indians should move west than the Indians themselves were to go west. No people known had stronger attachments for their homes than they for their hunting-grounds. Now, it is the same, and our recent Indian wars are directly traceable to efforts upon the part of the Government to dispossess them of the land of their birth. Since the establishment of this Government treaty after treaty has been made with the various tribes by which purchases and grants were made.

As the white settlements advanced new purchases were made, lessening the area allotted to the Indian for hunting-grounds, until finally he would be induced to sell out entirely and take a new grant somewhere else. Usually the grants were for large districts in the wilderness, far greater than could ever be needful to the Indians for agricultural purposes. These grants in turn have been hewn down as the settlements advanced, so that in point of fact the Indians have been elbowed out of the way by the Government, whenever it suited the interests of her superior subjects, the white race. The policy thus pursued has produced distrust in the Indian, and naturally enough. The white man has shown no fondness for his fellowship, and none too high a regard for his rights, especially the right of occupancy, ever and always theoretically conceded. No permanent advance can be hoped for until they are provided with permanent homes, homes not only for themselves, but for their progeny.

The board of Indian commissioners, whose duty required a study of the Indian problem, say:

The ultimate solution of the Indian question is the absorption of all Indians into the body politic, and their endowment with all the rights and duties and responsibilities of citizenship.

Can they be thus endowed without homes? Why all the cost and care upon the part of the Government, even though its policy may have been a mistaken one at times, unless the ultimate object is to fit and qualify the Indian for citizenship? Why should all Gaul have been Romanized?

Why, sir, unless such has been our undertaking we must stand condemned before the civilized world, and especially by the civilized nations originally claiming jurisdiction over our soil. Their foster-

ing care pointed to such results. The Commissioner of Indian Affairs, upon the question of permanent land titles, says:

The question of greatest importance to the present and future welfare of the Indians is that of a uniform and perfect title to their lands. The constant removals incident to the former land policy of the Indian service have been freighted with evil consequences to the Indians. Even when placed upon reservations they have come to consider, notwithstanding the most solemn guarantees from the United States that the same should be kept sacred and remain theirs forever, that the title to their land is without permanency, and that they are subject to be removed whenever the pressure of white settlers upon them may create a demand for their lands either before Congress or the Department. So fixed has this opinion become among the more civilized tribes, that in the main they decline to make any improvements upon their lands, even after an allotment in severalty has been made, until they have received their patents for the same.

I fully concur with the Commissioner in all that he says in this paragraph, but must be permitted to express astonishment at the recommendations of the report, his last, in which it occurs. He recommends a wholesale breaking up and consolidation of reservations, which of course would produce greater distrust in the minds of the Indians for the time being, and until their titles are obtained, could they be made satisfied with the changes. His knowledge of the Indian character must certainly teach him that the crowding together of different tribes, who at present indulge in hostile feelings toward each other, and, if not, to say the least, have not entirely forgotten their ancient hostilities, is calculated to breed disorder and discontent. The shallowest mind must be able to see that his suggestion is the outgrowth of the "pressure of white settlers," already made upon their present reservations.

Experience teaches that it will not do to change the location of semi-civilized tribes, or any others indeed, and that discontent and needless death is the result. Beyond this, he proposes to transfer all the Indians from Colorado, Arizona, and New Mexico to the Indian Territory, and assigns as a reason therefor that it is a dark place. In exact words he says:

This Territory is below the parallel of the great traveled routes between the Atlantic and Pacific Oceans, and fortunately it is not in the way of extending civilization westward.

Mr. Speaker, some persons are simple-minded enough to believe it to be the duty of the Government, through its Indian Bureau to extend civilization to the Indian tribes, instead of keeping them out of the way of "extending civilization."

Sir, I was among the Pima Indians near thirty years ago, and they were found to be as peaceful and industrious as any upon the continent. No one sought to disturb them then, but now it is proposed to drive them a thousand miles from the home of their birth, into a dark spot within the Indian Territory. This would be a grand outrage. These Indians and all other Indians within the States or Territories are entitled to enough land to sustain their numbers in a high state of civilization; and it is the duty of the Government to grant them of their reservations, in fee-simple, such amounts. It is the duty of the white men of the States and Territories where they reside to protect rather than trespass upon them; and it is the duty of the appropriate law-making power, State or national, as the case may be, to give to them the common protection of the law due to every human being, be he a saint or savage.

In return obedience to the law should be demanded. Theoretically, it seems, the white man needs the law to protect him against evildoers, and the red man to prevent his evil-doing. Practically, it should be of universal application, to protect right and defend against wrong. Our civil law has no sort of application to the Indian tribes. Let the Indian be treated as a man and perhaps he will be a man. It is nonsense to talk of their lack of intelligence to obey the law. The Indians have a natural reverence for power and authority, and yield implicit obedience to it when its rightful exercise cannot be justly questioned. Throw around the Indian the broad protection and defensive power of this Government by which the superior race is protected, and he will at once enter upon a new life.

How, I would ask, can we expect any sort of devotion from him to governmental authority when that authority is known to be the changing will only of the Secretary of the Interior, the Commissioner of Indian Affairs, or, as is too often the case, the will of a petty, thieving Indian agent? A change of the Indian policy is inevitable. Congress took a step in the right direction when it provided against the making of further treaties with the Indian tribes. The practice of making treaties with the Indians in their infancy in civilization may have been a necessity to secure peace; but now the remotest tribes understand fully the extent and power of the Government, and do not court a conflict with its Army or people.

A general system of just dealing ought to be inaugurated and the wildest of the tribes be made to feel themselves a part of our people. Congress has unquestioned power over the political status of the Indian. Treaties heretofore made and now existing granting political rights to the tribes are revocable at the pleasure of Congress. The decisions of our highest courts touching the question are well understood by every lawyer in the land, yet men occasionally make their way into the halls of legislation, apparently sincere, honest, and intelligent, who deny this right, and indulge in much sickly sentimentality upon the subject of the Indian and his rights, without any knowledge of his character and his true relations to the Government.

To hear them talk one would suppose the nations supreme sovereignties. The purpose of Representatives in Congress to territorialize the Indian Territory is characterized as a land steal, railroad land-

grabbing job, and all else calculated to prejudice the Indian mind against it. In their wild fury, which would have been creditable to the civilized tribes occupying that Territory in the most savage state of their history, they ignore both the law and the facts. When the advocates of this measure suggest and truly say that the object is to secure to the Indians more perfect title to the lands they now hold under a qualified patent from the Government, they say no. Oh, no! you want to despoil them of their lands. They forget that the only warrant for so saying is the fact that the people they themselves represent did so in times past. They do not know, and will not take the care to know, the exact character of these Indian titles. Because of the breach of obligations by the Government in times past, it is argued that our purpose is to continue such breaches. The candid mind reposing faith in the professions of honorable men, understanding the necessity for such legislation, will not give ear to such billingsgate.

The patents under which the Indians now hold have conditions attached which were not provided for by the original treaties. I speak now with especial reference to the Cherokee tribe. The Supreme Court decides them to be conditions subsequent, and available alone to the Government. Now, what we propose is, to enlarge their title by making it a perfect fee-simple one, so that no power under any circumstances whatever can assail it. This is abstract justice, and every consideration of equity and a sound public policy demands its consummation.

But by the thoughtless it is suggested that the Government cannot do this, because it has made a grant of a portion of these lands to railroads conditioned upon the extinguishment of the Indian titles. It is not proposed in any manner to extinguish or lessen, but, on the contrary to add to and make perfect their title, so that they may feel and really be secure in their possessions. Aside from this confirming their titles it is proposed, although not really necessary, but to quiet the fears of the simplest minded, to repeal the conditional grant to the railroads.

There can be no earthly question of the power of Congress to so repeal these grants. With such legislation the Indians will become the absolute lords of the soil, the fee-simple owners of their entire grants. How different this from the title by occupancy, by which they held their lands in Alabama, Georgia, North Carolina, Mississippi, and Tennessee, for the extinguishment of which the Government has always claimed the exclusive right. The treaty process heretofore furnished the means of extinguishment, which practically meant that white men wanted the Indian lands, and for them the Government made the purchases. This power is now abolished, and if the legislation proposed is had, the legislative power of the Government to despoil the Indians of their present qualified title will be exhausted, except in the exercise of the constitutional authority to take private property for public uses, which applies to landed estates as well as other property throughout the Union.

In short, it is proposed that the Indians shall stand upon the common plane with all others deriving title from the Government, and shall hold and enjoy their lands, secured by the great doctrine of property rights, under the guarantees of the Constitution and the law of the land. It was an unfortunate day in the history of the Cherokees, when they consented by the treaty of 1835 to take less than a fee-simple title to their lands. Had they acted wisely, and provided for a fee-simple title, as for the eight-hundred-thousand acre purchase, no conditional railroad grants would have been made, and they would be free from the agitating discussions of demagogues, who seek to prejudice them against those who now propose to relieve them from their unwise action on that occasion.

I desire now to warn the Cherokee people against the madcaps in their midst, and call upon them to dispassionately consider the importance of the needed legislation to relieve them from the embarrassments which their present incomplete title must necessarily produce. The Indian Commissioner pronounces the Cherokee's title "a base or qualified fee," and who knows but that in the prosecution of the grand consolidating project he may not conclude to whittle down their possessions for some of the tribes of Arizona, Colorado, or New Mexico?

The Indians of the Territory with fee-simple title to their lands and recognized as citizens will be so circumstanced as to resist the "pressure of white settlers" and red settlers as well. They can then make better selections as to the white men they shall receive in their midst. Certainly the territorializing of the Indian Territory and giving to the Legislature the power to legislate for the protection of each and every resident will invite the location of a better class of white men there to take the place of and drive out the reckless class with which that country is now infested.

If it is thought that the Indians may be cheated or defrauded out of their titles, why protect them, I say, by providing against transfers for such a period of time as may be deemed prudent? I will withhold my support from no measure for the fullest protection to the Indians that can be suggested. It is my desire that they shall progress, make advances, and finally reach such commercial and political prominence as to be an honor to our common country and its institutions. The distinguished gentleman from Ohio [Mr. GARFIELD] has expressed his opinion upon the Indian problem upon this floor in the following language:

While it is true that every step toward a mild treatment of the Indian tribes has not only resulted in less barbarism among them, but also in much less expense

to the United States, I believe we shall ultimately find another step necessary. We shall find that the ballot rather than the bullet of our friend from Nevada will be the ultimate settlement of the Indian question.

Now, while I cannot concede that the ballot can or does confer upon those to whom it is given *per se* the necessary qualifications for good citizenship, yet I insist that all persons, Indians included, whose intelligence and integrity qualify them for its freedom and rightful exercise ought to have it and receive no check from withholding it in the race of life. Are not the Choctaws, Cherokees, Creeks, Seminoles, and Chickasaws far better prepared to have bestowed upon them the ballot and assume the responsibilities of full citizenship than were our colored people at the time they were made citizens and voters?

About this there can be no sort of doubt. Right here I desire to call attention to the fact that in the Choctaw and Chickasaw Nations there are now near six thousand colored people, natives, who are not entitled to Indian citizenship and have no political status there whatever. By territorializing that country these people will at once begin to realize something of the benefits of the citizenship conferred upon them by the fourteenth amendment. If that amendment so operated upon them as to confer the right of citizenship of the United States, although born and reared in the Territory, why it did not so operate upon the Indians themselves is difficult of solution. The language of the amendment, "all persons born or naturalized in the United States," if it had the effect to make these colored people citizens must also have had the effect to make the Indians citizens, unless they fail to fall within the common designation of *persons*, so uniformly applied to human beings. I will not pursue this subject further, having said enough to bring the attention of all concerned directly to it.

There is a great deal that might be said upon the propriety of establishing the Territory of Oklahoma which cannot be said within the time limited to a single member upon this floor, and for that reason I can say but little more. When the bill now being treated comes up for final action, I shall undertake to show the direct interest of my people in this matter, and the wrongs inflicted upon them by the blind policy of keeping as a sealed book the Indian Territory. I stand pledged to acquit them of any contemplated wrong upon their red brethren, between whom and them the most friendly relations have always existed.

I can point with pride to the fact that instead of their encroaching upon the Indians they have twice abandoned their homes to make way for them, when pushed from their ancient homes east of the Mississippi River. In conclusion, Mr. Speaker, it is my sincere opinion that when the Territory of Oklahoma shall have been organized and be represented upon this floor by some one of the many talented men of the Indian tribes there, then the first grand achievement will have been made in Indian civilization.

ELECTION OF PRESIDENT AND VICE-PRESIDENT.

Mr. MAISH submitted remarks on the necessity for changing the present mode of electing the President and Vice-President of the United States, which will appear in the Appendix.

HOW AND BY WHOM WAS RESUMPTION EFFECTED.

Mr. KELLEY. Mr. Speaker, the law providing for the resumption of specie payments went into effect on the first day of this year. The event invites a retrospect, as it is hoped that it terminated a controversy which has agitated the people for thirteen years.

Those who from the close of the war persistently demanded the enactment of such a law, those who have insisted upon its maintenance, and those to whom its enforcement has been intrusted, exult over the fact that equivalency between greenbacks and gold has been established as triumphantly as though they had planned and achieved the result. They have no right to regard it as their triumph. It in truth attests their defeat. Those who may of right exult are those who have resisted the retirement of our legal-tender paper money throughout the long war waged against such money by those whose policy, if successful, would have resulted in a government of the people, by the national banks, and for the fund-holders of the world. For equivalency between our paper money and gold has not been brought about by the methods the friends of an exclusive national bank-note paper currency proposed, but in opposition thereto. The process by which they proposed to effect resumption involved, as I shall abundantly prove, the retirement and "cremation" of every dollar of our legal-tender paper money and the substitution therefor of national-bank notes which should faithlessly promise redemption in coin. In this contest they have been beaten, and it is for the friends of money issued by the Government, as against promises to pay money issued by corporations, to rejoice that equivalency has been produced while there are more than \$346,681,000 of legal-tender notes extant, the continued circulation of which is demanded by the producing classes of our people and protected by the express terms of a recent statute. In the establishment of equivalency under these circumstances we have a standing refutation of the cardinal doctrines of the bullionists.

General resumption of specie payments has not been effected. If a national bank gives coin in exchange for its notes it is as an act of grace and not in compliance with law, as such notes are redeemable in greenbacks; and if a grasping creditor demands coin from his debtor, the legal-tender note interposes and checks his avarice.

Nevertheless equivalency between greenbacks and gold exists, and whoever has \$50 or more in Treasury notes can obtain coin for them by presenting them for payment at the sub-treasury at New York. How, I ask, has equivalency been established, and upon what does its maintenance depend? It is certainly not the result of the retirement of the last of our paper money, for to the amount of \$346,681,016 greenbacks are still a legal tender. Nor does its maintenance depend on the ability of the Government and banks to redeem their notes in coin. No! Equivalency has been brought about by adopting the method originally proposed by the anti-contractionists and accepting "rags and lamp-black," the "dishonored and lying greenback" in payment of customs duties. And its continuance depends upon this recognition by the Government of the "rag-baby" as money. So long as it shall do this it need apprehend no serious draught upon the coin it is hoarding, for so long as the greenback is accepted for all the uses of money every one will prefer paper money to weighty and inconvenient coin.

During the last political campaign leading statesmen, distinguished Senators, and others, addressed the people of Pennsylvania on the issues of the day, and denied, as I have heard others more recently deny, that it had ever been the purpose of the Government or the advocates of resumption to destroy our legal-tender paper money. Their sole object, some of these gentlemen said, had been to reduce its volume within safe limits, which, when the resumption act had been passed, was believed to be \$300,000,000, but which intervening experience had shown should be fixed at the sum now outstanding. Between these distinguished gentlemen and me there is on this point a question of fact, and to exclude the possibility of its becoming one of veracity I propose to submit indisputable proof of the truth of my statement.

CONDITION OF THE PEOPLE AND AMOUNT OF MONEY IN 1865.

My witnesses shall be Secretaries of the Treasury, and the evidence I propose to offer will be drawn from annual reports submitted to Congress with presidential messages. But first let Mr. McCulloch, who was then Secretary, tell us what was the condition of the people and what the amount of legal-tender paper in circulation in 1865 and 1866. In his annual report of date of December 4, 1865, he reminded Congress that means had been furnished by our own people to meet the expenses of the war; and that notwithstanding the fact that more than \$2,000,000,000 of the means of the people of the United States had been thus loaned to the Government, no branch of useful industry had suffered by the investment. These were his words:

The fact that means have been raised, without foreign loans, to meet the expenses of a protracted and very costly war, is evidence not only of the great resources of the country, but of the wisdom of Congress in passing the necessary laws, and of the distinguished ability of the immediate predecessors of the present Secretary in administering them. * * * The public debt of the United States represents a portion of the accumulated wealth of the country. While it is a debt of the nation it becomes the capital of the citizen. The means of the merchant, the manufacturer, and farmer, and also those of the workingman and the soldier, have been liberally invested in it, and it is an interesting fact, a practical evidence of the great resources of the country, that so large an amount of their wealth could be loaned by the people to the Government without embarrassing industrial pursuits. Notwithstanding more than \$2,000,000,000 of the means of the people of the United States have been thus loaned, no branch of useful industry has suffered by the investment.

So much from Mr. McCulloch on the condition of the people and the productive industries of the country. That he was not mistaken in asserting that the loan of more than \$2,000,000,000 made by the people to the nation was out of accumulated capital and did not impair their productive power is shown by the fact that the failures reported by commercial agencies in 1865 were but five hundred and thirty, and involved an aggregate liability of but \$17,625,000, as well as by the business of the national banks, which, in the absence of commercial paper, in discounting which they ordinarily employ their resources, they were compelled to invest them in Government securities, and absolutely held one-fourth of the entire public debt. Money was abundant. Whoever would work could get wages. Sales were made for cash or on short credit. Few promissory notes were given, and the banks found small employment for their resources except in Government securities.

