for the said office having, by law, become vested in the President on and after July 1, 1897.

Priscilla S. Scruggs, to be postmaster at Holly Springs, in the county of Marshall and State of Mississippi, in the place of David McDowell, removed.

Riley S. Hart, to be postmaster at Lyons, in the county of Burt and State of Nebraska, in the place of Allen T. Hill, removed.

Fred Bostwick, to be postmaster at Pine Plains, in the county of Dutchess and State of New York, in the place of Frank Eno, removed.

William R. Duvall, to be postmaster at Circleville, in the county of Pickaway and State of Ohio, in the place of Charles McLean, removed.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 17, 1897.

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY.

William L. Merry, of California, to be envoy extraordinary and minister plenipotentiary of the United States to Nicaragua, Costa Rica, and Salvador.

GOVERNOR OF ARIZONA.

M. H. McCord, to be governor of Arizona.

MINISTER RESIDENT AND CONSUL-GENERAL.

Horace N. Allen, of Ohio, now secretary of legation and vice and deputy consul-general at Seoul, to be minister resident and consul-general of the United States to Korea.

CONSULS.

John F. Caples, of Oregon, to be consul of the United States at Valparaiso, Chile.

Charles Deal, of New York, to be consul of the United States at St. Johns, Quebec.

Grenville James, of New York, to be consul of the United States at Prescott, Ontario.

Edmond Z. Brodowski, of Illinois, to be consul of the United States at Breslau, Germany.

William Harrison Bradley, of Illinois, to be consul of the United States at Tunstall, England.

James M. Shepard, of Michigan, to be consul of the United States at Hamilton, Ontario.

Adam Lieberknecht, of Illinois, to be consul of the United States at Zurich, Switzerland.

Daniel T. Phillips, of Illinois, to be consul of the United States at Cardiff, Wales.

Radcliffe H. Ford, of Maine, to be consul of the United States at Yarmouth, Nova Scotia.

John C. Covert, of Ohio, to be consul of the United States at Lyons, France.

Charles W. Erdman, of Kentucky, to be consul of the United States at Fürth, Germany.

William L. Sewell, of Ohio, to be consul of the United States at Toronto, Ontario.

Charles A. McCullough, of Maine, to be consul of the United States at St. Stephen, New Brunswick.

Mahlon Van Horne, of Rhode Island, to be consul of the United States, at St. Thomas, West Indies.

William W. Henry, of Vermont, to be consul of the United States at Quebec, Canada.

William K. Anderson, of Michigan, to be consul of the United States at Hanover, Germany.

Samuel E. Magill, of Illinois, to be consul of the United States at Tampico, Mexico.

Delmar J. Vail, of Vermont, to be consul of the United States at Charlottetown, Prince Edward Island.

PROMOTIONS IN THE NAVY.

Lieut. Charles E. Colahan, to be a lieutenant-commander.

Lieut. (Junior Grade) Theodore G. Dewey, to be a lieutenant.

Ensign Henry F. Bryan, to be a lieutenant, junior grade.

The following-named assistant surgeons to be passed assistant surgeons:

Henry La Motte.
Charles E. Riggs.
James F. Leys.
Richard G. Broderick.
Frank C. Cook.
Ammen Farenholt.
Charles P. Kindleberger.

APPOINTMENT IN THE NAVY.

Timothy S. O'Leary, a citizen of Massachusetts, to be an assistant paymaster.

COMMISSIONERS TO EXAMINE AND CLASSIFY LANDS.

Roland T. Rombauer, of Princeton, Mont., to be a commissioner to examine and classify lands within the land-grant and indemnity land-grant limits of the Northern Pacific Railroad Company, in the Missoula land district in Montana.

Edwin S. Hathaway, of Missoula, Mont., to be a commissioner to examine and classify lands within the land-grant and indemnity land-grant limits of the Northern Pacific Railroad Company, in the Missoula land district in Montana.

William V. Tompkins, of Prescott, Ark., to be a commissioner to examine and classify lands within the land-grant and indemnity land-grant limits of the Northern Pacific Railroad Company, in the Missoula land district in Montana.