Now let him tell us how much the debt then amounted to, what was its character, and how much of it was legal tender and might circulate as currency, or be held by banks as reserve, by the use of which in that way they could keep the entire volume of greenbacks proper and bank-notes in circulation. On page 17 of the report from which I have quoted, he says:

On the 31st day of October, 1865, since which time no material change has taken place, the public debt, without deducting funds in the Treasury, amounted to \$2,808,549,437.55, consisting of the following items:

| | |
|---|------------------|
| Bonds, ten-forties, 5 per cent., due in 1904..... | \$172,770,100 00 |
| Bonds, Pacific Railroad, 6 per cent., due in 1895..... | 1,258,000 00 |
| Bonds, five-twentieths, 6 per cent., due in 1882, 1884, and 1885..... | 659,259,600 00 |
| Bonds, 6 per cent., due in 1881..... | 265,347,400 00 |
| Bonds, 5 per cent., due in 1880..... | 18,415,000 00 |
| Bonds, 5 per cent., due in 1874..... | 20,000,000 00 |
| Bonds, 5 per cent., due in 1871..... | 7,022,000 00 |
| Bonds, 6 per cent., due in 1868..... | 8,908,341 80 |
| Bonds, 6 per cent., due in 1867..... | 9,415,250 00 |
| Compound-interest notes, due in 1867 and 1868..... | *173,012,141 00 |
| Seven-thirty Treasury notes, due in 1867 and 1868..... | 830,000,000 00 |
| Bonds, Texas indemnity, past due..... | 760,000 00 |
| Bonds, Treasury notes, &c., past due..... | 613,920 00 |
| | 1,021,335,732 80 |

| | |
|--|------------------|
| Temporary loan, ten days' notice..... | \$99,107,745 46 |
| Certificates of indebtedness, due in 1866..... | 55,905,000 00 |
| Treasury notes, 5 per cent., December 1, 1865..... | 32,538,901 00 |
| United States notes..... | 498,160,569 00 |
| Fractional currency..... | 26,057,469 20 |
| | 454,318,038 20 |
| | 2,808,549,437 55 |

This statement is, I believe, correct. But on page 9 he had made the following one touching the paper circulation of the country, which, while apparently candid, was as disingenuous as it was well calculated to deceive the ignorant:

| | |
|---|------------------|
| The paper circulation of the United States on the 31st of October, 1865, was substantially as follows: | |
| 1. United States notes and fractional currency..... | \$454,318,038 20 |
| 2. Notes of the national banks..... | 185,000,000 00 |
| 3. Notes of State banks, including outstanding issues of State banks converted into national banks..... | 65,000,000 00 |
| Total..... | 704,218,038 20 |

The amount of notes furnished to the national banks up to and including the 31st of October, 1865, was a little over \$305,000,000, but it is estimated that \$20,000,000 of these had not then been put into circulation.

In addition to the United States notes, there were also outstanding \$32,536,900 5 per cent. Treasury notes, and \$173,012,140 compound-interest notes, of which it would doubtless be safe to estimate that \$30,000,000 were in circulation as currency.

From this statement it appears that, without including seven and three-tenths notes, many of the small denominations of which were in circulation as money, and all of which tend in some measure to swell the inflation, the paper money of the country amounted on the 31st of October, 1865, to the sum of \$734,218,038.20, which has been daily increased by the notes since furnished to the national banks, and is likely to be still further increased by those to which they are entitled, until the amount authorized by law (\$300,000,000) shall have been reached—subject to such reduction as may be made by the withdrawal of the notes of the State banks.

I have characterized this statement as disingenuous. Time will not permit me to analyze it, but I remark in passing that not only the \$30,000,000 of compound-interest notes which he assumes were in circulation, but the other \$143,000,000 were outstanding and were legal tender for their face value; and that if the \$830,000,000 of 7.30 Treasury notes were not so, the people who accepted and used them as such were deluded by the phraseology of the law under which they were issued. If they were not legal tender the proviso which declared that they should not "be a legal tender in payment or redemption of any notes issued by any bank, banking association, or banker calculated or intended to circulate as money," was worse than useless verbiage inasmuch as it was calculated to deceive, as to the character of the security they were to receive, those to whom the Government was under the provisions of the act to appeal for a loan of more than \$800,000,000. If they were not intended to be a legal tender for all other purposes, why was it necessary to thus specifically prohibit banks from paying their notes with them as they were required to do with the non-interest-bearing legal-tender notes, known as greenbacks?

CONTRACTION REGARDED AS THE ONLY ROAD TO RESUMPTION.

Having thus enabled Mr. McCulloch to show what was the condition of the people at the close of the war, let me now proceed to the main question. How did the resumptionists propose to improve their condition, and whether it was by retiring the legal-tender paper money and substituting therefor the promises of banks to pay money? The first witness I offer on this point is Mr. Hugh McCulloch. In his report of December 4, 1865, as Secretary of the Treasury, from which I have submitted extracts, that gentleman said:

The issue of United States notes as lawful money was a measure expedient, doubtless, and necessary in the great emergency in which it was adopted, but this emergency no longer exists, and however desirable may be the saving of interest, and however satisfactory these notes may be as a circulating medium, these considerations will not, it is respectfully submitted, justify a departure from that strict construction of the Constitution given to it previous to the war by patriotic men of all parties, and which is essential to the equal and harmonious working of our peculiar institutions. The strength of the Government has been proved by the manner in which it has carried on the greatest war of modern times; it only remains, for the vindication of its excellence and the perfection of its triumphs, that all powers exercised for its preservation, but not expressly granted by the Constitution, be relinquished with the return of peace. While, therefore, the Secretary is of the opinion that the immediate repeal of the legal-tender provisions of the acts referred to would be unwise, as being likely to affect injuriously the legitimate business of the country, upon the prosperity of which depend the welfare of the people and the revenues which are necessary for the maintenance of the national credit, and unjust to the holders of the notes, he is of the opinion that not only these provisions but the acts also should be regarded as only temporary, and that the work of retiring the notes which have been issued under them should be commenced without delay, and carefully and persistently continued until all are retired.

In speaking of the legal-tender acts, reference has only been made to those which authorized the issue of United States notes. The interest-bearing notes which are a legal tender for their face value were intended to be a security rather than a circulating medium, and it would be neither injurious to the public, nor an act of bad faith to the holders, for Congress to declare that, after their maturity, they shall cease to be a legal tender, while such a declaration would aid the Government in its efforts to retire them, and is therefore recommended.

The rapidity with which the Government notes can be withdrawn will depend upon the ability of the Secretary to dispose of securities. The influences of funding upon the money market will sufficiently prevent their too rapid withdrawal. The Secretary, however, believes that a decided movement toward a contraction of the currency is not only a public necessity, but that it will speedily dissipate the apprehension which very generally exists, that the effect of such a policy must necessarily be to make money scarce and to diminish the prosperity of the country.

The Secretary, therefore, respectfully but most earnestly recommends—

First. That Congress declare that the compound-interest notes shall cease to be a legal tender from the day of their maturity.

Second. That the Secretary be authorized, in his discretion, to sell bonds of the United States bearing interest at a rate not exceeding 6 per cent., and redeemable and payable at such periods as may be conducive to the interests of the Govern-

ment, for the purpose of retiring not only compound-interest notes, but the United States notes.

The first thing to be done is to establish the policy of contraction. When this is effected the Secretary believes that the business of the country will readily accommodate itself to the proposed change in the action of Government, and that specie payments may be restored without a shock to trade and without a diminution of the public revenues or of productive industry.

In view of these citations no gentleman will have the temerity to deny that the administration that initiated the resumption movement intended to accomplish it by "the policy of contraction," that its method of effecting contraction was to retire all forms of legal-tender paper money, and that it believed that the retirement "should be commenced without delay, and carefully and persistently continued until all were retired."

A FATAL MISTAKE.

Congress, influenced by the suggestions of the Secretary and the clamorous appeals of the banks, which wished to increase the value of the Government securities, in which more than half their resources were invested, and of capitalists who wanted to increase the purchasing power of their dollars, authorized the Secretary to retire \$10,000,000 in the six months to end October 12, 1866, and \$4,000,000 in each month thereafter. That was a fatal mistake and set at work causes which would inevitably produce a financial crash such as occurred in 1873. Resumption was not to be reached by converting our non-interest bearing debt into 6 per cent. bonds, and thereby withdrawing from trade its most important tool, money, the instrument by which commodities and services are transferred from person to person.

I regret to say that my vote on that resolution was with the overwhelming majority in its favor, there having been but six members of the House who appear to have foreseen the terrible results such a measure must produce, and voted against it. The resolution was adopted on the 18th of December, 1865, and reads as follows:

Resolved, That this House cordially concurs in the views of the Secretary of the Treasury in relation to the necessity of a contraction of the currency, with a view to as early a resumption of specie payments as the business interests of the country will permit; and we hereby pledge co-operative action to this end as speedily as practicable.

My vote attracted the attention of many of the most enlightened business men of Philadelphia, from whom I received earnest protests against the initiation of a policy so destructive as that of attempting resumption by contracting a volume of currency that was legitimately and profitably employed, and the retirement of which, by its conversion into interest-bearing bonds, would inevitably impoverish the American people and transfer our debt from them to the syndicates and bankers of Europe. The Christmas vacation was at hand, and on my return to Philadelphia my venerable friends Henry C. Carey and the late Stephen Colwell, whose work entitled "The Ways and Means of Payment" is in my opinion the most valuable contribution ever made by one man to the financial literature of the world, each honored me with protracted interviews, during which they approved the judgment of the business men who had censured my vote, and so instructed me in the laws of trade and finance as to enable me to act with an enlightened judgment on such financial questions as might thereafter come before Congress; and I am free to say that in my now unusually extended congressional service there is no vote the casting of which I so much deplore as the one now under consideration. Candor and a desire to meet the responsibility attaching to every act of my public life seem to require this digression into the region of matters personal.

HUGH McCULLOCH AGAIN.

I now return to my demonstration by presenting the following extracts from the report of Secretary McCulloch of the date of December 3, 1866:

The Secretary regrets, notwithstanding the large reduction of the national debt, and the satisfactory condition, in other respects, of the National Treasury, that little progress has been made since his last report toward specie payments. The views presented by him in that report, although indorsed in the House of Representatives by a nearly unanimous vote, were not sustained by corresponding legislation. Instead of being authorized to reduce the paper circulation of the country, according to his recommendations, the amount of United States notes which he was permitted to retire was limited to \$10,000,000 for the six months ending October 12, and to \$4,000,000 per month thereafter. In the mean time the reduction of these notes and of the notes of the State banks has been nearly balanced by the increase of the circulation of the national banks; and specie commands about the same premium it did when the last Treasury report was prepared. Having been thus prevented from taking the first important step toward a return to specie payments, the Secretary has mainly directed his attention, looking to an increase of efficiency in the collection of the revenues, to the conversion of interest-bearing notes into 5.20 bonds and to a reduction of the public debt. * * * The views of the Secretary upon the question of a reduction of the currency have been so frequently expressed that it is only necessary now to consider whether the curtailment should be of the United States notes or of the notes of the national banks. * * * The present Secretary was not the advocate of the national banking system, and claims only the credit of having used his best efforts, as Comptroller, to put it into successful operation. But he has no hesitation in pronouncing it a vast improvement upon the systems which it superseded, and one admirably adapted to our peculiar form of government. There are substantial objections to all banks of issue, and if none existed in the United States it might be very questionable if any should be introduced; but having taken the place of the State banks, and furnishing as they do a circulation as free from objection as any that is likely to be provided, the Secretary is of the opinion that the national banks should be sustained, and that the paper circulation of the country should be reduced, not by compelling them to retire their notes, but by the withdrawal of the United States notes.

Further extracts from this report will show not only the haste with which Mr. McCulloch proposed to get rid of the greenback but of his

ignorance or wicked disregard of the dependence of the productive power and trade of a country upon the steady maintenance of a sufficient volume of legal-tender money to which prices, credits, and trade had adjusted themselves. Thus he said:

*The national banking system was intended, while not invading the rights of the States nor damaging private interests, to furnish the people with a permanent paper circulation. The United States notes were intended to meet a temporary emergency, and to be retired when the emergency had passed. * * * The reduction of legal-tender notes could probably be increased from four millions per month, as contemplated by the act of April 12, 1866, to six millions per month for the present fiscal year, and to ten millions per month thereafter, without preventing a steady conversion of the interest-bearing notes into bonds or injuriously affecting legitimate business.*

After a careful survey of the whole field, the Secretary is of the opinion that specie payments may be resumed and ought to be resumed as early as the first day of July, 1868, while he indulges the hope that such will be the character of future legislation and such the condition of our productive industry that this most desirable event may be brought about at a still earlier day.

I submit to gentlemen whether in the light of intervening experience these propositions do not sav more of midsummer madness than of statesmanship, especially of such statesmanship as should have presided over the finances of a nation just recovering from the shock of a great protracted and exhausting war. Mr. McCulloch had been called from the presidency of a bank to the Comptrollership of the Currency, and thence transferred to the Secretarieship. His mind was imbued with the formulas proclaimed by those British economists who, disregarding the inductive system, have founded what they call "a science based upon assumptions," which, in defiance of sound reason, of the experience of France, and the conditions under which we have established equivalency, assumes that paper money under all circumstances expels coin, and that, if the paper be withdrawn from circulation, gold will flow in and fill the vacuum, whether the people of the country whose paper money is retired have or have not anything with which to purchase coin. His counselors were the officers of national banks and the representatives of the great foreign dealers in Government loans; and, discontented with the slow process of retiring \$4,000,000 of greenbacks a month, he would increase the amount to be retired to \$6,000,000 per month for the then fiscal year, and to \$10,000,000 per month thereafter. But meanwhile experience, harsh and impressive, was teaching the people, and the logic of events bringing the entire body of the producing classes of the country, as contradistinguished from dealers in funds and credit, to quite another conclusion.

Restricted to the retirement of \$10,000,000 in six months, and \$4,000,000 a month thereafter, he had, as he told us, directed his attention to the conversion of interest-bearing legal-tender obligations into 5.20 bonds. How terribly successful he had been in this branch of his destructive scheme of contraction is shown in the following extract from his annual report of November 30, 1867:

Since the 1st day of September, 1865, the temporary loans, the certificates of indebtedness, and the 5 per cent. notes have all been paid, (with the exception of small amounts of each not presented for payment;) the compound-interest notes have been reduced from \$217,024,160 to \$71,875,040, (\$11,500,000 having been taken up with 3 per cent. certificates;) the seven and three-tenths notes from \$830,000,000 to \$337,978,800; the United States notes, including fractional currency, from \$439,505,311.51 to \$387,871,477.39, while the cash in the Treasury has been increased from \$88,218,053.13 to \$133,998,398.02, and the funded debt has been increased \$686,584,500.

EFFECTS OF CONTRACTION.

This rapid contraction of legal-tender money and increase of the bonded debt had produced most depressing effects upon production and trade, and from all parts of the country came potential voices demanding the repeal of the law authorizing it, and the abandonment of the work of contraction.

Speaking on the subject on the 18th of January, 1868, I said :

The loom and the spindle, no longer able to yield profit to their proprietor, stand idle; the fires are extinguished in forge and furnace, and the rolling-mill does not send forth its hum of cheerful and profitable industry. On one day of last month eighteen hundred operatives in the glass factories of Pittsburgh were deprived of the poor privilege of earning wages by honest toil at the trade in which they were skilled. The establishments in which they worked are closed. In the absence of productive employment for men or machinery the small holders of bonds are selling them to save themselves from bankruptcy if they are the proprietors of establishments, or to feed themselves and families in involuntary idleness if they were laborers whose hard-earned savings had been loaned to the Government in its exigency. Look where we may, to any section of the country, we hear of "shrinkage" in the value of manufactured goods, of reduction of wages or of the hours of labor, of factories running on part time, or closed, or to be closed.

Lest my statement should be regarded as exaggerated, I cited the following extract from a speech then recently made in the Senate by Mr. MORRILL, of Vermont :

Look at the industries that are at the present moment unusually depressed. Take, for instance, the entire woolen interest. There is not an establishment that is not losing money to-day. Take the wool-grower; not a pound of wool raised last year will bring within ten cents per pound of its cost. Take the cotton interest; the whole circle of manufacturers are in no better circumstances. Look at the value of their stocks; for instance, take the Bates manufacturing stock of Maine, worth two years ago 160 cents on the dollar; now there are more sellers than buyers at 100. Take the Lyman Mills on the Connecticut, worth two years ago 98 to 100, now selling at 69 or less; and so I might go on almost through the whole list. They all suffer. Take the West—Ohio, Illinois, or Iowa; look at their hog crop. Why, if they had given away all their hogs, or if they had slaughtered them a year ago and thrown them away, they would have been better off to-day. They have absolutely lost their hog crop by feeding out grain to them which unfed would have brought more than all their pork.

The sad effects thus portrayed were not the results of the retirement of greenbacks alone; for, as the Secretary told us, he had in the ab-

sence of power to retire more of them directed his attention to the retirement of interest-bearing legal-tender notes by converting them into 5.20 bonds.

The official experience of the Secretary during the preceding year would have admonished most men, if not of their ignorance, at least of the possible fallibility of their judgment in matters of trade and finance. His estimates of receipts and expenditures for the fiscal year to end the 30th of June, 1866, predicted that the expenditures in that year would exceed the receipts \$112,194,947, whereas the receipts exceeded his estimates \$89,905,905, and the expenditures fell short of his estimates \$200,529,235, so that in a matter including receipts and expenditures of \$746,888,647 the Secretary had been mistaken to the extent of \$402,630,057. The very magnitude of his mistake seems, however, as I have just shown, to have inspired him with new courage in the work of impoverishing his countrymen, and led him to assert officially his belief that "the entire debt can be paid by the generation that created it."

It would be worse than superfluous to produce further proof that the pretended bullionists from 1865 to 1869 suggested no other means of bringing about resumption than by abolishing all forms of legal-tender paper-money and substituting therefor bank-notes which should promise payment in gold—a promise which would not and could not be kept. But before quitting Mr. McCulloch's reports let me invite attention to two additional extracts.

MR. McCULLOCH'S INCOMPETENCE AND MENDACITY.

The bullionist press, here and in other lands, without a dissenting voice, ascribe all the evils of the times to overproduction consequent upon an inflation of the currency, and no one among them has proclaimed this theory with louder voice or more persistent iteration than Hugh McCulloch. Yet in 1866, when everybody that would work could get work, with wages paid promptly, he and his followers were loud and incessant in their denunciation of that alleged inflation which they said had, by artificially raising prices, rendered production impossible and ruined the working classes. This is what he said on the subject in his annual report of December 3, 1866:

The same causes that prevent ship-building tend to prevent the building of houses and even of factories. So high are prices of every description that men hesitate to build dwellings as fast as they are required, and thus rents are so advanced as to be oppressive to lessees, and the healthy growth of towns and cities is retarded. So it is in regard to manufactures. Mills which were built before the war can be run profitably, but so expensive are labor and materials that new mills cannot be erected and put into operation with any prospect of fair returns upon the investment, unless upon the expectation that taxes will remain as they are and prices be sustained if they are not advanced. The same causes are injuriously affecting agriculture and other interests which it is not necessary to particularize. It is everywhere observed that existing high prices are not only oppressing the masses of the people but are seriously checking the development, growth, and prosperity of the country.

This "chunk of wisdom" was given to the public at the close of 1866 and on the threshold of 1867, and a practical comment upon it is found in the fact that the average number of buildings erected in Philadelphia in those years was 3,136, while in 1878, though our population had increased by 225,000 and our paper money was substantially at par and resumption had been assured, the number was but 2,904.

The other and closing extract from Mr. McCulloch's reports is from that of December 1, 1868. Let me read it:

The language of one of the greatest men of modern times, so often, but not too often, quoted, is none too strong in its descriptions of the injustice and the evils of an convertible currency:

"Of all the contrivances for cheating the laboring classes of mankind none has been more effectual than that which deludes them with paper money. Ordinary tyranny, oppression, excessive taxation—these bear lightly on the happiness of the mass of the community compared with a fraudulent currency and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression on the virtuous and well disposed of a degraded paper currency authorized or in any way countenanced by the Government."

That a Secretary of the Treasury should in an official report quote, in support of the issue of bank-notes, the oft-repeated and always perverted denunciation by Mr. Webster of bank-notes is a stretch of mendacity and effrontery of which I had not believed even Hugh McCulloch capable. He must have known that the denunciations of Mr. Webster were not hurled at paper money proper, but against bank-notes which promised redemption in coin. During Mr. Webster's life the people of the United States had never used legal-tender paper money, for none had then been issued by the Government, but the phrase paper money had by usage been delusively applied to notes issued by corporate banks, all of which promised payment on demand in coin, but which promise was broken whenever the course of our foreign trade or other exigency created a large demand for coin.

The history of this system of currency from 1804 to 1865 may be thus summed up: the inflation of prices by the excessive issue of loans and bank-notes speedily followed by forced contraction of the volume of both, suspension of specie payments, the collapse of production and trade, and the ruin of the laboring and debtor classes; and I repeat the assertion that Mr. Webster could not have alluded to paper money which had, as have our greenbacks, been declared to be a legal tender in payment of debt. I thank him with my whole heart for his grand utterance against the infernal contrivance for cheating the laboring classes known as bank-notes, which in his time were commonly spoken of as paper money. Before our people were forced by the exigencies of war to recognize the beneficent power of legal-tender paper money,

to avert the ever-recurring crises, the effect of which Mr. Webster so eloquently denounced, our history had recorded for our instruction enough and more than enough of the demoralizing tendency, the injustice, and the intolerable oppression of virtuous and well-disposed people by a degraded paper currency issued by banks to justify all he said. That this denunciation of bank paper should be cited by a Secretary of the Treasury in support of an argument for the retirement of legal-tender money in order to create a necessity for the use of bank-notes, which Mr. Webster declared to be worse than "ordinary tyranny, oppression, and excessive taxation," illustrates either the ignorance of Mr. McCulloch or his consummate wickedness in thus attempting to delude his countrymen.

GRANT'S EARLY POLICY.

The retirement of Mr. McCulloch from the Secretaryship on the 4th of March, 1869, brought a certain measure of relief to the people. The Treasury of the United States was no longer, they hoped, to be the virulent assailant of the value of the only money accessible to them, and the constant disturber of its volume, and they were consequently to be relieved for the time of the constant apprehension that overshadowed them, that the legal-tender character of that money might be withdrawn. President Grant was inaugurated March 4, 1869, and in his first message to Congress, while alluding to an irredeemable currency as an evil, he said:

It is a duty and one of the highest duties to government to secure to the citizen a medium of exchange of fixed unvarying value. This implies a return to a specie basis, and no substitute for it can be devised. It should be commenced now and reached at the earliest practicable moment consistent with a fair regard to the interests of the debtor class. *Immediate resumption, if practicable, would not be desirable. It would compel the debtor class to pay beyond their contracts the premium on gold at the date of their purchase, and would bring bankruptcy and ruin to thousands.*

He did not recommend further contraction or support the reduction of the volume of money in circulation by hoarding it in the Treasury. The greenbacks received by the Administration in excess of the demands for current expenditures were put into circulation through the purchase of interest-bearing bonds. Gold received in excess of demands for interest was sold at the current premium of the day. The greenbacks received for gold were again applied to the further purchase of bonds; so that during the eight years of Grant's administration the money received by the Administration was returned to circulation and the interest-bearing debt of the nation was reduced \$410,000,000. To this extent at least the financial policy of President Grant's administration relieved the people.

In his message of December 1, 1873, after the failure of the national banks of New York, he said:

My own judgment is, * * * that a specie basis cannot be reached and maintained until our exports, exclusive of gold, pay for our imports, interest due abroad, and other specie obligations, or so nearly as to leave an appreciable accumulation of the precious metals in the country from the products of our mines.

To increase our exports, sufficient currency is required to keep all the industries of the country employed. Without this, national as well as individual bankruptcy must ensue. * * * Elasticity to our circulating medium, therefore, and just enough of it to transact the legitimate business of the country, and to keep all industries employed, is what is most to be desired. * * * *The experience of the present panic has proven that the currency of the country, based as it is upon the credit of the country, is the best that has ever been devised. Usually in times of such trials, currency has become worthless, or so much depreciated in value as to inflate the values of all the necessities of life as compared with the currency. Every one holding it has been anxious to dispose of it on any terms. Now we witness the reverse. Holders of currency hoard it as they did gold in former experiences of a like nature.*

In view of the great actual contraction that has taken place in the currency, and the comparative contraction continuously going on, due to the increase of population, increase of manufactures, and all the industries, I do not believe there is too much of it now for the dullest period of the year. * * * During the last three years the currency has been contracted, directly, by the withdrawal of 3 per cent. certificates, compound-interest notes, and 7.30 bonds outstanding on the 4th of March, 1869, all of which took the place of legal-tenders in the bank reserves to the extent of \$63,000,000.

During the same period there has been a much larger contraction of the currency. The population of the country has largely increased. More than twenty-five thousand miles of railroad have been built, requiring the active use of capital to operate them. Millions of acres of land have been open to cultivation, requiring capital to move the products. Manufactories have multiplied beyond all precedent in the same period of time, requiring capital weekly for the payment of wages and for the purchase of material; and probably the largest of all comparative contraction arises from the organizing of free labor in the South. Now every laborer there receives his wages, and for the want of savings-banks, the greater part of such wages is carried in the pocket or hoarded until required for use.

These suggestions are thrown out for your consideration, without any recommendation that they shall be adopted literally, but hoping that the best method may be arrived at to secure such an elasticity of the currency as will keep employed all the industries of the country.

Nothing could well have been more emphatic than this, and the passage I have italicised harmonizes with Mr. Webster's denunciation of the effect of dependence for currency upon the lying promises of banks to pay coin on demand. It was while he held these just opinions that President Grant, in compliance with the urgent request of the bankers and merchants of New York, resuscitated the broken National Banks of that city by ordering Secretary Richardson to issue, for the purchase of bonds, \$26,000,000 of the \$44,000,000 of greenbacks Mr. McCulloch had retired. They had suspended payment of their notes with greenbacks, and this action of the President enabled them to resume, not specie payments, but greenback payments.

GRANT'S Sudden CONVERSION—SECRETARIES BRISTOW AND MORRILL.

But as President Grant's second term drew toward the close, his opinions on the money question appeared to undergo a sudden change, and in his message of April 22, 1874, vetoing "an act to fix the amount

of United States notes and the circulation of national banks, and for other purposes," he said:

I am not a believer in any artificial method of making paper money equal to coin when the coin is not owned or held ready to redeem the promises to pay; for paper money is nothing more than promises to pay, and is valuable exactly in proportion to the amount of coin that it can be converted into. While coin is not used as a circulating medium, or the currency of the country is not convertible into it at par, it becomes an article of commerce as much as any other product. The surplus will seek a foreign market, as will any other surplus. The balance of trade has nothing to do with the question.

Thenceforth President Grant's annual messages and the reports of his Secretaries of the Treasury transmitted therewith were as menacing to the productive interests of the country and as destructive of confidence as had been those of President Johnson and Mr. McCulloch. The following extracts from the reports of successive Secretaries will show that they, too, believed that absolute retirement of the greenback was essential to the resumption and maintenance of specie payments. In his report of December 6, 1875, Secretary Bristow said:

The existing provision of law making United States notes a legal tender for all debts, both public and private, with certain exceptions relating to transactions with Government, is an artificial barrier to the use of gold and silver, tending not only to prevent the flow of gold toward this country, but promoting the shipment abroad of our own precious metals. For this reason *Congress should abolish the legal-tender quality of the notes as to all contracts made and liabilities arising after a fixed day*. The 1st day of January, 1879, being already fixed by law as the time when the redemption of United States notes then outstanding shall begin, it would be proper and safe to provide that *such notes shall not be legal tender for contracts made or liabilities incurred after the 1st day of January, 1879*. Such an act would not too suddenly change the value of the notes, and would not affect injuriously either debtors or creditors, but would remove a present obstruction to the retention of our gold and silver production, and create a demand for the return of gold now abroad, thus promoting final resumption by preparing the country for it.

In furtherance of the purpose of the act of the last Congress to provide for the resumption of specie payments, the Secretary recommends that authority be given for funding of legal-tender notes into bonds bearing a low rate of interest. Such bonds should run for a longer period of time than those now authorized for refunding the interest-bearing debt, and should be made available to national banks for deposit to secure their circulation and other liabilities to the Government, and should bear a rate of interest so low as not to cause too rapid absorption of the notes. It seems probable that a bond bearing interest at the rate of 4 per cent. would invite the funding of a sufficient amount of legal-tender notes to lessen materially the sum of gold which, in the absence of such provision, must be accumulated in the Treasury by the 1st of January, 1879, to carry out the imperative requirements of the act of January 14, 1875. If it be apprehended that authority to the Secretary to fund an unlimited amount of notes might lead to too sudden contraction of the currency, Congress could limit the amount to be funded in any given period of time. The process being in no sense compulsory as to the holders of United States notes, and the rate of interest on the bonds being made low, it is not probable that currency which could find profitable employment would be presented for redemption in such bonds. Only the excess of notes above the needs of business would seek such conversion. Authority to the Secretary of the Treasury to redeem and cancel two millions of legal-tender notes per month by this process would greatly facilitate redemption at the time now fixed by law, and besides would have the advantage of publicity as to the exact amount to be withdrawn in any given month. Bonds issued for this purpose should be of the denomination of fifty and one hundred dollars, and any multiple thereof, in order to meet the convenience of all classes of holders of United States notes. *The faith of the Government now stands pledged to resumption on and after the 1st of January, 1879, and to the final redemption and removal from the currency of the country of the legal-tender notes as fast as they shall be presented for redemption, according to the provisions of the act of January 14, 1875.*

And his successor, Secretary Morrill, in his report of December 4, 1876, declared himself in favor of the extinction of the greenback in the following vigorous phraseology:

Restoration of the constitutional standard of values by resumption, and the extinction of irredeemable notes current as money, and the enforcement of payment in coin on demand of the national bank notes treated as the equivalent of money, are obviously alike of national obligation and public necessity. The suspension was the act of the National Government, and to the National Government the people properly look to take the initiative in resumption. * * * The United States notes commonly known as legal tender, regarded as a substitute for money, are an anomaly in our monetary system, tolerable and possible only in the exigencies of civil war, the offspring of its perils and limited to its necessities. To allow their continuance, as such, after the cause which justified their existence has ceased, is to violate the conditions of their inception, and to sanction what was only tolerable as a necessity by impressing upon it the stamp of legitimacy.

SECRETARIES BOUTWELL AND SHERMAN.

Secretary Boutwell was opposed to the policy of contraction, and devoted his efforts to the reduction of the public debt by the means to which I have already alluded; and Secretary Sherman has, whatever may be thought of his funding measures, recognized the impolicy as well as the impossibility of extinguishing the greenback by "cremation" or otherwise. But in the contest between bank-notes and the money of the people he is for the banks and against the people, and while he does not advocate the proposition he is careful not to commit himself against the repeal of the legal-tender clause of the law which would extinguish the whole volume of greenbacks at one fell swoop. But in admitting the impossibility of maintaining the convertibility of a paper currency which promises to pay coin on demand he is thoroughly frank. In his report of December 3, 1877, he expressed his opinion as follows:

The Secretary ventures to express the opinion that the best currency for the people of the United States would be a carefully limited amount of United States notes, promptly redeemable on presentation, in coin, and supported by ample reserves of coin, and supplemented by a system of national banks, organized under general laws, free and open to all, with power to issue circulating notes secured by United States bonds deposited with the Government, and redeemable on demand in United States notes or coin. Such a system will secure to the people a safe currency of equal value in all parts of the country, receivable for all dues, and easily convertible into coin. Interest can thus be saved on so much of the public debt as can be conveniently maintained in permanent circulation, leaving to national banks the proper business of such corporations, of providing currency for the varying changes, the ebb and flow of trade.

The legal-tender quality given to United States notes was intended to maintain them in forced circulation at a time when their depreciation was inevitable. When they are redeemable in coin this quality may either be withdrawn or retained without affecting their use as currency in ordinary times. But all experience has shown that there are periods when, under any system of paper money, however carefully guarded, it is impracticable to maintain actual coin redemption. Usually, contracts will be based upon current paper money, and it is just that, during a sudden panic or an unreasonable demand for coin, the creditor should not be allowed to demand payment in other than the currency upon which the debt was contracted. To meet this contingency, it would seem to be right to maintain the legal-tender quality of the United States notes. If they are not at par with coin it is the fault of the Government and not of the debtor, or, rather, it is the result of unforeseen stringency not contemplated by the contracting parties.

In establishing a system of paper money designed to be permanent, it must be remembered that heretofore no expedient has been devised, either in this or other countries that, in times of panic or adverse trade, has prevented the drain and exhaustion of coin reserves, however large or carefully guarded. Every such system must provide for a suspension of specie payment. Laws may forbid or ignore such a contingency, but it will come; and when it comes it cannot be resisted, but should be acknowledged and declared, to prevent unnecessary sacrifice and ruin. In our free Government the power to make this declaration will not be willingly intrusted to individuals, but should be determined by events and conditions known to all.

In his report presented at the opening of this session, there is nothing inconsistent with the foregoing statement of opinion. It contains a handsome bit of special pleading in favor of the maintenance of bank-notes, but this paper is of so recent date that its suggestions must be fresh in the memories of gentlemen, and need not therefore be cited. I may, however, in passing, remark that it offers no suggestion in favor of bank-notes that is not answered by asking the question, "Is not that equally true of the greenback?"

SUSPENSION OF PAYMENTS INEVITABLE UNDER ANY SYSTEM OF CONVERTIBILITY.

Before leaving this branch of my subject, I must briefly consider the foregoing extract from the report of the Secretary. His predecessors had insisted that the greenback was a temporary expedient and that the people were to look to national bank-notes for their permanent paper circulation. But Secretary Sherman, having been instructed by the course of events, recognizes the fact that the greenback cannot be retired. He thinks the best currency would be a carefully limited amount of *United States notes promptly redeemable on presentation in coin*, supplemented by a system of national bank notes, a condition of things which he frankly admits cannot be maintained. He also recognizes the fact that interest is saved on so much of the public debt as can be kept in circulation; but when speaking of greenbacks he says:

When they are redeemable in coin this quality of legal tender may either be withdrawn or retained without affecting their use as currency in ordinary times.

And yet, as you have heard, he says in this very connection:

In establishing a system of paper money designed to be permanent, it must be remembered that heretofore no expedient has been devised, either in this or other countries that, in times of panic or adverse trade, has prevented the drain and exhaustion of coin reserves, however large or carefully guarded. Every such system must provide for a suspension of specie payment. Laws may forbid or ignore such a contingency, but it will come; and when it comes it cannot be resisted, but should be acknowledged and declared, to prevent unnecessary sacrifice and ruin.

Let us consider the effect of depriving greenbacks of the quality of legal tender during a period in which "they are redeemable in coin." From the day of that repeal they would cease to be money; they would pass by sufferance only, and upon being refused by banks or creditors would rapidly depreciate and every bank in the country would therefore refuse to receive them. It would be to the interest of banks and bankers to discredit them in order to create a vacuum in the circulation into which bank-notes might flow; and when the inevitable suspension of specie payments should come—as come it must in every nation that conducts its business with paper promising redemption in coin—what would be the condition of the country? There would be no power, say those who deny the constitutionality of legal-tender paper money, to restore that quality to the Treasury note or greenback. There would be no coin, for the fact of suspension would show that our supply had been drained from us; and the only circulating medium left to the country would be the depreciated notes of broken banks, dependence on which Mr. Webster denounced with such just and terrible denunciation. We would then find ourselves in the condition in which our fathers found themselves in 1809-'10, when the banks the New England States had chartered in 1804-'5-'6 failed. The Government and the people would be borrowing and paying interest for the use of the depreciated paper of broken banks as they did throughout the war of 1812, and for years thereafter; as they did when the banks suspended on May 11, 1837, and, after a brief resumption, again on October 9, 1839; and, after a resumption which lasted for twenty-two days, again on February 6, 1841; and as the people did again, after a resumption which had continued for more than five years, on September 26, 1857; and, after another brief resumption, again on November 23, 1860; and again, after a few months of partial resumption, when the banks finally suspended on December 30, 1861.

Who, in view of this array of facts, will tamper with the legal-tender clause of the greenback? It is essential to the defense and preservation of the rights and interests of the people, and if stricken out, who can resuscitate them when the National Banks shall again fail, as those of New York did in 1873? By what power can it be done as President Grant did it by the reissue of \$26,000,000 of the \$44,000,000 of greenbacks which McCulloch had been empowered to retire, but had happily not been permitted to burn and destroy?

Secretary Sherman is right in saying that periods of suspension are inevitable under every system of paper money or currency which promises general redemption in coin. They are inherent in a system of

currency which promises coin redemption of any form of currency issued by corporations who lend on risk, and often at inordinate and illegal rates of interest, money deposited with them for safe-keeping. To avoid the destructive alternations between the expansion of bank credit and contraction consequent upon the suspension of the payment of money, we must maintain an inexportable currency, which shall throughout the length and breadth of our broad land be legal tender in liquidation of debt. In trade, men who desire to do so can barter their commodities for that one called gold, and can settle foreign balances with it in bullion, or coin for conversion into bullion, and thence into foreign coin.

BANK-NOTES OR THE RAG-BABY—WHICH?

Why, then, shall we complicate our paper money with a system of bank promises, the keeping of which promises is utterly inconsistent with inherent qualities of the institutions which are to issue them? If ever the legal-tender quality shall be taken from the greenback, a crisis will come as much grander than Mr. Webster could have seen as the extent of our country, the increase of population, and the marvelously developed activities of trade will be in relation to the condition of the country thirty years ago and prior thereto. The "Rag-Baby" carried us through the war, equipped, transported, and paid our armies, gave us a navy, stimulated all the industries of the country, connected its two coasts by railroads, and thus cemented the Pacific to the Atlantic and averted a further threatened dismemberment of the Union; and, but for the treacherous hostility of bankers and the administration of which Hugh McCulloch was a member, would have been the pacifier of the restored Union. If there was any excess of money above the demands of the productive industries of the North it would have flowed into the South which had no circulating medium of any kind, carried with it the enterprise and skill of the North, reconstructed the homes, cotton-gins, sugar-houses, refenced the fields, supplied the people with agricultural implements and stock as it had supplied the Government with arms, munitions, and vessels of war; it would have given wages to the freedman and the poor white, and every treasury note, certificate of indebtedness, or evidence of credit of any kind, interest on which was payable by the Government, of which one of these possessed himself, would have been a new bond of Union, for where the treasure is, there will the heart be also; and the holding of the vast national debt by our own people, in the form of currency or interest-bearing paper, would have guaranteed the loyalty of American citizens, as the possession of the debt of their country does that of the French, and the fund-holding portion of the people of Great Britain. If the legal-tender clause in the law authorizing the issue of the greenback shall ever be repealed, I trust that it will be after my eyes shall have closed in death, that they may not behold the misery which that rash act must inevitably entail upon my countrymen.