Joseph C. Auld, of Glendive, Mont., to be a commissioner to examine and classify lands within the land-grant and indemnity land-grant limits of the Northern Pacific Railroad Company, in the Bozeman land district in Montana.

James A. Johnson, of Bozeman, Mont., to be a commissioner to examine and classify lands within the land-grant and indemnity land-grant limits of the Northern Pacific Railroad Company, in the Bozeman land district in Montana.

Watson Boyle, of Washington, D. C., to be a commissioner to examine and classify lands within the land-grant and indemnity land-grant limits of the Northern Pacific Railroad Company, in the Bozeman land district in Montana.

RECEIVERS OF PUBLIC MONEYS.

William Q. Ranft, of Missoula, Mont., to be receiver of public moneys at Missoula, Mont.

Richard H. Jenness, of Atkinson, Nebr., to be receiver of public moneys at O'Neill, Nebr.

C. Frost Liggett, of Sheridan Lake, Colo., to be receiver of public moneys at Lamar, Colo.

COLLECTORS OF CUSTOMS.

George W. McCowan, of New Jersey, to be collector of customs for the district of Bridgeton, in the State of New Jersey.

Frederick D. Huestis, of Washington, to be collector of customs for the district of Puget Sound, in the State of Washington.

PENSION AGENT.

Cyrus Leland, jr., of Troy, Kans., to be pension agent at Topeka, Kans.

UNITED STATES ATTORNEY.

Isaac E. Lambert, of Kansas, to be attorney of the United States for the district of Kansas.

POSTMASTERS.

William L. Roach, to be postmaster at Muscatine, in the county of Muscatine and State of Iowa.

John W. Palm, to be postmaster at Mount Pleasant, in the county of Henry and State of Iowa.

William A. Stevens, to be postmaster at Columbus, in the county of Bartholomew and State of Indiana.

James W. Hughes, to be postmaster at Birmingham, in the county of Jefferson and State of Alabama.

W. Lee Brand, to be postmaster at Salem, in the county of Roanoke and State of Virginia.

H. B. Woodfin, to be postmaster at National Soldiers' Home, in the county of Elizabeth City and State of Virginia.

E. G. Darden, to be postmaster at Hampton, in the county of Elizabeth City and State of Virginia.

SENATE.

MONDAY, *July 19, 1897.*

The Senate met at 12 o'clock m.

Prayer by Rev. J. FRED HEISSE, of the city of Washington.

The Journal of the proceedings of Saturday last was read and approved.

PETITIONS AND MEMORIALS.

Mr. CHANDLER. I present the petition of Hon. C. Greeley and 7 other citizens of Jacksonville, Fla., in favor of the passage of the tariff bill at the earliest possible moment. The petitioners state that "industry is paralyzed; thousands of workingmen are out of employment, and the success of the future is jeopardized by the importation of immense quantities of foreign goods." So they ask that each and every Senator and Representative will actively cooperate "in securing protective-tariff legislation at the earliest possible date," and they demand that it shall be the kind of legislation "which will adequately secure American industrial products against the competition of foreign labor." I move that the petition lie on the table.

The motion was agreed to.

Mr. COCKRELL. I present a memorial very numerously signed by residents of Warrensburg, Mo., in my native county, remonstrating against the imposition of a tax on bank checks. I ask that the memorial may be referred to the Republican members of the Committee on Finance for their prayerful consideration.

The VICE-PRESIDENT. The memorial will be referred to the Committee on Finance.

Mr. CULLOM presented sundry memorials of publishers and business men, citizens of Lima, Ohio, remonstrating against the

enactment of legislation intended to destroy the present system of ticket brokerage; which were referred to the Committee on Interstate Commerce.

Mr. TURPIE presented sundry papers to accompany the bill (S. 1663) for the relief of John Schierling, administrator de bonis non of the estate of Gallus Kerchner; which were referred to the Committee on Claims.

BILLS INTRODUCED.