One other thought and I shall have done with this branch of my subject. The friends of a system of coin payments by the Government coincidently with an expanded system of bank promises to pay coin, in each of the papers from which I have submitted extracts, say that the national banks were intended to afford a permanent system of paper money. Do they and the people see what this assumption involves? A permanent, ever-enduring system of currency based upon what? The national debt. Is that consuming debt to be ever-enduring? Did Mr. McCulloch, who asserted that it could and should be paid by the generation that contracted it, believe that a currency based upon a debt to be so promptly extinguished was to endure forever? Or did he know that when the debt was paid his countrymen must, if the greenback had been "cremated" or its legal-tender quality destroyed, abandon the use of a paper circulation or resort to that species of bastard and lying paper money which Daniel Webster had so truthfully and terribly denounced? To withdraw the national paper money on the theory that it will be succeeded by a system of notes protected by the deposit of Government bonds as are national bank-notes, and that that will be permanent, is to teach the people that they are bound forever to the nation's creditors, foreign and domestic, and to give large inducements to those creditors to involve us in all forms of expenditures, even though it be at the cost of war in order to maintain their monopoly of the Government's highest prerogative—that of declaring what shall be money and supplying the people with an adequate medium of exchange.

Having examined the methods by which the friends of an exclusive bank currency under the guise of bullionists proposed to bring about a resumption of specie payments, and presented some of the criminally deceptive arguments by which they sought to, and possibly have, deluded the people, let me pause to say, that if there be those who would exclude gold, or silver, or either of them, from the lawful money of the country, I am not and never have been of the number. What I oppose is, that our paper circulation shall be based thereon, and promise to perform the impossible thing of maintaining convertibility into coin. For many years past I have been an ardent believer in the French system of finance, which avails itself of all these moneys, and under which when constrained by exigency, whether of war or commerce, the government authorizes a suspension of specie payments and an unusual issue of paper, it never forces resumption, or indeed permits it, until by a favorable balance of trade the country is possessed of metallic francs enough to take the place of each paper one withdrawn. By the flexibility and the entire adequacy in the volume of its currency thus secured, and these wise means of prevent-

ing the contraction of a volume of it actively and profitably employed, it prevents those financial crises which have been the bane of English merchants and manufacturers, and which have at brief intervals characterized the history of this country from 1810 to 1862, when the Government first issued legal-tender paper money.

But while thus desiring the free circulation of gold and silver as coin, or in bars with weight and fineness stamped upon them by the Mint, I have protested, and do protest, against making the honor of the Treasury notes of the Government, which have been declared a legal tender, depend upon their conversion on demand into metallic money; and I aver that the equivalency now existing between our paper and metallic money is not due to the fact that the Treasury of the United States holds the relatively small amount of coin now in its possession, and will in compliance with the provisions of the law convert Treasury notes in sums of not less than \$50 at the counter of one office within the limits of the country. From the resumption of specie payments proposed by Mr. McCulloch and his successors, this device is a beneficial change; and the equilibrium between our three kinds of money has been brought about by the adoption of the theory maintained by the House of Representatives of the Thirty-seventh Congress, which was so ably expounded and defended by its great leader, Thaddeus Stevens, to the effect that if the Government would receive its own legal-tender paper for all dues, the paper could not depreciate while the law should provide that any surplus remaining in the hands of persons or corporations could be converted into an interest-bearing bond of the Government.

Had the notes from the first been given this quality of universal acceptability, there would have been no demand for gold, except as a commodity for the jeweler, the gold-beater, the dentist, or for export as bullion in settlement of trade balances. That the premium on gold was the result of the creation of an artificial demand for coin, which was produced by the Senate provision in the bill of the House, that the interest on the bonds must be paid in coin, and that to obtain the coin with which to pay it, duties on customs must be collected in coin, that created the gold-room and robbed the industry and enterprise of the country of the hundreds of millions of dollars sucked from them by the vampires that swarmed in that room daily for so many years, there can be no doubt. France in 1848 and again within the present decade, by making the Bank of France note a full and unlimited legal tender for all debts both public and private, abundantly illustrates the truth of this proposition. But we need not leave our own country for a demonstration as absolute as history can furnish of any fact.

Since the 1st of January the Government has acted on the advice of Thaddeus Stevens and applied the theories of the believers in the value of a national and inexportable currency, which would, let commercial revulsions and wars create what necessities they might for the commodities known as gold and silver, remain at home to serve the people for whom it was ordained. Since that day any citizen of the United States who could gather together \$50 of greenbacks has been at liberty to present them at the subtreasury in New York and receive gold for them; and the experience of the Treasury has been that it steadily receives more gold than it paid out, which fact proves not only the confidence of the people in the credit and faith of their Government and country but that they prefer national paper money to gold or silver coin.

PREDICTIONS AND THEIR FULFILMENT.

Contemplating the condition of the country, the prostrate condition of the South, the great volume of our debt, so much of which was legal tender for actual circulation, and so much more legal tender in a degree, qualified as in the case of compound-interest notes by the provision that they should be legal tender for their face value only and not for interest, and other forms of the debt which were legal tender so far that they might be held by the banks as part of their reserve, whereby they were able to keep the whole volume of bank-notes and greenbacks in circulation, together with the heavy annual balance of trade against us, I saw the impossibility of accumulating a sufficient volume of coin to maintain the convertibility of this extraordinary volume of paper money. It was in my judgment not only improbable that we could do it, but impossible. The only other alternative was that which the bullionist and pretended bullionist, who sought to establish the circulation of bank-notes to the exclusion of all other forms of paper, proposed—to contract this volume; not only to contract it, but absolutely to retire and extinguish it, as I have so fully shown, although prices throughout our country had adjusted themselves to its volume, and it was actively, legitimately, and profitably employed in developing the resources of the country by the subjection to settlement and cultivation of our unoccupied land by the aid of an annual immigration of nearly half a million of foreigners, by the creation of villages, towns, cities, and the binding together of all parts of our country by improved means of transportation, and by so developing the smelting and fabrication of our minerals, the improvement of our sheep husbandry and of our manufacturing processes as to qualify us for entering at an early day into competition with the world in the sale of manufactured goods; and I do but paraphrase a prediction I made on this floor on the 3d of January, 1867, by changing the tense from the future to the past, when I say the experiment has been a failure, but not a harmless one. It has been fatal to the prospects of a majority of the business men of this generation, and stripped the frugal laboring people of the country of the hard-earned sums they

had deposited in savings-banks or invested in Government securities. It has made money scarce and employment uncertain. Its object was to reduce the amount of that which in every part of our country (for the hundreds of thousands of millions of dollars of annual domestic trade) was money, and to increase the purchasing power of that which should not be canceled or burned; and by this process it has unsettled values, paralyzed trade, suspended production, and deprived industrious laborers of employment. It has made the money of the rich man more valuable, and deprived the poor man of his entire capital, the value of his labor, by depriving him of employment. Its first effect was to increase the rate of interest and diminish the rate of wages, and its ultimate effect, widespread bankruptcy, leaving before us the certainty of a more protracted suspension of specie payments if the greenback shall be retired or its legal-tender quality withdrawn.

Just here I beg leave to make a brief but what I think will be an instructive digression. In the course of my prediction I said that the first effect of resumption by contraction would be to increase the rate of interest and decrease the rate of wages. In 1865-'66, as I have shown, business was on a cash basis. Few business men were borrowing money for any purpose; the rate of interest was low; and there was employment at liberal wages for everybody who could and would work. My venerable friend, Henry C. Carey, and I during the month of August, 1873, visited the Northwest. In the course of our travels we noticed the fact that savings-banks in Pittsburgh were publicly offering 7 per cent. for deposits, and we were assured by reputable business men connected with some of those institutions that they were privately paying higher rates. We had already learned that 8 per cent. was being offered by such institutions in Chicago, and had heard that higher rates were paid. We did not hesitate to predict a speedily coming financial crisis, and a prominent banker of Chicago in response to our predictions asked why we had come among them as prophets of evil in the midst of such abounding evidences of present and prospective prosperity. To which Mr. Carey replied by asking "at what rates of interest savings-banks must be lending money when they could undertake to pay 8 or 10 per cent. for deposits?" That conversation occurred on the 18th of August, in one of the parlors of the Grand Hotel. When we returned to Philadelphia we found that the acceptances of merchants of excellent standing and of the leading transportation companies whose offices were in the city, were being hawked upon the market at the rate of 12, 15 or 18 per cent. per annum, and that much paper was paying at the rate of 24 per cent. As the money of the country had been withdrawn men who were engaged in enterprises must borrow credit, and in desperate efforts to struggle against fate after our contraction policy had decreed their ruin, were, in the hope of making a fortunate turn, and seeing bankruptcy before them if they could not make such a turn, borrowing at any rate; and precisely one month from the interview referred to, on the 18th of September, the great house of Jay Cooke & Co. suspended, and in a few days thereafter the National Banks of New York City also closed their doors against their depositors whose checks they were unable to pay either in greenbacks or their own notes, instead of which they issued certificates of deposit which rapidly depreciated to 94 or 95 per cent. in greenbacks. I do not speak of some of the National Banks of that city, but of all of them; for to save universal wreck they pooled, not their issues which they were unable to redeem, but their liabilities and assets. At that time embarrassed employers were struggling everywhere to reduce the wages of those who served them. I do not pretend that I had foreseen just the time that such a crisis would come, but that it must come as a consequence of the withdrawal of the money of the country, such as I have shown by extracts from Secretary McCulloch's report of November 30, 1867, and General Grant's annual message of December 1, 1873 to have taken place.

But let me return from this digression and proceed to show by reference to the condition of my immediate fellow-citizens whom I have the honor in part to represent, that all other points of my prediction have been verified, and that I am now justified by results in converting prediction into denunciation.

THE EFFECT OF CONTRACTION IN PHILADELPHIA.

The taxable value of the city of Philadelphia is carefully ascertained every year, the taxes for each year being always assessed in the preceding year by a board of carefully selected assessors, whose returns are submitted to a board of tax revision, to which appeals from assessments by property-owners are made; and as illustrative of the effect of the resumption act which provided for the reduction of the volume of greenbacks to \$300,000,000, coupled with the prevailing and increasing doubt as to the ability of the Government and the banks to accumulate specie enough to make a general resumption of specie payments possible with continued denunciations from the Treasury of the legal-tender clause and appeals from bankers and doctrinaires to Congress to repeal it at an early day, let me state the experience of the people of that city.

The assessment made of the real estate of the entire city in 1878, upon which the taxation of 1879 should be based, shows that though the foreign exports from that port had grown steadily from \$29,579,911 in 1874 to \$37,323,356 in 1877, and to \$48,362,116 in 1878, the value of the real estate had so shrunk as to be worth for taxable purposes \$12,463,620 less than it had been in 1874; the total appraised value in 1874 having been \$539,003,602, while in 1879 it is but \$526,539,972. What has caused this shrinkage in the value of Philadelphia? Have its people been idle? Have they wasted their substance in riotous

living? Has a great conflagration desolated it? No; nor as I have shown by the increase of its foreign commerce, has grass grown in the streets or its wharves fallen to decay. Let me show you what their industry and enterprise did for the extension of the city and the promotion of the comfort and health of its citizens during those terrible five years in which we were preparing for resumption.

The number of buildings erected during those years, including dwelling-houses, stores, storehouses, banks, factories, forges, furnaces, breweries, elevators, churches, halls, hospitals, hotels, school-houses, &c., had been as follows: In 1874, 5,040; 1875, 5,234; 1876, 4,115; 1877, 4,818; 1878, 2,904; making a total of 22,111, of which 18,507 were dwelling-houses, 796 dwelling-houses including stores, and the remainder, 2,808, were of the miscellaneous character embraced in the other designations.

But this is not all the expenditure of capital and labor upon buildings that is shown by the record of the building inspectors, for during these same five years alterations and additions, including the erection of back buildings, bath-houses, kitchens, and the conversion of the lower stories of dwellings into stores, &c., number 7,045. During these same five years old streets had been extended and new streets opened and streets had been paved as follows:

| Year. | Streets opened. | Streets paved. |
|--------|-----------------|----------------|
| 1874. | 10.33 | 30.19 |
| 1875. | 13.70 | 21.13 |
| 1876. | 13.86 | 23.49 |
| 1877. | 8.43 | 14.52 |
| 1878. | 7.71 | 9.61 |
| Total. | 54.04 | 98.94 |

But other agencies for increasing the value of the city were at work, and in those same five years the water and gas mains of the city were extended as follows:

| Year. | Water-main. | Gas-main. |
|--------|-------------|------------------|
| 1874. | 42 3,511 | 7 |
| 1875. | 33 5,148 | 41 |
| 1876. | 27 2,167 | 21 $\frac{1}{2}$ |
| 1877. | 16 144 | 16 |
| 1878. | 10 4,372 | 7 |
| Total. | 130 4,782 | 92 $\frac{1}{2}$ |

The drainage of the city was improved and extended during those years by the construction of main sewers, as follows:

| | Miles. |
|----------|--------|
| In 1874. | 13.16 |
| In 1875. | 14.87 |
| In 1876. | 10.47 |
| In 1877. | 8.89 |
| In 1878. | 9.43 |
| Total. | 56.76 |

And again for the convenience of the steadily increasing population of the city the Gas Trust had located and erected public lamps, as follows:

| | Miles. |
|----------|--------|
| In 1874. | 445 |
| In 1875. | 824 |
| In 1876. | 620 |
| In 1877. | 388 |
| In 1878. | 342 |
| Total. | 2,519 |

Thus it is shown, Mr. Speaker, that by the erection of 22,111 new buildings, by the improvement and extension of 7,045 other buildings; by the opening of more than 54 miles of new streets and the curbing, paving, and laying side-walks of 99 miles of street; by the laying of 92 $\frac{1}{2}$ miles of gas-mains and the erection of 2,519 public lamps; by the addition of nearly 131 miles of water-mains and the construction of nearly 57 miles of main sewers, and the increase by about 70 per cent. of the foreign commerce of the city, the value of Philadelphia has been reduced \$13,000,000, and consequently that they who have accomplished this work have not delved and wrought and builded for themselves. No, sir, ruin has pursued, as an avenging demon, enterprise wherever it has engaged in productive business. He only has profited by their toil who has wrapped his talent in a napkin of un-taxed Government bonds, and brought it forth for use only when the products of labor, energy, and enterprise were to be sacrificed at sheriff's or other forced sale.

Estimating but five persons to each building, and leaving out of account the enlargement of others, these industrious people have created a watered, lighted, drained, and paved city, with more than one hundred and ten thousand inhabitants, with public schools for the accommodation of the rising generation, but have added nothing to the value of their city and State.

Let us see what the immediate future promises them. This shrinkage in the value of real estate is consequent upon the idleness of

men and machinery, which has been produced and enforced by financial mismanagement in the withdrawal by the Government from trade of its chief tool, money, the instrument of association whereby alone active exchange of services and commodities are rendered possible; while idleness, operating in vicious circle, aggravates the evil, as is shown by a cursory analysis of the foregoing tables. Thus the number of new buildings erected in 1874 was 5,040, while in 1878 it was but 2,904, exhibiting a shrinkage of nearly 50 per cent. in employment for every species of service, from that of unskilled laborers in the brick-yard and quarry, or who dig cellars, up through all the grades of skilled workmen known as housewrights, to the artist who puts the last touches upon the halls and drawing-rooms of the more sumptuous of these private or public edifices.

So, too, in 1874, the city required from the manufacturers of pig-iron and foundrymen, who convert it into such pipe, more than 49½ miles of water and gas mains, and for substantial iron posts for 445 public lamps, but for 1878 it required less than 18 miles of pipe for both water and gas, and but 241 lamp-posts.

In 1874 it required the bricks, cement, other materials and the labor to construct more than thirteen miles of main sewers, but in 1878 it needed them for less than nine and a half miles. In 1874 it required the labor and materials for paving the road-bed and curbing and paving the side-walks of more than thirty miles of streets, while in 1878 it needed them for but little more than nine and a half miles. And so it comes to pass that from the thrifty laboring families who, through that form of savings institutions, building associations, which in normal times is the most beneficent man has yet devised, were purchasing their homes by the payment of monthly installments, up to the merchant or manufacturer from whose assets the values have been squeezed by the process of contraction, as water is squeezed from a wet sponge, a frightful percentage of the real estate of Philadelphia is passing from the possession of those whose labor and well-directed energy created it, into the hands of those to whom it had been mortgaged for a meager percentage of its real value before our cruel, misdirected, and dishonest contraction policy had begun to produce its inevitable effects.

Let me illustrate the grandeur of the scale on which such transfers are being made: on the sixth day after the resumption act went into effect there began a sheriff's sale which I trust will ever be remembered as unparalleled in the city of Philadelphia. Previous to the first week of specie payments, one day, with the sale commencing at four p. m., had sufficed for a monthly sheriff's sale; but it was not so with this one. It required two days; and for the second it must, to be completed on the day for which notice had been given, commence thirty minutes in advance of the usual time. I will not trust myself to give a statement of the facts attending this sale, but will submit one taken from *The Record of Philadelphia* of December 28, 1878. That it may not be suspected that it is from a carping green-back journal—an organ of the Rag-Baby and its party—I will say to gentlemen that *The Record* is the organ of the high sheriff of Philadelphia, and enjoys the magnificent patronage afforded by his official advertising. Being the organ of the sheriff and his office, it is the special advocate of hard money and hard times, and is known to those residents of Philadelphia under whose notice it comes as a sheet which has for years, under the pretense of combating my financial views, pursued me with unscrupulous and unrelenting malignity. The paragraph I am about to quote from this journal is an official announcement of the order of the sale, though it appears in the news items of the paper, as follows:

A GREAT SALE BY THE SHERIFF—ABOUT ONE THOUSAND PROPERTIES TO BE PLACED UNDER THE HAMMER.

Sheriff Wright, on January 6, will begin the largest sale of real estate ever held by any sheriff in this city. There are six hundred and ninety-two writs, covering about one thousand properties. The sale on the first day will begin at four o'clock in the new court-house, and extend from No. 370 on the list to No. 692.