Mr. CHANDLER. In view of the provision in the deficiency appropriation bill in relation to the action next winter of the Committee on Claims (the clause, I understand, remains in the bill; the Senator from Maine says it does), I introduce a bill for the payment of the French spoliation claims, which I ask may be printed and referred to the Committee on Claims, so that the committee will have jurisdiction of them under the clause in the appropriation act.

The bill (S. 2403) to provide for the payment of claims of American citizens for spoliations committed by the French prior to the 31st day of July, 1801, as allowed by the Court of Claims under the act to provide for the ascertainment of such claims approved January 20, 1885, was read twice by its title, and referred to the Committee on Claims.

Mr. CAFFERY (by request) introduced a bill (S. 2404) for the relief of the estate of Turner Merritt, late of the parish of East Baton Rouge, La.; which was read twice by its title, and referred to the Committee on Claims.

Mr. ALLEN introduced a bill (S. 2405) to amend an act entitled "An act granting pensions to soldiers and sailors who are incapacitated for the performance of manual labor, and providing for pensions to widows, minor children, and dependent parents," and for other purposes; which was read twice by its title, and referred to the Committee on Pensions.

Mr. BURROWS introduced a bill (S. 2406) for the relief of Daniel W. Perkins; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Claims.

EXECUTIVE SESSION.

Mr. HALE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After two hours and twenty minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. BROWNING, its Chief Clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 6, 56, 152, 153, and 182 to the bill (H. R. 13) making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1897, and for prior years, and for other purposes.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled joint resolution (S. R. 52) directing the Secretary of War to issue tents for the use of the Grand Army of the Republic Encampment, at Leavenworth, Kans.; and it was thereupon signed by the Vice-President.

DEFICIENCY APPROPRIATION BILL.

Mr. HALE. I present the report of the committee of conference on the deficiency appropriation bill.

The PRESIDING OFFICER (Mr. PASCO in the chair). The report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 13) making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1897, and for prior years, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6 and 56.

That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 152, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$23,122;" and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 182, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"To pay C. W. Coombs, assistant Department messenger, at the rate of $1,800 per annum, for services rendered and to be rendered from March 4, 1897, to December 1, 1897, inclusive, $1,342 09.

"To pay George Jenison, special messenger, at the rate of $1,200 per annum, for services rendered and to be rendered from March 4, 1897, to December 1, 1897, inclusive, $895.49."

And the Senate agree to the same.

EUGENE HALE,
S. M. CULLOM,
F. M. COCKRELL,
Managers on the part of the Senate.

J. G. CANNON,
S. A. NORTHWAY,
JOSEPH D. SAYERS,
Managers on the part of the House.

Mr. ALLEN. I should like to ask the Senator from Maine whether there has been any change in the language of the amendment offered by him, providing an extra appropriation for the Committee on Claims?

Mr. HALE. That is not in this conference report; it was in the previous report. The clause is substantially as it was drawn by me, providing an appropriation of $1,000 to enable the Committee on Claims to consider all cases before it, and all cases that have been reported and not substantially agreed to, and to report to the Senate.

Mr. TELLER. That was agreed to in the former conference.

Mr. HALE. Yes; that was agreed to in the former conference.

Mr. ALLEN. There was no substantial change?

Mr. HALE. No substantial change.

Mr. BUTLER. I inquire of the Senator from Maine what became of the amendment of the Senate in relation to armor plate?

Mr. HALE. That has been agreed to by the House of Representatives.

The PRESIDING OFFICER. The question is on concurring in the report of the conference committee.

The report was concurred in.

UNION PACIFIC RAILROAD.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of resolution No. 125, reported by Mr. HARRIS from the Committee on Pacific Railroads, declaring it to be the sense of the Senate that the President should direct the Secretary of the Treasury to carry out the provisions of the act approved March 3, 1887, by clearing off by payment the paramount liens, mortgages, etc., on the Union Pacific Railroad, and to take steps to foreclose any mortgage or lien of the United States on any of said railroad property.