The custom is to dispose of the properties according to the initial letters of the attorney's names, one month beginning at "A" and going to "Z," and the next month reversing the order of sale. In the present sale there are one hundred and ninety-seven writs covering properties to be sold for taxes due the city. The law provides that these must be sold on the first Monday of January. As the tax-lien solicitor is named Pfeiffer, the sales will begin at No. 370, the lawyer's initials being "P."

On the second day, (Tuesday) at 3:30 p. m., the sale will be continued, and will include properties from No. 1 to No. 369.

The largest sale that ever preceded this in Pennsylvania occurred I believe on November 5, 1877, when there were four hundred and thirty-nine writs to be executed and four hundred and eighty-two properties to be sold. Quoting from a leading paper of the city in my remarks of the 15th of November, 1877, I presented a paragraph which asserted that the writs covered fifteen hundred properties, a mistake the correction of which by the paper in which it appeared did not come to my notice until my remarks had gone not only into the *CONGRESSIONAL RECORD* but into pamphlet form, and which I avail myself of this opportunity to correct. The writs numbered, as I stated, four hundred and thirty-nine, but they covered but four hundred and eighty-two distinct pieces of property. Admonished by the error into which I was then led, I have consulted the proper authorities and find that the statement of *The Record* that the writs for the January sale numbered six hundred and ninety-two and the properties they covered numbered about one thousand is correct. The sale of 1877, so far as I have been able to learn, embraced no property to be sold upon the suit of the city for taxes; while at the recent sale three hun-

dred and twenty-two of the writs were at the suit of the city and for delinquent taxes.

But, sir, this sheriff's sale was not the only joyous event with which the stricken people of Philadelphia were made to welcome the great fact of equivalency between our paper money and gold; for on the first day of the "glad New Year" the owners of 13,582 properties within the limits of the city, on opening their morning papers, were pleasantly greeted by name, by the receiver of taxes, with notice that their taxes for 1878 were in default, and that unless they were paid on or before the 15th of the month preliminary steps would be taken to secure their collection. Living in enforced idleness, as thousands of the most industrious and thrifty of them are, think you not that this was a grateful New Year's greeting?

The rich grow rapidly richer and the poor poorer. Relief societies have been organized in every ward of the city; yet almost every day's papers bring to the attention of their readers the condition of worthy families, members of which are hastening to the better land for want of food, clothing, and fuel. And that least sensational of all our journals, *The Public Ledger*, of January 21, contains as an item of local news the following paragraph of which I will italicize a few words:

APPLICANTS FOR CHARITY.—During the present season, and especially the past month, there has been a great increase in the number of applicants for aid at the Seventh-street or main office of the guardians of the poor. *Most of those applying are mechanics and persons who have been in business and have been reduced to poverty.* The same state of things exists at the different district offices. The visitors are kept busy investigating the cases, and relief has been extended as far as practicable; but it has been found impossible to grant assistance sufficient to keep families from suffering, owing to the want of sufficient funds to meet all their wants.*

THE CONDITION OF PHILADELPHIA NOT PECULIAR.

Mr. Speaker, the question may arise, why thus expose to the world's gaze the poverty and suffering of my constituents and townsmen? It might not, sir, be proper for me to proclaim the facts I have brought to the attention of the House if they were local in their character; but unhappily such is not the fact. The intelligent, enterprising, energetic, skillful, industrious, temperate, and thrifty people of Philadelphia do not suffer alone. Their case represents the average condition of the people of the country. The results of contraction affect all parts of the country. Its baneful influences are not confined to cities and manufacturing towns. They have reached the farmers, and would not, as I shall show, be mitigated if every unemployed laborer, clerk, or salesman, and every bankrupt merchant, mechanic, or manufacturer could accept Horace Greeley's advice, "Go west, and take to farming." The army would be too large. Current prices are not returning the cost of production to the farmers of many sections of the country, and though lower than they have been in many years are still slowly but steadily declining, or, in happier phrase, getting toward "hard-pan."

But before proceeding to exhibit the condition and prospects of American farmers, let me illustrate that of the business men of the country. In 1865, when credit was almost unknown among the business men of the Northern States, because the people were out of debt and bought with ready money, and when Mr. Secretary McCulloch set about improving their condition by reducing the volume of legal-tender paper money, there were, as I have said, five hundred and thirty failures, involving total liabilities to the amount of \$17,625,000. The Secretary doubtless considered these figures discreditable small for so great a country. But, under the happy instrumentalities he set in motion—the rapid conversion of all forms of our paper money into coin-bearing bonds—of which he proudly boasted in his report of 1867, together with the further contraction spoken of by President Grant in his message of December 3, 1873, and especially since that menace to confidence, the resumption act, was approved, we have traveled the road to ruin in force sufficient to satisfy even his humane and patriotic desires. In 1874, which year terminated a fortnight before the resumption act was approved, the failures numbered fifty-eight hundred and thirty, being just fifty-three hundred more than had occurred nine years before in 1865, and the total liabilities were \$159,239,000, which was \$141,614,000 in excess of the \$17,625,000 of 1865. But our more recent progress toward hard-pan and universal prosperity under the benign influence of the resumption act must have been much more satisfactory to Mr. McCulloch and his rapacious co-conspirators against the people and the equality of condition which the founders of the Republic hoped would ever exist among the people.

Let me show the magnificent progress we have made toward hard-

* While these pages were going through the press, I found in the *Evening Telegraph*, of February 18, the report of the Protestant Episcopal City Mission, from which I make the following extract:

Although many scores of tons of coal have been distributed this winter among the poor the books show the names of not less than sixty applicants who are bidding their time to be helped, as did the invalids round the pool of Bethesda. Could the people of Philadelphia but realize the need there is for prompt action in these and many other cases, over and above the large number already helped from the charity supplies of the mission, the means of relief would no doubt be promptly furnished. Among those who have recently applied, or whose acquaintances have applied in their name, are two or three men friendless, penniless, and far gone in consumption; an invalid, whose wife earns but \$1 a week; a foreign gardener of excellent character, both professional and personal, who was found in a wretched garret with a sick wife, no employment, and his furniture and clothing sold or pawned for food; a deserted wife with six children, her husband in jail, herself laid up with a foot frozen at the wash-tub, and dependent, with the five little ones, on the dollar earned weekly by her eldest boy; another woman ill, like one of her children, with a spinal affection, and utterly without means, her elder child having lost her place by being hurt in an accident, and her husband having tried vainly to get work. *Two years ago these people lived in their own house.*

pan and general prosperity in these four years. Here are the figures. As I have just said, the failures for 1874 had been fifty-eight hundred and thirty, and the liabilities \$159,239,000; but now, with the statutory promise of specie payments on the 1st of January, 1879, they were as follows:

| Year. | Failures. | Liabilities. |
|----------------------|-----------|---------------|
| 1875. | 7,740 | \$201,060,353 |
| 1876. | 9,092 | 191,117,786 |
| 1877. | 8,872 | 190,669,930 |
| 1878. | 10,478 | 234,363,132 |
| Total in four years. | 36,182 | \$817,211,201 |

To properly appreciate these figures it must be borne in mind that they refer only to commercial failures, and do not relate to railroad companies, national or State banks, or chartered savings banks.

Who can deny that these results are commensurate with the grandeur of our country? Mr. McCulloch himself cannot dispute their magnificence. I think the country at large will agree that to have bankrupted in four years 36,182 business houses, whose liabilities involved \$817,211,201, ought to satisfy even such eminent philanthropists and financiers as Mr. McCulloch and the authors of the resumption act. But if I misjudge not the signs of the times, the future has still greater triumphs in store for these architects of ruin. They sustained the *doctrinaires* of Germany and England in their effort to demonetize silver, to obliterate from the metallic money of the world the metal which furnished the coins with which the cave of Machpelah was purchased, the name of which, "Vargent," is in the French language synonymous with "money," because silver was used as money before a gold coin had been known in France; which is the exclusive metallic legal tender of more than eight-tenths of the people of the world, and which enters into the legal tender of one-half of the other two-tenths; which was until 1873 or 1874 the unit of our monetary system, but which we demonetized in one of these years, (just in which of them the great lawyers of our Senate dispute,) and by legislation which none of the then members of either House can explain or seem to have had any knowledge.

It is true that under certain restrictions we have by a recent act readmitted silver to the category of money metals, but the contractionists disparage the "daddy dollar." Mr. McCulloch does not like it, the Treasury spits upon it and does not think it would be honest to pay it as interest on our bonds, and therefore our legislation has done little to appreciate the value of the metal; and in leaving this subject I say, and appeal to the future for the vindication of my words, that if silver be not fully remonetized before the crisis which its demonetization must inevitably produce shall come, Beaconsfield's administration, glorious as the shout of "peace with honor" promised to make it, Bismarck's establishment of the Empire which Frederic List's creation of the Zollverein made possible, and that of the present Administration of our country, will be scored in history as the most calamitous administrations modern England, Germany, and the United States have known: for the commercial relations between the silver and the gold using nations must be destroyed, prices must continue to shrink, confidence cannot be restored, and the tendency of the world, which in 1865 was toward the elevation and refinement of the laboring classes, will be toward idleness, want, squalor, and barbarism.

HOW CONTRACTION HAS AFFECTED FARMERS AND PLANTERS.

But to return from this digression, which was essential to my argument, let me turn to the condition of the farmers of this country. In looking over my evening paper, The Telegraph, of Philadelphia, on Friday, November 15, 1878, I found in the column containing "current notes" the following paragraph:

The extensive farming operations of M. L. Sullivant, in Illinois, have resulted in bankruptcy. He cultivated forty thousand acres, was called the Corn King, and was rated as enormously wealthy. His property did not bring at sheriff's sale enough to pay his debts within \$100,000.

The paragraph impressed me, and the fact seemed inexplicable. Mr. Sullivant, as I had heard, had been regarded as a bold but judicious man. He had acquired his broad acres when land in Illinois was cheap. The debts he had contracted were for stock, implements, and legitimate improvements, and by industry and attention to his estates he should have grown rich. In a few minutes after I had read the sentence, I saw that Mr. Sullivant's failure was probably the result of a cause which he could not control—that he, too, was, like my poor constituents, the victim of contraction and the consequent shrinkage of prices; for in that same column came this paragraph:

The prices of some articles are 18 per cent. lower than before the war. Corn has not been so low since 1845, excepting in 1861; cotton not so low in twenty-three years, and mess pork not since 1844.

Yes, here was the secret. The prices of corn and wheat, hay and pork have shrunk, but debts contracted for machinery, for stock, improvements, fencing, buildings have not shrunk, nor has the rate of interest upon them been reduced; while the number of dollars named in the mortgage and the number of dollars required for the semi-annual payments of interest remain the same the number of bushels of corn or pounds of pork it takes to buy a dollar have increased several fold, and thus through the policy of contraction the Government has robbed the enterprising farmer of Illinois of the labors of his life and trans-

ferred them to another who possibly never did a day's work or plan a useful enterprise.

But gentlemen may say, "Would you generalize from an individual instance; would you deduce a law for the world from the failure of one unfortunate man?" No, sir; I am never guilty of such an absurdity as that, and I beg leave in this connection to submit an extract from the letter of a respected correspondent in Iowa, the accuracy of whose statements I have tested by submitting them to gentlemen from that State on this floor. Speaking of the pressure of taxation, he says:

But this is not the worst feature of the case, as it renders the farmer hopeless, destroys his energy, and dwarfs his manhood until he only seeks to struggle along from one year to another, without trying to keep up his improvements, from the fact that all the most enterprising of his class are becoming bankrupts, and his real estate is shrinking in value, while he finds himself actually burdened with products that will not net him the *price of production*. At Des Moines the average price of pork (live hogs) has been about \$2 per hundred; corn, from twelve to fifteen cents per bushel; wheat, from fifty to sixty cents; oats, from eight to ten cents; hay, from two to four dollars per ton, and other products in proportion.

Now, sir, I assert that none of these articles can be produced for less than 50 per cent. in advance of these prices. No farmer in this section of the West expects to receive any interest on the capital he has invested in his farm under present ruling prices; and as many of them are in debt and their farms mortgaged it is easy to perceive that ultimate ruin must soon come.

But I have not yet, in my judgment, laid a basis broad enough for generalization, and therefore recur to the annual table of comparative prices which appeared in the New York Journal of Commerce of January, 1. It makes its comparisons for a decade, and shows that while in New York flour brought from \$8.75 to \$9.50 in 1868, it now brings from \$3.10 to \$3.60; oats were then eighty-four cents a bushel, now thirty-four cents; corn was then \$1.40, but now sells at forty-seven cents; cotton which then brought sixteen cents per pound can now be bought for nine and a half cents; hay which produced \$24 a ton now must be sold for \$9; mess pork, the price of which was then \$21 a barrel, is now \$7.05; mess beef has declined from \$32 a barrel to \$14.50; butter which then commanded forty-five cents a pound now sells for nineteen cents; cheese which rated then at nineteen and a half cents now rates at eight and three-fourths cents. These are the prices that ruled in New York City.

A valuable table published by the Boston Advertiser compared prices in that city on the 1st of January, 1879, the day when the American people were to be blessed with resumption of specie payments, with ante-war prices, those which prevailed in the good old times when banks furnished "paper money" which was sometimes redeemable, sometimes irredeemable, but which always promised instant convertibility into coin. It shows that in Boston mess pork, which commanded from \$17 to \$18 per barrel in 1860, is now obtainable at from \$8.50 to \$9; mess beef, which in 1860 sold at from \$9 to \$11.50 per barrel, now ranges at from \$9.50 to \$10; lard sells now at from six to seven and one-fourth cents a pound against thirteen cents in 1860; hams, for seven and one-half cents against thirteen cents in 1860; corn, which then brought sixty-nine to seventy cents per bushel, now brings forty-five to forty-eight cents. And now, sir, I think I have laid a basis broad enough for generalization and to justify the conclusion that the increase in the price of gold, of which greenbacks are now the equivalent, and the consequently reduced price of every other commodity ruined Michael Sullivant and is ruining all farmers who have interest as well as taxes to pay.

How unlikely this terrible condition of things is to be changed in the immediate future will be seen when it is considered that since 1873 it is estimated that at least eighteen hundred and eighty thousand people have gone from the East and from Virginia and Kentucky to the West and South, and as many as five hundred thousand of them during 1878; and that Dun, Barlow & Co. estimate that nearly twenty million acres of unbroken new land have actually been settled during the past year. Thus does our vicious financial policy drive from the East those who make a market for agricultural produce to become competitors in our already ruined agricultural market. Producers of both butter and cheese in the East and wheat for the State of New York are now beginning to feel the terrible effects of this competition, and many have already been ruined.

In this connection, I beg leave to remark that there is suggested by the facts I have presented another and perhaps more dangerous side to this question.

Our fathers sought to found a republic which should, by reason of the equality of the condition of its citizens, be perpetual. They hoped with an unoccupied continent beneath their feet, to establish a republic which should rest safely on the popular intelligence and will, because there should be more largely than the world had ever seen an approximation to equality of estate between the citizens, and time for all to receive such measure of education as would enable them to comprehend the questions of the day and wisely select those who should represent them in the councils of State and nation and in the administrative offices of the Government. As a guarantee of equality of condition, and as a sure means, as they believed, of preventing the acquisition of great estates for continued accumulation by transmission in bulk, they abolished the laws of primogeniture and entail, and made the distribution of estates of decedents easy and equal when they occurred under statutory provisions. But our financial policy, reinforced by the demonetization by Germany of silver, sets at naught all these wholesome republican theories and the supposed safeguards that had been thrown around them. I do not propose to enter into an argu-

ment as to the importance of simplicity and approximate equality in a republic. If money corrupts our popular elections and the choice of Senators for the national Senate as often as is alleged, it illustrates not only the lack of patriotism and intelligence among the people, but the power acquired by wealth, and the fact that wealth is so concentrated that overpowering pecuniary inducements may be presented to constituencies and their representatives.

WHO GOT THE HAY?—FOR WHOM DO WE WORK?

In illustration of this point and as a further demonstration of the effect of contraction upon the condition of the farmers of the country, let me recall an interview I had with Mr. Solon Chase, of Maine, during a day that he did me the honor to pass under my roof when returning to his home from a western stumping tour. I had seen in New England papers many allusions to "Solon's heifer," and in his own paper the assertion that the same stroke that had struck "Solon's heifer" had struck a savings-bank or other corporation which had failed; at a later day I had found occasional allusions to "Solon's steers," and I took the liberty of inquiring of Mr. Chase whether they were his heifer and his steers that had become so famous; and if so, what made them remarkable? He said there was nothing remarkable about the heifer, except that he had given it some prominence by making it an example to his brother farmers of the double wickedness of the contraction policy.

He also said in substance that, having been a hard-money man and spent some months in endeavoring to answer a congressional speech against contraction, he had seen that the arguments of that speech were unanswerable and had set about starting a greenback movement in Maine. His efforts for the first year were confined chiefly to his own county, and, indeed, largely to the towns of Turner and Buckfield, the people of which were farmers. Their land was poor, their season short, their products few and simple; but, as a means of increasing their gain, it was customary among them to keep breeding stock for the dairy and farm use, and instead of selling their hay to advance it into meat. They never sold a calf for young veal if they could advance it to a yearling, or the yearling if the demand for money for taxes or other imperative purposes would permit them to feed it until it should, as a two-year-old, be worth more than twice the price of a yearling. When, however, he attempted to sell his then last two-year-old, he had found that he could get no more for her than he could have got a year before; he also found that this was true of all the other two-year-olds in the neighborhood, and going before his neighbors told the story of his heifer, and asked them whether it was not the story of their two-year-olds; and when answered in the affirmative, he asked them: "Who gets the hay? For whom have we worked? We have fed these heifers and tended them for a year and have done it for the benefit of somebody. We have not enriched the town, or county, or State. I have not worked for my poor blind boy whose eyes, as you know, were shot out while fighting for the maintenance of the nation, or for other members of my family; yet you and I have worked, and worked faithfully. Our land has yielded, and yielded well; but who takes the yield of our labor and our land? Let us see if we can find out. As we must sell our two-year-olds for what was freely offered a year ago for yearlings, somebody is benefited. As we can get but one-half the value of our products, the man who buys them takes two dollars' worth for \$1, and it is for him, whether his capital be invested in national banks or in the untaxed bonds of the Government, for whom we work. Our toil and enterprise do but impoverish us, while the idle rich man who buries his money, or puts it in a vault, grows rich at the rate of 100 per cent. per annum. Labor, enterprise, and production have thus become the road to poverty, and all capitalists are warned that the true way, the rapid road to wealth is to withdraw capital from productive business and put it into bank-stock or untaxed bonds."

The story of Solon's steers was an equally apt illustration of his whole argument. It was this: In 1875 he was attracted by the beauty and symmetry of a yoke of three-year-old steers, and bought them, as he and his neighbors thought a great bargain, for \$100. I was delighted with the enthusiasm this simple farmer exhibited when he spoke of the beauty, docility, and strength of those steers. They had for two years been objects of his care and solicitude. They were to win him the approval of his fellow-citizens, if not a premium at a State fair; and, when five years old, were accordingly exhibited at such fair and commanded universal admiration. The time had now come to sell them, and he attempted to do so and found that \$90 was the highest sum offered for them. He had fed and cared for and disciplined them through two of the long winters of Maine and two of her short and fruitless summers, and the net result of all his labors, tested by the market values of 1875 and 1877, was the loss of \$10 of the little stock of ready money he had been able to command in the former year. Another political campaign had opened, and he went again to his fellow-citizens asking them who had got the hay or was to get it? For whom were they at work? Who gathered in the fruits of their land and labor as effectually as though they owned the land and employed the farmers to work it, or rented it to them as tenant farmers under the British system of agriculture? And again, as he said, he pointed out to them how contraction impoverished labor and swelled the profits of capital, and was building up a plutocracy in the United States which must be not only dangerous to popular liberty, but promised to rival in splendor the plutocracy of England. With the inevitable results of Mr. McCulloch's financial policy, in obedience to which the resumption act was passed and maintained,

so pertinently illustrated by this farmer, is it wonderful that more than 43,000 citizens of Maine sundered all old party ties and sought to emancipate themselves and the country from a system which is ruining them and threatening their liberties and their posterity?

WHAT SHOULD HAVE BEEN DONE.

Mr. Speaker, in the course of my remarks of January 18, 1868, when the contraction of greenbacks permitted by Congress, and that of other forms of paper money consummated by Mr. McCulloch, had suspended productive industry, and was threatening widespread bankruptcy, I said:

Had Congress at the close of the war hastened to relieve the country of the taxes against which I am protesting, and while avoiding any expansion of the currency protected its volume from diminution, and assured the people that no essential change in its volume should be made until the business of the country had adjusted itself to the conditions of peace, production would have advanced and our bonds would have been returning to us in the pockets of emigrants or in settlement of a favorable balance of trade, and millions of people North and South, who are to-day eating bread they have not earned, would have been busily employed and adding to the nation's wealth by earning each day more than they consume. A gradual decline in prices was inevitable, but it would not have destroyed confidence and suspended production, and with immensely increased production, both agricultural and manufacturing, there would have been no cry of a "glut in the market." The people of the South, whose agricultural stock and implements, furniture and apparel, were exhausted during the war, would have been supplying their wants by the sale of the results of their industry. Under the influence of northern capital and enterprise water-power that now runs to waste through cotton fields would have been moving spindles and looms. Forges, furnaces, and rolling-mills such as those the war developed at Chattanooga, Atlanta, Lynchburgh, and other points, would be in profitable operation, and by supplying merchantable iron, diminishing our dependence upon England and keeping down that balance of trade which with the interest on our bonds held abroad must prevent the resumption of specie payments as long as we continue the "heroic" treatment of sacrificing all other interests in order to give increased value to the hoarded wealth of the possessors of "realized riches." An increasing demand for skilled labor in the South would also be a powerful agent in the work of reconstruction and the redemption of the country from financial embarrassment.

Since then more than a decade has passed, and the terrible experiences it has brought upon our people have confirmed my belief in the correctness of the views I then presented. My counsels prevailed with Congress, and the law authorizing the retirement of greenbacks was repealed. They did not, however, penetrate bank parlors, or the offices of the great dealers in national securities, or if they did, were received as tokens of danger to the interests and influences that presided in those quarters and were responded to, not with argument, but with denunciation or ridicule of their author. The heroic treatment has consequently been persisted in, and phlebotomy and fly-blisters have been freely applied. The act of March 3, 1875, entitled "an act to further protect the sinking-fund, and to provide for the exigencies of the Government," applied both these admirable heroic agents in the form of a further reduction of the volume of legal-tender money, and the reimposition of war taxes which had been repealed, and at length we find the patient (our country) in a typhoid condition and, everywhere outside of rooms in which brokers meet daily to register bets on the future price of bonds and stocks, reported as still sinking.

Nations to whom we sell our breadstuffs are agitated by strifes of colossal proportions between laborers and their employers, the latter insisting upon further reductions of wages, the former protesting that they cannot live, as human beings should live, upon the wages they now receive, and thus the low prices at which our agricultural products are sold are threatened with further depreciation.

The condition of our skilled laborers is also further menaced by these reductions of wages, and the time has come when statesmen should pause and ask whether further depression can be permitted without reaching a point at which it will be too late to apply the stimulants which at an earlier day might have reinvigorated the country; and I beg leave to suggest some remedies which should, in my judgment, be immediately applied to so prostrate a patient.

WHAT SHOULD NOW BE DONE.

The first thing to be done is to restore confidence. With the coming of equivalency between the greenback and gold, the resumptionists announced that the day of speculation was over, and that business was thenceforth to be done on a solid basis. Is this, if it be true, a cause for exultation? What is speculation but an expression of confidence in the future, enforced by the investment of capital in enterprises which promise profit? What is all legitimate trade but speculation—the purchasing at one price with the assured confidence that the articles bought may be sold at such an advance as will leave a profit to the speculator or trader? Speculation is an expression of confidence, hope, aspiration; and when speculation disappears, it is because confidence in the future has been supplanted by doubt and despair. This is our present condition. No man has confidence in the future. Capital not already embarked therein avoids every form and character of productive industry. Manufacturers produce only that for which there is an immediate demand. Commercial houses, from the great ones of the seaboard to the village merchant, doubtful as to the future, purchase only sufficient to meet their present wants, and money seeks but one form of investment—that in which it will be protected not only from the danger of future shrinkage of values, but from taxation, and goes into Government bonds, the interest on which will be paid punctually on quarter day, while houses, workshops, factories, mines, which are heavily taxed may stand, tenantless, or, if occupied, are not likely to produce rent from bankrupt or impoverished tenants.

The first thing to do is, therefore, to restore confidence, which may in great part be done by assuring the country that there shall be no further tampering with the volume of legal-tender money, that the act which now protects it shall not be repealed, and, if need be, to guarantee the legality of such money by a constitutional amendment the validity of which cannot be assailed for speculative purposes by the introduction in either House of Congress of bills proposing to repeal its legal-tender quality or to reduce the volume of notes, or by threats of avaricious capitalists to bring the question of its constitutionality before the courts for readjudication. I regard this measure as not only a vital preliminary to the restoration of confidence, but as the only means known to man of protecting the country against a commercial and financial crisis which will shake society to its foundations, and may endanger our republican institutions.

THE BRILLIANT EXAMPLE OF FRANCE.

In our attempt to reach specie payments we have not followed the processes of France, which have resulted so brilliantly and beneficially for the people and her institutions. In June, 1870, before the war with Germany, the circulation of the Bank of France was \$275,000,000, and by October, 1873, it had been expanded to \$614,000,000. On January 2, 1879, it was \$469,750,000, showing a decline of \$144,250,000; but between January 1, 1874, and December 31, 1878, France made a *net gain* by import of \$599,747,357 in gold and silver, and the bank holds \$404,000,000 of gold and silver against its circulation of \$469,750,000. Thus, while France has imported nearly \$600,000,000 of specie and bullion since January 1, 1874, the bank has permanently added nearly \$200,000,000 to its paper circulation since June, 1870; for that circulation was almost precisely the same in September, 1875, as it is now. Outside of the bank there is, according to the highest authorities, \$1,400,000,000 of gold and silver, which, added to the paper, gives an actual circulation of \$1,869,750,000.

How marked a contrast to this our policy and condition present, with a population of 49,000,000 against the 36,000,000 of France.

Resumption of specie payments in the sense in which the people accept the phrase—in the sense in which France has resumed—is therefore impossible, while the maintenance of equivalency is, by the acceptance of greenbacks as money by the Government, as well assured as any fact depending in the slightest degree upon future contingencies can be. The resumption of specie payments would require the distribution of the relatively small amount of coin now held by the Treasury among the subtreasuries, banks, bankers, and merchants of the country; and, with the then imminent liability to suspension of specie payments, I must add the hoarders of coin. Then each holder of a bond would demand his interest in coin, because it would certainly become more valuable than paper when the suspension, which Secretary Sherman admits would be inevitable, should come.

But it is not so with equivalency. While it is known to the people that the Government will receive the greenback in payment of any claim that can be paid with coin, and that if for use in the arts gold be needed it can be had at par on the presentation of greenbacks at the Treasury and subtreasuries of the country, the banks need no specie reserve, and the argument of convenience alone will commend the paper dollar to all our people. Under equivalency we have in the form of greenback legal-tender money the equivalent of more than three hundred and forty-six million coin dollars; and this is why I predict so great a crisis as the result of the repeal by legislative act or judicial decision of the legal-tender quality of the greenback which would be equivalent to the instantaneous expulsion from the country of nearly \$350,000,000 of coin.

Let me illustrate by historic examples the consequence of such an export of coin, or the destruction of the equivalent of such an amount thereof. In the summer of 1857 our foreign exchanges drew from this country about \$7,000,000 of coin. What was the effect of this sudden draft for that relatively insignificant amount? The notes of all our banks promised redemption in coin, and deposits could consequently be checked for directly in coin without the necessity of first drawing notes and presenting them as coin demands. Of course the banks could not meet their obligations, specie payments were suspended, the Ohio Trust Company failed first, the Pennsylvania Bank followed, and a universal suspension of specie payments occurred, bringing with it all its attendant evils, including the robbery of the laboring classes, the frequent repetition of which had so outraged Mr. Webster's sense of justice.

But again, during General Grant's administration, there had accumulated in London under the auspices of Secretary Boutwell the proceeds of \$21,000,000 of our bonds, and, as Mr. Boutwell when Senator from Massachusetts informed the Senate, the possibility of the withdrawal of such an amount of bullion as \$21,000,000 alarmed the bank and government of England, and induced the government to negotiate an arrangement with the United States to secure the acceptance of United States bonds in lieu of coin as the only means of avoiding a great British and continental crisis.

And still again, when the Geneva award came to be paid: it was, it is true, more than the \$7,000,000 which had served to produce a suspension of specie payments by the banks throughout the United States, but it was less than the sum just referred to; it was \$15,500,000, and the possibility of the sudden withdrawal of that sum in bullion from the financial centers of England and the Continent again invoked the action of the British government and secured an arrangement by which the threatened commercial calamity consequent upon the sud-

den withdrawal of \$15,500,000 was averted by the gradual transfer of securities and exchange.

These events are of common notoriety, and the fact that each greenback dollar is now equivalent to a gold dollar will not be disputed by any one; and yet there are *doctrinaires*, demagogues, and dealers in Government securities who demand the repeal of the legal-tender clause, which would, as I have said, be equivalent to the instant exportation of more than \$346,000,000 of coin. I envy not the head or the heart of the man who, in view of these facts and the common teachings of commercial and financial history, can raise his voice in favor of the repeal of that clause or the retirement of any portion of the legal-tender money of the country.

One other suggestion I would elaborate did time permit; that is, the free coinage of silver. The venerable relation of gold to silver of fifteen and a half to one was destroyed by the criminal act of Germany in demonetizing her then sole metallic legal-tender money and throwing upon the markets of the world as merchandise the silver of which it consisted. The total amount was from three to four hundred millions of dollars; and if the United States with France and the other states of the Latin Union should absorb, by coining it, whatever amount of the silver thus thrown on the market by Germany is still for sale, the old equivalence of fifteen and a half to one, which made the American standard dollar worth three cents more than the American gold dollar, would be re-established and perpetuated.

In conclusion let me remark that the first step to the restoration of confidence in this country would be the giving of a sure guarantee that the volume of legal-tender money shall not be contracted; the second, to give the world assurance that when other nations will co-operate with us in the unlimited remonetization of silver we will open our mints to the free coinage of that metal; and the third step, the abandonment by the Government of its terrible competition with all productive and taxable interests by its absorption of the money of the country into coin-bearing bonds, whether they be issued for the purchase of gold to hoard, or for adding to the already excessive and depreciated stock of irredeemable silver tokens, or, as is now proposed by Secretary Sherman, for the borrowing of money with which to pay the amounts justly due as pensions to our soldiers and sailors who, until want drove them to the unwilling act, abstained from making application for pensions to which they were entitled. Any one of these measures if adopted would produce beneficial results, and the concurrent effect of all three would be to reanimate the depressed and sinking industries, not merely of this country but of the world, so great, in this age, of railroads, steamships, and telegraphs is the solidarity of the genuine interests of all mankind.

Mr. BLAIR addressed the House on the electoral bill. [His remarks will appear in the Appendix.]

CORRUPTING INFLUENCES OF GOVERNMENT SUBSIDIES.

Mr. MARTIN. Mr. Speaker, the matter of Government aid to railroads is not a new question with me. I have given it some attention for years past. Knowing that it was one of the vexed questions which Congress would have to settle at some future day, I distinctly made it known to my constituents in the last two campaigns that I was opposed to the principle and practice of taxing the public for the purpose of building railroads. I stated then, as I say now, that I cannot assent to that paternal theory of Government which encourages the people to look to the General Government to do for them what they ought to do for themselves. Either Congress ought to take charge of all the railroads and transportation lines in the country, or it should abandon such business altogether, and leave our internal railroad communication to grow and thrive in days to come as in the past by the fruitful power of individual or associated effort. I would have the Government wholly abandon the policy of indorsing or guaranteeing the bonds of private corporations. The subsidy and fostering theory of Government looks in the wrong direction. It is demoralizing. It is not democratic, but contrary to democratic teaching and practice. It is one of the evidences of the tendency in these last days to centralize all power in the Federal Government.

I know that gentlemen who take the opposite view will cite the opinions of various statesmen who during the past thirty or forty years have advocated the expediency and constitutionality of extending Federal aid to interstate or national works of improvement. Unfortunately for them, their appeal to the past teaches a doctrine very contrary of that urged in support of this Texas Pacific Railroad bill. In every case cited it has been urged on the ground that the proposed work was too vast for private effort or for State means. Not a single instance can be shown anywhere in all the annals of our history of a leading democrat appealing to the General Government to undertake a work of domestic railroad enterprise which it was competent for private corporations to do. The Texas Pacific is one of this kind. It is not beyond the range and scope of private effort.

The evidence of this is seen in the fact that this same company some seven or eight years ago undertook to build this road, seventeen hundred and seventy-five miles in length, from its own resources, aided by one of the most liberal and productive land grants ever conferred on any corporation. If its undertaking was begun in good faith, then why can it not carry out what remains to be done when fully one-half of the necessary road has been built during that time; more especially when labor and materials are so much cheaper now

than then? It is said the panic of 1873 has interrupted and prevented it. This may be the sole cause or it may not. During all these years of business depression the country has been gradually extending its lines of railroad, averaging an increase of between two thousand and three thousand miles every year. If other roads without land grants and money subsidies have been built by private means, why could not this one? Why, even this Texas Pacific Company has built a considerable amount of road in the interval; a very little on the main line, upon which this subsidy is asked, and a good deal more on the lateral branch lines, where there were good lands to be acquired.

The Northern Pacific Company is, according to the statement of its officers, now building its road over the less-favored country west of the Missouri without the aid of this subsidy. The Southern Pacific has in like manner built some hundreds of miles over a rugged topography at the California end of this same line of road. And why, then, could not the Texas Pacific Company, favored by its more fertile territory and genial climate, do the same thing? I am at a loss to account for this extraordinary, unblushing, and impudent appeal to Congress to lend it the credit of the United States to do that which is everywhere being done without such aid. What claim has this company on the Government which the others have not? Why tax the people of this country to build this road more than many others? Why should the Government tax the labor and industries of the country to build this road, and when completed give it to a private corporation? I repeat, what claim has it upon the Government which the others have not? I fail to see the superior merit it possesses over others. It is said the Union Pacific received a large money subsidy, and therefore this one should, for the purpose, I suppose, of making an equal distribution of the spoils; and when the account is thus squared we will abandon all such subsidy schemes, and start afresh in the race of pure progress and honest government.

The Union Pacific subsidy was, in my judgment, wrong, although attempted to be excused as a war measure. But the Texas Pacific has not even this pretext. It stands alone, without excuse, in all its naked, hideous deformity; and State granges, State Legislatures, New Orleans conventions, and the Congress of the United States are besieged with lobbyists, the paid hirelings of this company, to educate a public sentiment and procure votes in favor of this enormous proposition. The only explanation I can think of for this unseemly proceeding is the fact that the misfortunes of this company grow largely out of its own misconduct. There have been some other causes at work to undermine its own credit besides the panic of 1873. It seems to be difficult to get at the financial status of this road, but in the literature on this subject there crops out a reference to the California and Texas Construction Company, which seems to be a sort of parasite upon the parent company and which played the same part to it as the Credit Mobilier did to the Union Pacific. If any person wishes to convince me that this corporation is deserving of national assistance, I ask him to submit a copy of the contract between these parties and a transcript of the accounts between them. We are continually pointed to the Pacific Railroad chartered in 1862 for a precedent for this.

Sir, it is not a good precedent to follow. In the first place there never could be but one first Pacific Railroad, and the like argument could never be used again any more than powder can be twice burned. But it seems to be forgotten that the first road to the Pacific was chartered during the time of war by a republican Congress—republican in both branches. It was done under a pretext and shelter of the war power of the Constitution, and grave reasons of state were alleged for its exercise. But no such pretense can be made, no such shelter taken, no such reason assigned now. What war power can be invoked for this Texas Pacific road? So far as the case cited is a precedent, however, it is one to be taken as a warning rather than a beacon-light; an example to be shunned rather than one to be followed. It will be remembered that not long after the Union Pacific road was finished an investigating committee of Congress brought to light the fact that very considerable portions of this government bounty traveled by a little roundabout channel into the pockets of several members, the eminently virtuous portion of the republican party. Alas that it should be so! Some also stuck to the fingers of a few democrats. There is no excuse for those few, and should be but little sympathy. They had been taught better and ought to have known better.

How long, Mr. Speaker, if this bill shall become a law, before we may have the degrading spectacle of a similar committee delving into corruption and dragging into the light the same sort of petty thieving and malfeasance on the part of some who are very free in their censure of their fellows and who are doing their utmost to repeat the blunders and mistakes of the republicans during the war, as if they were more anxious for the spoils than the success of their party.

There remains to be examined that other plea of doing justice to the South. Nothing could well be more specious and delusive than this; nothing more insincere. To ask the Government to guarantee fifty years of interest on \$38,750,000 bonds of this railroad company at 5 per cent. in coin, amounting to nearly \$37,000,000, all of which it says it will promptly repay, as a measure of justice to the South, sounds like trifling with a serious subject.