The PRESIDING OFFICER. The Senator from Alabama [Mr. MORGAN] is entitled to the floor.

Mr. MORGAN. Mr. President, on Saturday I concluded what remarks I had to make upon this case, having introduced an agreement between the committee of reorganization and the persons who have come in and subscribed to stock and bonds and other things of this new reorganization scheme. I have but very little to add to what I then said.

I want to make my most profouud acknowledgments to the eight or ten Senators, more or less, who did me the honor to pay attention to what I had to say. I was not addressing the Senate really, except pro forma.

I was addressing my remarks to the people of the United States, and I think, upon the evidence submitted on last Saturday, that they will come to the conclusion that an agreement ought not to be executed which sells the Union Pacific Railroad for $28,000,000 to this reorganization committee after that reorganization committee have already agreed amongst themselves to create a new company, by which there shall be issued $100,000,000 of 4 per cent bonds, of which $75,000,000 are to be retained for purposes not described, and $75,000,000 of preferred 4 per cent stock, the dividends being guaranteed, and the balance of it in common stock. They price the property at $236,000,000, being more than $200,000,000 profit.

This matter has attracted the attention of men who are very deeply interested in it, because they are stockholders; and I have received letters from some of them. I will read an extract from one of the letters to show how much these men have the matter at heart, which is dated New York, July 17, 1897, in which the writer says:

It must be remembered that the present stockholders were innocent of any wrongdoing, and I can show you dozens of letters from small people all over the country who have still their shares, bought at high prices from the very people who brought the Union Pacific to its present pass. These people—the Goulds, the Dillons, the Sages, the Ameses, and the others, including the present directors and receivers (or at least many of them), sold out their holdings long ago, and are now interested in the very syndicate which is trying to freeze out the present stockholders and to do the same thing over again after making the present shareholders pay them a 15 per cent assessment. * * *

The Goulds and company are clever enough to get themselves out of the way of harm. Ask the syndicate, or the syndicate managers, to show the list of participants in their scheme and you will find out that all I say is true. The big ones get out, the small ones are in and have the stock, and will have to pay a large assessment to the very men who robbed them, and will rob them again.

I do not know what proceedings had taken place at the time Jay Gould reorganized the Union Pacific stock arrangement, but I have been informed, and the country so understands it, that he bought up the stock, or a large part of the stock, of the Union Pacific Company at a very low rate—almost a nominal rate—and readjusted it until the issue of stock amounted to about $60,000,000, if I am correctly informed; and thereupon he sold his stock and made an enormous amount of money—millions of dollars; perhaps eight or ten million dollars—out of that transaction.

Now we find that one of his successors is here engaged in this reorganization company for the purpose of trying to force another reorganization and to force out the holders of the stock who are

not in the combine, and voted an assessment of $15 a share. Of course many of these men can not pay it; they have got simply to be frozen out.

With that statement I desire to present and have printed as part of my remarks the opinion of Mr. Justice Harlan, of the Supreme Court of the United States, in the case of The United States *vs.* Stanford, which decides some of the most important questions which have been suggested and argued by me briefly, and that decision I rely upon as establishing a confirmation of the ground I have taken.

I also ask that the opinion of Mr. Chief Justice Fuller in the case of The Central Pacific Railroad *vs.* California be printed as a part of my remarks. That opinion also decides some very important matters, some of which have been suggested here by a Senator—I forget now what Senator made the suggestion, but it was upon the question as to the power of the State to tax the property of the Union Pacific Railroad Company. The power of the State is affirmed in this opinion in respect of all property of every kind and character held by the Union Pacific Railroad Company except merely its franchise.

With that permission, Mr. President, I will yield the floor, stating that I have attempted, to the best of my ability, to economize the time of the Senate in getting this very important transaction before the country, and I rely upon and I appeal to the President of the United States that he will enable the Congress of the United States to look into this matter, which it has had no opportunity to look into since the agreement was made.

The PRESIDING OFFICER. The Senator from Alabama asks leave to have inserted in the RECORD the decisions to which he has referred. The Chair hears no objection, and it will be so ordered.