In the first place, this Texas Pacific Company is not the South, and the two ought not to be confounded. This company, so far as it has any local habitation, has its head, its seat of power and authority, in the offices of a Pennsylvania Railroad Company in the city of Phila-

delphia. Two-thirds of its stockholders and nine-tenths of its capital and debt are held in and around that concern. Is this a boon to the South? Will not the owners of a road terminating at Philadelphia on the one seaboard and the same owners of another road terminating at the other seaboard make the one road contribute to the other? The South wants and needs and ought to have a real and substantial justice, not a mere sop. I trust no southern man will be content to rest the claims and needs of his section on any such doubtful, shifting, and precarious basis as this Texas and Pacific subsidy. I may add that had it been intended to so frame a bill from the operation of which all the great arteries of transportation across the Southern States as well as my State were to be shut out, it could hardly have been more successful than this one.

But even if the money were to be handled by southern men and the proceeds to be spent on southern territory, this road in its present hands will not be a southern road. Quite the reverse. It is liable to be turned into the deadliest foe a proper southern road could have. As has been suggested, how can the South expect to reap due advantage from the construction of this road if it is to be, as it will be, controlled from end to end by these Pennsylvania railroad kings? With the Atlantic end and the Pacific end of the line in the same hands, one part will be made to work for the advantage of the other part. All the through business gotten hold of at either end will be kept, controlled, and managed in the interest of Colonel Scott's roads, in spite of all your statutory prohibitions. How are the southern cities, New Orleans or Memphis, for example, to get any considerable portion of the through travel or through freight when it can be run over the Saint Louis bridge and from these lines north of the Ohio River, which are worked in the same interest? It would be an extension of the Central Pennsylvania road.

My idea is that if it is proposed, in good faith, to do something for the South of a useful, substantial, and enduring character, a proper plan should be formed, and roads terminating at Memphis, Vicksburg, and New Orleans should converge in Texas and continue on till met by the road from the Pacific. If it is to be built with money from the Treasury, and as a matter of justice to the South, why not create a corporation specially for the purpose, composed of southern men, and definitely locate the lines to and through southern cities, and then, if aid must be given, give enough to build a complete and harmonious system of railroad lines, as has been proposed by Senator JOHNSTON, of Virginia. You will bear in mind I am not a believer in the policy or the power of Congress to do either; but I mention this to show the utter insufficiency of this bill to either provide a road for the benefit of the South or to equalize the distribution of public moneys as between the sections of this Union.

It is only a question of time when this road will be built without Government aid. Before long private capital at home and abroad will seek investment in railroads, mines, and furnaces throughout the country. Since this Texas Pacific road was commenced, the Californians, with the advantage of their gold and silver mines, their vast expanse of wheat fields, and characteristic energy, have pushed their end of the through line forward faster than this mismanaged Texas Pacific company has done. Of the two thousand miles interval between San Francisco and the net-work of roads in East Texas, one-third, the harder portion of the whole, has been completed during the past five years; and now the same interest has begun the middle third of the line, and promises to have its track to the Rio Grande within three years, a distance of thirteen hundred and twenty miles. The work accomplished at that end justifies the belief that this prediction may be correct; and there can be little doubt that this much done, the whole problem of a lower route to the Pacific is virtually solved, and the entire work will be successfully accomplished without the aid invoked by this bill.

Mr. Speaker, we have had too much extravagant legislation within the past twelve or fifteen years; too much that favors classes, corporations, and monopolies; too little for the people. The result is that the few have been made rich, while the many have become poorer. It is time to call a halt in this ruthless work of legislative infamy. The consequences are seen and felt everywhere. They are widespread and far-reaching, and felt in peasant huts and crowded cities, on the farm, in the mines and shops, in all industrial pursuits throughout our wide domain. Sir, do gentlemen want to do justice to the South? Is the plea made in good faith? Then, let lofty patriotism and high-toned statesmanship be manifested by gentlemen on this floor, by the prompt repeal of the jurors' test-oath, so that virtue, intelligence, honesty, and capacity can be brought into the jury-box in the Southern States; so that justice and right shall take the place of corruption and wrong.

Do you desire to do justice to the South? Then repeal without delay the laws authorizing marshals, deputy marshals, and assistants to be appointed, and who, under the law, are numerous appointed to control elections in the interest of the republican party. Do you mean to do justice to the South? Then issue no more interest-bearing bonds. Let the public debt be decreased as rapidly as possible, without any increase of taxation. Remove as far as you are able, and as fast as can be done, all the obstructions to the liberty and prosperity of the South. Give inspiration by kindly legislation, and the whole South will soon join in the march of progress and contribute largely, more largely than she can now, to the wealth and honor of our common country. Do these things and the South and

North, East and West, will forget all sectional jealousies and hates, and animated by a common inspiration, under one flag, one bond of union, one aim, having one destiny, will feel that they have found the shibboleth to peace, happiness, and unity—the love of our country.

We are reminded that the Legislatures of two or three Southern States have passed resolutions favoring the construction of this road in the manner proposed by this bill. I believe this is true. But in doing so they doubtless proceeded upon the theory that this was the only chance for the South to gain an enlargement and extension of her transportation routes to the Pacific coast; that it would be, if not a strictly southern road, better than no road at all. But since the most of them were adopted, events have marched with such rapidity and have so precipitated the solution of this question that, I doubt not, if it were to be passed upon again, with the lights which this House has upon the whole subject, a very different result would be reached. I make the prediction that, whether this bill shall become a law or not, within a very few years at farthest, the people of those States will see occasion to change their views materially.

I believe two years ago Alabama passed such resolutions. I am informed that its Legislature, now in session, only a few days ago laid upon the table similar resolutions by a large majority, thereby putting the stamp of disapprobation upon this subsidy scheme. I have been reminded that the Legislature of my State, a short time since, adopted resolutions instructing Senators and requesting Representatives to vote for this bill. I have no doubt that lobbyists were there who presented a one-sided view of this question by referring to the fact that this had been done for a northern road and justice required that it should be done for a southern one, and that the legislative body moved by the plausibility of the arguments offered and actuated by kindly sympathy and friendship for the South and its people, and without the means at command to investigate the matter, was induced to adopt such resolution. But I am happy to be able to state, that a few days since, after investigating the matter for themselves, with a heroism and intelligence worthy the freemen of our mountain State, and actuated by what upon careful investigation they found to be right, reversed their former action and remitted the question to the discretion and judgment of their Senators and Representatives.

This leaves us free and untrammeled to vote for or against any one or all the propositions that may come before this House touching this road. Indeed, I have almost reached the conclusion that it will be in the interest of economy, purity, and honest government to vote against any proposition which is supported and backed up by an ever present, persistent, thronging lobby. If a proposition shall possess merit it will be manifest without such influence. If such aids are called in to secure legislation, it suggests to my mind, at once, the absence of merit. This might not always be a safe rule by which to be governed, but generally it seems to me it would be correct.

Mr. Speaker, this policy of affording Government aid to private corporations is not to be measured alone by what appears on the face of this bill. It is far-reaching. This is but the opening of a long chapter, and its support by democrats would be a sad commentary on their proposed economy, retrenchment, and reform. It would destroy confidence in their pledges to decrease the burdens of the people by lessening taxation as far as they are able to do so. If we grant this company money or credit to build a railroad, why not hundreds of others? Why not all others? Where are we to stop?

It is, I believe, the deliberate judgment of the more thoughtful portion of this House, and of this side of it, that such schemes are demoralizing and debauching our political system. It is teaching a new and dangerous doctrine to our young men. The harm which it has done already is but a specimen of what would follow the continuance of such policy. Our party platforms, State and national, very generally condemn the subsidy policy to all private corporations especially railroads. It leads to corruption, extravagance, favoritism, and misgovernment. In voting against this bill I am satisfied that I will be in good company, with those who wish to preserve the purity and glory of our form of government; with those who mean to transmit the blessings of free government to coming generations.

Finally, the public Treasury belongs to the whole people; the public domain was acquired by common blood and treasure; and neither should be used or prostituted to the unconstitutional purpose of fostering private enterprises. The doctrine is dangerous and corrupting and ruinous. The practice is destructive of the best interests of the people, by increasing their burdens, which are already too heavy. I cannot and will not assent to it or vote for it. My judgment condemns it; and in the interest of free government and an overburdened and tax-ridden people, in the name and by the authority of an industrious, honest, and intelligent constituency, I enter a solemn and earnest protest against the use of the public treasure, whether lands or money, to build up private corporations. I want railroads built, and in a proper way will go as far as any one to build and protect them in all proper rights and franchises; but let them be built in the future, as they have chiefly been in the past, by private or associated capital. If worth building, if when completed they will pay, capital will build them for the profits to be derived. If not worth building, if they will not yield a revenue when done, then the Government should have nothing to do with them. But whether profitable or unprofitable, the General Government ought not to build railroads for any private corporation. The

people ought not be taxed for such purposes, and never shall be with my consent.

REVISION OF PATENT LAWS.

Mr. DEERING. Mr. Speaker, it is the duty of this Congress to divest our patent laws of a certain taint of tyranny and oppression that is not creditable to our form of government. In their present form, and as these laws are now interpreted and enforced by the courts, public rights are at a discount and are almost entirely ignored. We are living at an age when the rights of the people are supposed to be considered and respected, and any law that fails to recognize and protect those rights will not be long tolerated.

Wise provision was made in the Constitution for authors and inventors, with a view to the spread of useful arts and the progress of science, but that provision has certainly been diverted from its original design by class legislation. Those who framed that instrument never contemplated a system that would authorize or permit an army of swindlers to prey upon communities and plunder the unwary and unsuspecting.

No intelligent person could or should be insensible to the debt of gratitude we owe to inventors, for the discovery and perfection of new and useful arts in this country. To their genius and labor are we in the West indebted for such facilities and improvements as have enabled the agriculturist to compete successfully with those in the Eastern States, and to find a market for his products on the seaboard or across the ocean. But, sir, in protecting these inventors it certainly is not necessary that we should either outrage the rights of the people, or perpetuate a system of patent-right swindling. Out of the system, as now constituted, abuses have grown up that have so harassed and annoyed the people in Iowa as to become utterly unbearable, and from all parts of the State they are sending up their appeals and indignant protests. It is possible that we cannot redress past or existing grievances, but we certainly have the power to provide a remedy for these evils in the future.

Within the last sixty days, sir, in many of the counties in the district which I have the honor to represent, societies have been organized for protection from this oppression, and against the unjust exactions of these patent-right sharpers. Hundreds of the law-abiding and intelligent citizens have joined these protective associations. And it is not strange. It would be strange if it were otherwise. A dispatch to one of the Chicago papers from Des Moines states that upward of two hundred drive-well cases were filed in the Federal courts in one day; that in one city, near by, a single attorney is preparing papers for more than one thousand cases; and that the attorneys for the patentee of the iron bars for wire-fences are preparing papers for upward of four thousand cases in the Federal courts in our State. Hundreds, if not thousands, of the unwary and unsuspecting farmers in my district will no doubt be compelled, by threats and intimidation, either to yield to the extortionate demands of these plunderers, and pay \$10 or \$20 each to claimants, or be dragged one hundred and fifty miles away from their homes, at great inconvenience and expense, to make defense in the Federal courts—ten or twenty dollars for purchasing innocently, in open market, an article the entire cost of which would not, as I am informed, exceed \$3.

Sir, I believe that this system of legalized oppression and extortion has been already too long endured, and that the patent laws should be modified with as little delay as possible. I am aware that objection will be raised that by any such interference as is contemplated the honest inventor would be despoiled of his constitutional rights, and that the spirit of invention and discovery would be repressed, if not destroyed. But, sir, the history of inventors does not bear out the latter assumption. On the contrary, it does show that pecuniary advantage has not usually been the stimulating inducement with this class of discoverers.

The inventive genius in America, like that of the poet or philosopher, cannot be materially increased or diminished by pecuniary considerations. It is not often the meritorious inventor that reaps the reward or realizes the profit of his industry and skill, but the greedy speculator, who lurks at the door of his workshop and makes necessity his opportunity. From him it passes again into the hands of a class of adventurers who roam over the country as agents or assignees for counties and States, and who often seek to live off the earnings of the people by irregular means and methods. They are generally of that class who prefer the game of chance to any regular business; who are anxious to realize large profits from slender means and efforts; men who always contrive to get on in the world without hard work. They do not scruple to palm off any of the ten or fifty thousand of utterly worthless patents, or to extort sums of money on unjust allegations of infringement.

Sir, this evil can be easily corrected, and without impairing the rights of the inventor or disturbing materially our present system of patents. The patent law should be so changed as to hold the manufacturer or vendor, or both, alone responsible to the patentee for infringement of his rights. The bill which I introduced on the 7th day of January last does not propose to divest the patentee of any just right or, as I believe, of any constitutional right. It simply proposes a change in the method of securing redress. When any person shall unlawfully take and apply any principle on which the inventor has procured a patent, and shall manufacture articles which involve

that patented principle, it simply regulates the remedy. The Constitution says:

Congress shall have power to secure, for limited times, to authors and inventors the exclusive right to their respective writings and discoveries.

We observe that Congress has absolute control of the matter, and need not necessarily grant them any privileges at all, and may limit their privileges to a single day; but if any right is granted it must be "the exclusive right." Right to what? Clearly enough to any advantage or profit there may be in manufacturing and selling any article or implement which involves the new principle. And when that profit or royalty has been once realized or collected, from either maker or vendor, then the spirit and intent of the Constitution has been complied with. Punishment of the manufacturer, who willfully violates the rights of the patentee, or the dealer who sells such article unlawfully, for gain or profit, should be the inventor's remedy, and should be by a consideration in money or by imprisonment, or both, in the discretion of the court. This should deter irresponsible or insolvent parties from infringement, and should terminate the practice of pursuing and harassing the innocent purchaser.

If, sir, as we have supposed, laws are enacted for the protection of all citizens alike, from injustice and oppression, then is this patent law, in its present form, a conspicuous failure. I will show by a few plain illustrations that its requirements are utterly indefensible. The man who goes to the manufacturer, or on the open market, and purchases a patented article for personal use, and not for sale or profit, is now required to know the entire history of that patent, and whose particular device he is purchasing; to know that the dealer is authorized to sell that identical article, and that he is acting squarely with the patentee.

Now, sir, allow me to show that this is not only unreasonable but is absolutely preposterous. Let us take for illustration the articles of bars on wire for fence. I find in response to inquiries at the Patent Office that 114 different patents have already been issued on this one kind of fence. On another implement, the corn-planter, I find there are 647 patents. On the machine for shelling corn 378 patents have been issued. Now, sir, when gentlemen will consider that we are now issuing yearly in this country about 15,000 patents they will realize the injustice of the present law. Are our farmers to wade through this vast labyrinth of inventions, and the records and papers incident thereto, before they shall venture to purchase a corn-planter or a roll of wire for actual use? If so, then may Heaven protect them. But, sir, this is all wrong. Persons should be allowed to purchase with impunity on the open market, and without this liability to be pounced upon and plundered by sharpers and swindlers. From this annoyance and abuse there is now neither safeguard or protection.

I do not contemplate extending my remarks to a general discussion of our patent laws. That duty belongs more properly to members of the Committee on Patents. I do, however, desire to say in conclusion, that while the Senate bill does not correct all the defects in existing laws, nor all the evils complained of, yet it does provide partial relief, and is probably the best we can hope for at this advanced stage of a short session. If we should now substitute another bill, or add to this important amendment, it would require action on the part of the Senate, and would put in jeopardy all that has been thus far accomplished.

Under existing patents, and pending claims for infringement, there are vested rights which we cannot disregard, and which Congress could not extinguish by legislation, but the power does rest with Congress to regulate proceedings, and the manner of securing those rights. This the Wodom amendment, in section 3 of the bill, is designed to accomplish, and will, if it shall become a law, provide reasonable protection for those who are now exposed to unjust prosecution. This amendment would have been improved had it required the claimant for alleged infringement to first notify the party from whom damages are claimed, and to fix a sum which he would accept in settlement of the claim before suit should be brought.

Under all patents that may be hereafter issued, Congress also has the power, as I believe, to indicate the parties against whom suits may be brought, and from whom damages for alleged infringement may be recovered. The bill introduced by me would, if passed, hold harmless the purchaser for actual use of any patent that may be hereafter issued, and place the remedy against the manufacturer or vendor thereof. It would also change the manner of proceeding in cases of alleged infringement of existing patents, so as to protect the rights of all parties alike.

I feel, sir, that the power exists in Congress to enact such law, and that the people have a right to expect such relief at our hands. If it shall appear, however, that I am wrong in these conclusions, and that, as some believe and declare, we have not that power, then will it also appear that the Wodom amendment, in section 3 of this bill, is also in conflict with the Constitution, and Congress powerless to redress these wrongs or to protect the people in their just rights.

I shall vote for the bill, sir, in full confidence that it will be sustained by the courts, and in the hope that another Congress will take up and advance the work to completion.

CONTAGIOUS DISEASES AMONG FARM STOCK.

Mr. JONES, of Ohio. Mr. Speaker, the bill to which I wish to call attention, and the passage of which cannot be too strongly urged

upon this House, is one I introduced on the 6th of May last, to prevent the importation and spread of contagious diseases among farm stock. The object and purport of the bill is to establish a commission to consist of three persons, one a competent and skilled veterinary surgeon and the other two practical farm-stock breeders, to be appointed by the President of the United States by and with the advice and consent of the Senate, whose business it shall be to have charge of the investigation of all kinds of contagious diseases among farm stock, their causes, means of prevention and cure, and the best means of preventing their importation from abroad and their spread in the United States. The bill makes it the further duty of the commission to report to Congress from time to time such measures as in their judgment it is desirable for Congress to adopt to aid in accomplishing the object sought, and transfers from the Secretary of the Treasury to the commission the power to determine when the law (section 2493 of the Revised Statutes of the United States) prohibiting the importation of neat cattle from any foreign country into the United States shall be suspended.

This measure is of the highest importance to that portion of the country in which the agricultural interests are predominant. It is a practical proposition in the interest of the farmer and stock-grower. The profits of the agriculturists are not all derived from the growth of agricultural products, but largely from the raising of cattle, horses, sheep, hogs, and other animals. The charms of country life consist not alone in fruits and flowers and fields of growing grain, but likewise in flocks and herds and lowing kine. No measure, therefore, can be more beneficial to the farmer than the one under consideration, whether we consult his interests or his pleasure. When we reflect upon their great value and commercial importance and the general interests affected, we wonder that greater attention has not heretofore been given to the prevention, extermination, and cure of contagious diseases among domestic animals.

The extent of the agricultural interests appears from the numbers engaged in the business. The statistics are as follows:

| Occupations of male population over ten years of age. | 1870. (census.) | | 1878. | |
|---|-----------------|-----------|------------|-----------|
| | Number. | Per cent. | Number. | Per cent. |
| Agriculture | 5,923,471 | 47.35 | 7,600,000 | 50.66 |
| Manufacturing and mining | 2,707,421 | 21.65 | 2,900,000 | 19.33 |
| Professional and personal | 2,684,703 | 21.47 | 3,000,000 | 20.00 |
| Trade, commerce, and transportation | 1,191,238 | 9.52 | 1,500,000 | 10.00 |
| Total males over ten years in all occupations..... | 12,505,923 | | 15,000,000 | |

If we consider entire population of all ages and sexes, about one-half or twenty-three million are engaged in farming and stock raising.