The decisions referred to are as follows:

SUPREME COURT OF THE UNITED STATES.

No. 783.—October term, 1895.

The United States, appellant, *vs.* Jane L. Stanford, executrix of Leland Stanford, deceased. Appeal from the United States circuit court of appeals for the Ninth circuit.

[March 2, 1896.]

Mr. Justice Harlan delivered the opinion of the court.

The United States seeks by this suit to establish a claim against the estate of Leland Stanford for $15,237,000.

The deceased held and owned a large number of the shares of the capital stock of the Central Pacific Railroad Company of California and the Western Pacific Railroad Company—corporations that were organized under the laws of California, and which subsequently were consolidated and became the Central Pacific Railroad Company.

Those companies received bonds of the United States that were issued under the acts of Congress known as the Pacific railroad acts in aid of the construction of a railroad and telegraph line extending from the Missouri River to the Pacific Ocean. The present demand of the Government arises out of the obligation which, it is alleged, rested upon the companies receiving such bonds to pay the principal at maturity and to reimburse the United States for all interest paid thereon.

The bill proceeds upon the ground that by the constitution and laws of California, at the time the above corporations were organized as well as when they received the bonds of the United States, each stockholder of a railroad corporation was liable, in proportion to the stock owned and held by him, for all of its debts and liabilities, and, consequently, that the estate of Stanford is liable to the United States in proportion to the stock owned and held by him in the corporations named.

The principal contention of the defendant is that the question of the liability of stockholders for the debts and obligations of companies receiving bonds of the United States under the Pacific railroad acts does not depend upon the laws of California, but is governed by the acts of Congress under which such bonds were issued; that by its legislation in aid of the construction of the Union and Central Pacific railroads Congress intended to define, control, and regulate the entire relations of the Government to all of the companies receiving subsidy bonds without reference to the laws of any State; that those companies were respectively created or adopted as agencies for a great national purpose, in the accomplishment of which they were to be subject to the exclusive control of the General Government; that the functions, obligations, and liabilities of all the companies participating in the bounty of the United States were to be equal and identical, and that as to each company the Government looked to it alone for the performance of all that the acts imposed upon it, and did not contemplate nor intend that there should be any individual liability of stockholders in respect of the subsidy bonds issued by the United States.

If these acts of Congress have the scope and effect attributed to them by the defendant, the decree may be affirmed without any expression of opinion by this court upon other questions discussed at the bar, and which, if considered, would require a construction of the laws of California relating to the personal liability of stockholders for the debts of railroad corporations.

Was it part of the contract between the United States and the corporations receiving its subsidy bonds that the stockholders of such corporations, respectively, should be personally liable for the principal and interest of those bonds? Or did the United States make provision in the acts of Congress for all the security intended to be taken for their payment? These questions can not be answered by referring to any one section of either act, but only by examining the provisions of all of those acts in the light of the circumstances under which the United States made grants of public lands and provided for the issuing of bonds in aid of the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean.

By the act of July 1, 1862, entitled "An act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, and to secure to the Government the use of the same for postal, military, and other purposes" (12 Statutes, 489, chapter 120), the Union Pacific Railroad Company was incorporated with power to lay out, locate, maintain, and enjoy a continuous railroad and telegraph from a named point in what was then the Territory of Nebraska to the western boundary of what at that time was the Territory of Nevada.

That company was given the right of way through the public lands for the construction of its railroad and telegraph line as well as the power and authority to take from those lands adjacent to the line of the road earth, stone, and timber, and other materials required in the work of construction, and, so far as it was necessary to do so, to occupy the public lands for stations, buildings, workshops and depots, machine shops, switches, side tracks, turntables, and water stations; the United States to extinguish the Indian titles to all lands falling under the operation of the act and required for the right of way and grants made. "For the purpose of aiding in the construction of said railroad and telegraph line, and to secure the safe and speedy transportation of the mails, troops, munitions of war, and public stores," a large grant of lands was made, for which patents were directed to be issued as each 40 consecutive miles of railroad and telegraph were completed and equipped in all respects as required. (Sections 2, 3, and 4.)