The estimated value of farm or domestic animals is the following:

| Classes of stock. | 1876. | 1877. |
|-------------------|---------------|---------------|
| Horses | \$610,000,000 | \$600,000,000 |
| Cattle | 615,000,000 | 628,000,000 |
| Sheep | 81,000,000 | 80,600,000 |
| Hogs | 171,000,000 | 160,839,000 |
| Total..... | 1,477,000,000 | 1,469,439,000 |

The estimated value of farm animals for 1878 is \$1,845,584,863. The annual losses from contagious diseases cannot be definitely ascertained, but from reports received from 1,125 counties the losses foot up as follows: Hogs, \$10,001,483; all other animals, \$6,561,945, making a total of \$16,553,428. These reports are from less than half the counties in the several States and Territories; and it is the opinion of the Commissioner of Agriculture that the loss in the United States from contagious and infectious diseases among domestic animals aggregates the enormous sum of \$30,000,000 annually. The great value of farm stock and the large annual loss occurring from contagious diseases render it highly necessary that some measures be taken to investigate the causes of these diseases and if possible to exterminate them and prevent their spread. Much may be done and much has been done by the States in some instances in checking their spread, but they are carried from one State to another by means of interstate commerce to such an extent that many of them are beyond the control of the State governments.

Measures to be effective must be universal. The regulations of one State may be ever so stringent, and neglect on the part of a neighboring State will render its precaution utterly futile. But the States have not the power to enact the necessary legislation on the subject. Many of the Western States attempted to prevent the spread of Texas fever by prohibiting the driving or conveying any Texas, Mexican, or Indian cattle into or through them during the summer months. These statutes, however, have recently been declared unconstitutional by the Supreme Court of the United States for the reason, as the Supreme Court say, "they are a plain intrusion upon the exclusive domain of Congress." In the case of Railroad Company against

Husen (5 Otto, 465) the court announce the following opinion. I read from the syllabus.

The statute of Missouri which prohibits driving or conveying any Texas, Mexican, or Indian cattle into the State between the 1st day of March and the 1st day of November, in each year, is in conflict with the clause of the Constitution that ordains "Congress shall have power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes."

The court further say:

Whatever may be the nature of the police power of a State it cannot be exercised over a subject confided exclusively to Congress by the Federal Constitution. It cannot invade the domain of the National Government.

Unless Congress takes some action in the premises the North and West are without any adequate protection against the fearful ravages of Texas fever, liable at any time to be carried to all parts of the North and West by the shipment of Texas, Mexican, or Indian cattle into or through them.

It affects commerce between the States, the regulation of which belongs exclusively to Congress. Article 1, section 8, Constitution of the United States, provides:

The Congress shall have power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

The subject of contagious diseases among stock has received the most careful consideration by the British government, and recently (in August, 1878) an elaborate act was passed by Parliament, entitled "An act for making better provision respecting contagious and infectious diseases of cattle and other animals," that contains provisions commensurate with the important interests affected. The act authorizes the privy council or any two of them to make orders for the regulation and government of local authorities, persons, ports, towns, districts, places, areas, vessels, or things, to issue and revoke licenses, the appointment and removal of inspectors and other officers, and when any locality is infected it is the duty of the local inspector to give notice, and thereupon the place, with all lands, buildings, &c., becomes subject to the determination, declaration, and order of the privy council or any two of them. Inspectors are required to give notice to all owners of lands or buildings within one mile in any direction of the premises affected, and it is thereupon considered and treated as part of the infected district. Local inspectors are provided for all parts of the kingdom, whose duty it is to notify the privy council as soon as any infection or contagion is discovered, and it is made their duty on such notice to ascertain whether the information is correct, and if so to order and determine accordingly, and they may if they see fit in any case cause to be slaughtered any animal in any infected district and compensate the owners out of money provided by Parliament.

This act contains the following important provision, interesting to Americans in view of the important and increasing trade in live stock, (particularly the cattle trade,) between this country and England:

The privy council may from time to time make such general or special orders as they think fit for prohibiting the landing of animals or any specified kind thereof or of carcasses, &c., brought from any specified foreign country or any specified part thereof.

Under the authority conferred by this act the privy council, in December last, issued an order absolutely prohibiting the landing of any kind of animals in Great Britain from the following foreign countries: The Austrian-Hungarian Empire, the dominions of the King of the Hellenes, the dominions of the King of Italy, the Principality of Montenegro, the Principality of Roumania, the dominions of the Emperor of Russia, and the dominions of the Sultan, including the provinces of Bosnia and Herzegovina. Stringent orders were issued and are still in force for quarantine regulations and for landing at certain specified wharves and for slaughtering under certain specified regulations all animals from all foreign countries, except, until further ordered, the United States and Her Majesty's possessions in North America; and one or two other countries were allowed to land without being subject to the orders of prohibition under the act of 1878, or the orders to slaughter or to quarantine; but private dispatches have been received during the present week by some of our leading cattle-shippers to Europe from their private agents in London, stating that on the 8th of February the privy council of the British government issued an order restricting the landing of live cattle from the United States to certain ports of that kingdom after the 28th instant, where they will be subject to quarantine and slaughter restrictions.

If we do not take some action that will indicate to Great Britain that we are alive to the importance of this question and are willing to adopt such precautionary measures as will render it entirely safe for them to free us from these restrictions the American cattle trade with England is ended. This trade has already assumed large proportions and bids fair to become of vast importance to this country. Within the last few years the exportation of fresh beef and live animals, particularly cattle, has attracted general attention. It is becoming an important enterprise. It has been demonstrated that American cattle can compete successfully in the English markets. Beef shipped does not compete quite so well because of the difficulty of preserving it in good condition; but this trade is increasing, owing to improved methods of preservation. In the live-stock market it is different, and our stock-raisers if not hampered by unfriendly trade regulations can compete successfully. The production of beef-cattle is largely on the increase in the United States and is likely to become one of the most important branches of our foreign trade. From the Bureau of Statistics I learn:

The quantity and value of fresh beef exported to foreign countries during the last three years were as follows:

| Year ending June 30. | Pounds. | Value. |
|----------------------|------------|-----------|
| 1876..... | 4,370,000 | \$349,100 |
| 1877..... | 49,210,990 | 4,532,523 |
| 1878..... | 54,046,771 | 5,009,856 |

Of the total value of fresh beef exported 99.13 per cent. was shipped to Great Britain and Ireland. The value of the exports of live animals during the last three years was as follows:

| Year ending June 30. | Value. |
|----------------------|-------------|
| 1876..... | \$2,436,287 |
| 1877..... | 3,325,203 |
| 1878..... | 3,844,653 |

The value of the exports of live animals during the last fiscal year is eight times the value of such exports ten years ago. Fifty-five per cent. of the entire exports of live animals was to Great Britain and Ireland, and of the whole amount 67 per cent. was cattle.

The growth of the exportation of cattle to Great Britain during the last five years was as follows:

| Year ending June 30. | Number. | Value. |
|----------------------|---------|-----------|
| 1874..... | 123 | \$113,800 |
| 1875..... | 110 | 73,000 |
| 1876..... | 244 | 31,220 |
| 1877..... | 5,091 | 546,820 |
| 1878..... | 24,982 | 2,408,843 |

The exports of live cattle during the first five months of the current fiscal year, namely, July to November, inclusive, in comparison with the exports of the same during the corresponding months of the preceding year, are shown as follows:

| Five months ending— | Number. | Value. |
|---------------------|---------|-------------|
| November, 1877..... | 32,579 | \$1,217,289 |
| November, 1876..... | 63,715 | 4,414,000 |

The value of the exports of cattle during the year ended June 30, 1878, amounted to \$3,896,818, whereas the value of such exports during the first five months of this year amounted to \$4,414,000, or \$517,182 in excess of the exports of the entire preceding fiscal year. The necessities of our people require that we should be constantly on the lookout for new avenues of foreign trade, and will we not be inexcusable if we permit that to slip through our fingers that is already within our grasp. If we take no steps to stamp out contagious and communicable diseases, we cannot complain of England if she adopts such orders and restrictions upon the shipment of live-stock from this as from other countries as will protect her own live-stock from danger. If we are negligent and careless as to the existence or spread of these diseases, we cannot expect to maintain free and unrestricted commerce with England in the cattle trade. We should have a responsible tribunal whose business it is to investigate this subject and devise means for our own safety and the security of our neighbors. It has been said, and I think with truth, that England is unnecessarily apprehensive, and that there is but little danger of contagion being carried from this to that country. I presume this is true, and doubtless it was for this reason that the United States were in the first place excepted from the orders establishing trade regulations under the contagious disease act. Our Commissioner of Agriculture, however, in his last annual report states that "pleuro-pneumonia has recently shown itself at two points in Virginia, Alexandria and Lynchburgh, where it was recently prevailing in a virulent form."

In view of this fact it is not strange that the privy council of England should withdraw the exception heretofore made in our favor until we take such action as will satisfy them that no precaution or discrimination against the shipment of American cattle is necessary for their own protection. The pleuro-pneumonia was introduced into England by the importation of a cow from Holland, in 1842, and up to 1878 it has been estimated that she lost from the spread of this disease in deaths alone over six million head of cattle worth at least \$500,000,000. It is not strange, therefore, that she should be decidedly sensitive on the subject of permitting live-stock to be shipped to her shores from a country where this disease exists or is reported to exist, and especially when that country takes no steps to ascertain the truth or falsity of the reports and adopts no measures for the extermination of the disease if it exists, or to prevent its spread. The losses from contagious diseases among farm stock have been greater in America than in England, and we have greater interests to protect for the reason that the value of our farm

stock is much greater. The United States exceeds in the numbers of its farm stock any nation in Europe except Russia.

The following table shows the comparative numbers in the United States, Prussia, and Great Britain:

| Countries. | Horses and mules. | Cattle. | Sheep. | Swine. |
|--------------------------------|-------------------|------------|------------|------------|
| United States..... | 11,149,800 | 27,870,700 | 35,935,300 | 25,726,800 |
| Prussia..... | 3,352,237 | 7,996,818 | 22,262,057 | 4,875,114 |
| Great Britain and Ireland..... | 2,790,857 | 6,115,491 | 30,313,941 | 2,422,832 |

While our domestic animals more than double in numbers those of England, we have no laws to prevent the spread of contagion, while England has an act so comprehensive in its provisions as to extend to every owner of land, building or cattle-shed in the kingdom, and to the extermination of any contagion that makes its appearance, and if necessary to the slaughtering of every infected animal and paying for it out of the public treasury. We cannot afford to be indifferent to this question. We are in imminent danger from the spread of pleuro-pneumonia, little less to be dreaded than the rinderpest.

The disease was brought to America in 1843, and those who have investigated the subject trace it from the Brooklyn cattle-yards, where it was first imported from Holland, through a portion of New York, New Jersey, Connecticut, and Massachusetts; likewise from New Jersey into Delaware, Maryland, and Virginia. There are manifest indications that it now exists at Alexandria and Lynchburgh, Virginia, and probably in the District of Columbia and in some parts of Connecticut. The Commissioner of Agriculture, in his last annual report, in reference to pleuro-pneumonia, says:

At present the disease seems to be circumscribed by narrow limits, and could be extirpated with but little cost in comparison with the sum that would be required should the plague be communicated to the countless herds west of the Alleghany Mountains. This disease is of such a destructive nature as to have called forth for its immediate extirpation the assistance of every European government in which it has appeared, many of them having found it necessary to expend millions of dollars in its suppression. The interests involved in this case are of so vast a character and of such overshadowing importance, both to the farming and commercial interests of the country, as to require the active intervention of the Federal Government for their protection, and for this reason the considerate attention of Congress is respectfully asked to this important matter.

It may not be necessary to adopt measures as rigorous as those adopted by Great Britain, but we ought to have, as they have in other countries, a system of well-regulated laws on the subject. As to what these laws shall be, should be carefully considered by this commission. When they have thoroughly investigated the whole matter and report their conclusions from time to time, Congress can act intelligently and provide whatever may be necessary in the way of legislation. The subject is one of great magnitude. Our farmers and stock-raisers have suffered and, unless some measures are adopted, must continue to suffer immense losses from the spread of foot-rot among sheep, cholera among swine, epizootics among horses, and rinderpest, Texas fever, and pleuro-pneumonia among cattle. The ravages of these diseases are almost incalculable. We should take action on this subject if no other interests were involved than those of the cattle trade alone. It is only in this way that we may hope to secure a modification of the proposed English trade regulations.

If we do not take some steps looking to the extermination of contagion and preventing its spread our live-stock will be practically excluded from foreign markets. I believe the method proposed by this bill the best that has been suggested. It is a matter of too much importance to be left to the Commissioner of Agriculture in view of the multiplied duties of his Department. The principal features of the measure were indorsed by the American Short-Horn Breeders' Association at a meeting held by them at Lexington, Kentucky, last fall; and the Ohio State Grange at its sixth annual session at Columbus, Ohio, December 13, 1878, passed the following resolution:

Resolved, That the Patrons of Husbandry of the State of Ohio respectfully urge our National Congress to speedily pass the bill (H. R. No. 4725) introduced by Hon. JOHN S. JONES, of Ohio, to prevent the importation and spread of contagious diseases among farm stock, &c.

Let us pass this important measure and thereby evince a friendly interest in the great question of farming and stock-raising. We are too apt to dismiss without sufficient consideration all measures that are for the benefit of our agriculturists. I believe there were fifty-six speeches made under the five-minute rule last session complimenting farmers and farming, but chiefly on the proposition to increase the pay of the laborers who scrub the floors of the Agricultural Department. I do not urge the passage of this bill because anxious to appear as the special champion of the farmer, although I agree with Cicero in the sentiment uttered by him nearly two thousand years ago, that "Of all gainful professions nothing is better, nothing more pleasing, nothing more delightful, nothing better becomes a man or a gentleman, than agriculture," but because I recognize in it a measure of vast practical utility, not only to the farmers and stock-growers of a particular section, but to the entire agricultural and commercial interests of the whole country.

Mr. CANNON, of Illinois. Mr. Speaker, I have listened with close attention to the remarks just submitted by the gentleman from Ohio

and cordially indorse what he has said touching the subject of contagious diseases among cattle. I have examined carefully the bill which he introduced, and which I believe is now pending before the Committee on Agriculture. The shipping of live stock is an interest which in my district and in my State, and generally throughout the country, but especially in the West, has become an important and valuable one. From all I can learn I doubt whether the cattle of this country are affected to any extent by contagious disease, although it may be true that some of these diseases do prevail in certain localities. They do not in the West, I know, but it has been said they exist about Washington and at one or two points in New England. The interest is so large and so important that the spread of any serious contagious disease must be attended with great loss, and looking at it from every stand-point, I think it is our duty to enact into law before adjournment the bill proposed by the gentleman from Ohio or one containing similar provisions. In the absence of any point of order being pressed, and I hope the point of order will not be insisted upon, it might go upon the sundry civil bill. If, however, the point of order should be made and pressed, I hope the Committee on Agriculture, having the subject in charge, will through its chairman move at an early day to suspend the rules and pass the bill. I doubt whether members who have not had their attention called to it fully appreciate the steady growth and present importance of the cattle-raising industry in the United States or the great interest manifested in it from the valuable support it affords to our carrying trade. Something should be speedily done in its behalf, and the gentleman's proposition is worthy of mature consideration and early action.

AMENDMENT OF PATENT LAWS.

Mr. DEAN submitted some remarks on the bill (S. No. 300) to amend the statutes relating to patents, and for other purposes, now before the Committee on Patents; which will appear in the Appendix.

And then, on motion of Mr. DEERING, (at ten o'clock and thirty minutes p. m.), the House adjourned.

PETITIONS, ETC.

The following petitions, &c., were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. BRIGGS: The petition of Mrs. B. B. Shepard and 20 other women, of Manchester, New Hampshire, belonging to the First Congregational church, for such legislation as will make effective the anti-polygamy law of 1862—to the Committee on the Judiciary.

By Mr. CLARK, of Iowa: A paper relating to the pension claim of Albert Thomas—to the Committee on Invalid Pensions.

By Mr. COLE: The petition of cigar-makers of Saint Louis, Missouri, against requiring coupon stamps on cigars—to the Committee of Ways and Means.

Also, the petition of the Saint Louis Bolt and Nut Manufacturing Company, relating to the duties on tin plate—to the same committee.

By Mr. FREEMAN: Memorial of Louis Brauer, concerning contagious diseases, in particular yellow fever; its origin, progress, nature, and action, together with suggestions, remedies, and improvements in sanitaries, hospital buildings, and appliances—to the committee on the origin, introduction, and prevention of epidemic diseases in the United States.

By Mr. GARFIELD: The petition of the president and faculty of Wesleyan University, Delaware, Ohio, for a commission to inquire into the alcoholic liquor traffic—to the Committee on the Judiciary.

By Mr. HATCHER: The petition of ladies of Caledonia, Missouri, for such legislation as will make effective the anti-polygamy law of 1862—to the same committee.

By Mr. HUNTER: The petition of citizens of Lawrence County, Indiana, that the pension of John Voyles be increased to an amount that will be a just and adequate compensation for his injuries—to the Committee on Invalid Pensions.

By Mr. MORRISON: Memorial of the Illinois General Assembly, for pension to soldiers of the Black Hawk and Mexican wars—to the Committee on Revolutionary Pensions.

By Mr. PRICE: The petition of the Women's Christian Union and citizens of Carroll, Iowa, for a commission of inquiry concerning the alcoholic liquor traffic—to the Committee on the Judiciary.

By Mr. REA: The petition of James W. Roberts, for the removal of the charge of desertion—to the Committee on Military Affairs.

Also, the petition of William H. Fanning, of similar import—to the same committee.

By Mr. REILLY: The petition of manufacturers of and dealers in tobacco, against the passage of the bill (H. R. No. 5430) providing for coupon stamps on cigars—to the Committee of Ways and Means.

By Mr. RICE, of Ohio: The petition of Joseph Overholt, to be restored to the pension-roll—to the Committee on Invalid Pensions.

Also, the petition of George Prince, for an increase of pension—to the same committee.

By Mr. SINNICKSON: The petition of 20 citizens of Camden, New Jersey, against the bill (H. R. No. 1612) concerning patents—to the Committee on Patents.

By Mr. SPRINGER: The petition of citizens of White Oak, Montgomery County, Illinois, for the establishment of a post-route from White Oak, via Pawnee and Cotton Hill, to Springfield, Illinois—to the Committee on the Post-Office and Post-Roads.