The fifth section provided that for the purposes mentioned the Secretary of the Treasury, upon the completion and equipment of 40 consecutive miles of railroad and telegraph, should issue to the company bonds of the United States of $1,000 each, payable in thirty years after date, bearing 6 per cent per annum interest, to the amount of sixteen of said bonds per mile for such section of 40 miles; and "to secure the repayment to the United States, as hereinafter provided, of the amount of said bonds so issued and delivered to said company, together with all interest thereon which shall have been paid by the United States, the issue of said bonds and delivery to the company shall ipso facto constitute a mortgage on the whole line of the railroad and telegraph, together with the rolling stock, fixtures, and property of every kind and description, and in consideration of which said bonds may be issued; and on the refusal or failure of said company to redeem said bonds, or any part of them, when required so to do by the Secretary of the Treasury, in accordance with the provisions of this act, the said road, with all the rights, functions, immunities, and appurtenances thereunto belonging, and also all lands granted to the said company by the United States, which, at the time of said default shall remain in the ownership of said company, may be taken possession of by the Secretary of the Treasury for the use and benefit of the United States."

The grants referred to were made "upon condition that said company shall pay said bonds at maturity, and shall keep said railroad and telegraph line in repair and use, and shall at all times transmit dispatches over said telegraph line, and transport mails, troops and munitions of war, supplies, and public stores upon said railroad for the Government whenever required to do so by any department thereof; and that the Government shall at all times have the preference in the use of the same for all the purposes aforesaid (at fair and reasonable rates of compensation, not to exceed the amounts paid by private parties for the same kind of service); and all compensation for services rendered for the Government shall be applied to the payment of said bonds and interest until the whole amount is fully paid." The company was entitled to pay the United States, wholly or in part, in the same or other bonds, Treasury notes, or other evidences of debt against the United States, to be allowed at par; and after the road was completed, until the bonds and interest were paid, at least 5 per cent of the net earnings of said road were required to be annually applied to the payment thereof. (Section 6.)

The company was required to file its assent to the act in the Department of the Interior within one year after its passage, and it was allowed until the 1st day of July, 1874, to complete its railroad and telegraph through the Territories of the United States to the western boundary of the Territory of Nevada, "there to meet and connect with the line of the Central Pacific Railroad Company of California." (Sections 7, 8.)

The ninth section authorized the Leavenworth, Pawnee and Western Railroad Company of Kansas to construct a railroad and telegraph line from the Missouri River, at the mouth of the Kansas River, "upon the same terms and conditions in all respects" as were provided in the act for the construction of the railroad and telegraph line first mentioned, and to meet and connect with the same at the meridian of longitude named; the route in Kansas, west of the meridian of Fort Riley, to the aforesaid point, on the one hundredth meridian of longitude, to be subject to the approval of the President of the United States and to be determined by him on actual survey.

By the same section it was declared that "the Central Pacific Railroad Company of California, a corporation existing under the laws of the State of California, are hereby authorized to construct a railroad and telegraph line from the Pacific coast, at or near San Francisco, or the navigable waters of the Sacramento River, to the eastern boundary of California, upon the same terms and conditions, in all respects, as are contained in this act for the construction of said railroad and telegraph line first mentioned, and to meet and connect with the first-mentioned railroad and telegraph line on the eastern boundary of California. Each of said companies shall file their acceptance of the conditions of this act in the Department of the Interior within six months after the passage of this act."

The tenth section provided that the company chartered by the State of Kansas should complete 100 miles of its road, commencing at the mouth of the Kansas River, within two years after filing its assent to the conditions of the act, and 100 miles per year thereafter until the whole was completed; and the Central Pacific Railroad Company of California should complete 50 miles of its road within two years after filing its assent to the provisions of the act, and 50 miles per year thereafter until the whole was completed; and "after completing their roads, respectively, said companies, or either of them, may unite upon equal terms with the first-named company in constructing so much of said railroad and telegraph line and branch railroads and telegraph lines in this act hereinafter mentioned, through the Territories from the State of California to the Missouri River, as shall then remain to be constructed, on the same terms and conditions as provided in this act in relation to the said Union Pacific Railroad Company."

And the Central Pacific Railroad Company of California, after completing its road across that State, was authorized "to continue the construction of said railroad and telegraph through the Territories of the United States to the Missouri River, including the branch roads specified in this act, upon the routes hereinbefore and hereinafter indicated, on the terms and conditions provided in this act in relation to the said Union Pacific Railroad Company, until said roads shall meet and connect, and the whole of said railroad and branches and telegraph is completed."

By the twelfth section it was declared that the "track upon the entire line of railroad and branches shall be of uniform width, to be determined by the President of the United States, so that, when completed, cars can be run from the Missouri River to the Pacific Coast; the grades and curves shall not exceed the maximum grades and curves of the Baltimore and Ohio Railroad; the whole line of said railroad and branches and telegraph shall be operated and used for all purposes of communication, travel, and transportation, so far as the public and Government are concerned, as one connected, continuous line." * * *

The fifteenth section gave to any other railroad company then or thereafter incorporated the right to connect with the road and branches provided for by the act, at such places and upon such just and equitable terms as the President of the United States should prescribe.

All of the railroad companies named in the act, and assenting thereto, or any two or more of them, were authorized to form themselves into one consolidated company; notice of such consolidation to be in writing, to be filed in the Department of the Interior, and the consolidated company to proceed to construct the railroad, branches, and telegraph line, upon the terms and conditions provided in the act. (Section 16.)

The seventeenth section provided: "That in case said company or companies shall fail to comply with the terms and conditions of this act, by not

completing said railroad and telegraph and branches within a reasonable time, or by not keeping the same in repair and use, but shall permit the same, for an unreasonable time, to remain unfinished, or out of repair, and unfit for use, Congress may pass any act to insure the speedy completion of said road and branches, or put the same in repair and use, and may direct the income of said railroad and telegraph line to be thereafter devoted to the use of the United States, to repay all such expenditures caused by the default and neglect of said company or companies: *Provided*, That if said roads are not completed, so as to form a continuous line of railroad, ready for use, from the Missouri River to the navigable waters of the Sacramento River, in California, by the 1st day of July, 1876, the whole of all of said railroads before mentioned and to be constructed under the provisions of this act, together with all their furnishings, fixtures, rolling stock, machine shops, lands, tenements, and hereditaments, and property of every kind and character, shall be forfeited to and be taken possession of by the United States: *Provided*, That of the bonds of the United States in this act provided to be delivered for any and all parts of the roads to be constructed east of the one hundredth meridian of west longitude from Greenwich, and for any part of the road west of the west foot of the Sierra Nevada Mountains there shall be reserved of each part and installment 25 per cent, to be and remain in the United States Treasury undelivered until said roads and all parts thereof provided for in this act are entirely completed; and of all the bonds provided to be delivered for the said road between the two points aforesaid there shall be reserved out of each installment 15 per cent, to be and to remain in the Treasury until the whole of the road provided for in this act is fully completed; and if the said road or any part thereof shall fail of completion at the time limited therefor in this act, then and in that case the said part of said bonds so reserved shall be forfeited to the United States."

By the eighteenth section it was declared: "Whenever it appears that the net earnings of the entire road and telegraph, including the amount allowed for services rendered for the United States, after deducting all expenditures, including repairs and the furnishing, running, and managing of said road, shall exceed 10 per cent upon its costs, exclusive of the 5 per cent to be paid to the United States, Congress may reduce the rates of fare thereon if unreasonable in amount, and may fix and establish the same by law. And the better to accomplish the object of this act, namely, to promote the public interest and welfare by the construction of said railroad and telegraph line, and keeping the same in working order, and to secure to the Government at all times (but particularly in time of war) the use and benefits of the same for postal, military, and other purposes, Congress may, at any time, having due regard for the rights of said companies named herein, add to, alter, amend, or repeal this act."

The several railroad companies named were authorized to enter into an arrangement with the Pacific Telegraph Company, the Overland Telegraph Company, and the California State Telegraph Company, "so that the present line of telegraph between the Missouri River and San Francisco may be moved upon or along the line of said railroad and branches as fast as said roads and branches are built; and if said arrangement be entered into and the transfer of said telegraph line be made in accordance therewith to the line of said railroad and branches, such transfer shall, for all purposes of this act, be held and considered a fulfillment on the part of said railroad companies of the provisions of this act in regard to the construction of said line of telegraph. And in case of disagreement said telegraph companies are authorized to remove their line of telegraph along and upon the line of railroad herein contemplated without prejudice to the rights of the railroad companies named herein." (Section 19.)

The act of 1862 was amended in many particulars by the act of July 2, 1864. (13 Statutes, 356, chapter 216.) The time for designating the general route of the Union Pacific Railroad and of filing the map of the same, and the time for the completion of that part of the railroads required by the terms of said act of each company, was extended one year from the time designated in the act of 1862; and the Central Pacific Railroad Company of California was required to complete 25 miles of its road "in each year thereafter, and the whole to the State line within four years, and that only one-half of the compensation for services rendered for the Government by said companies shall be required to be applied to the payment of the bonds issued by the Government in aid of the construction of said roads." (Section 5.)

The proviso to section 4 of the original act was modified so that the President of the United States was authorized to appoint for each of the roads three commissioners, as provided for in the original act; and "the verified statement of the president of the California company, required by said section 4, shall be filed in the office of the United States surveyor-general for the State of California instead of being presented to the President of the United States; and the said surveyor-general shall thereupon notify the said commissioners of the filing of such statement, and the said commissioners shall thereupon proceed to examine the portion of said railroad and telegraph line so completed, and make their report thereon to the President of the United States, as provided by the act of which this is amendatory. And such statement may be filed, and such railroad and telegraph line be examined and reported on, by the said commissioners, and the requisite amount of bonds may be issued and the lands appertaining thereto may be set apart, located, entered, and patented, as provided in this act and the act to which this is amendatory, upon the construction by said railroad company of California of any portion of not less than 20 consecutive miles of their said railroad and telegraph line, upon the certificate of said commissioners that such portion is completed as required by the act to which this is amendatory." (Section 6.)

So much of section 17 of the act of 1862 as provided for a reservation by the Government of a portion of the bonds to be issued to aid in the construction of the said railroads was repealed; and it was provided that the failure of any one company to comply fully with the conditions and requirements of that act, and the act of which it was amendatory, should not work a forfeiture of the rights, privileges, or franchise of any other company or companies that should have complied with the same. (Section 7.)

To enable any one of the corporations to make convenient and necessary connections with other roads, it was authorized to establish and maintain all necessary ferries upon and across all rivers which its road might pass in its course; and authority was given each corporation to construct over all rivers for the convenience of such road bridges having suitable and proper draws for the passage of steamboats.

The tenth section provided: "That section 5 of said act be so modified and amended that the Union Pacific Railroad Company, the Central Pacific Railroad Company, and any other company authorized to participate in the construction of said road, may, on the completion of each section of said road, as provided in this act and the act to which this is an amendment, issue their first-mortgage bonds on their respective railroad and telegraph lines to an amount not exceeding the amount of the bonds of the United States, and of even tenor and date, time of maturity, rate and character of interest with the bonds authorized to be issued to said railroad companies, respectively. And the lien of the United States bonds shall be subordinate to that of the bonds of any or either of said companies hereby authorized to be issued on their respective roads, property, and equipments, except as to the provisions of the sixth section of the act to which this act is an amendment, relating to the transmission of dispatches and the transportation of mails, troops, munitions of war, supplies and public stores for the Government of the United States. And said section is further amended by striking out the word 'forty,' and inserting in lieu thereof the words 'on each and every section of not less than twenty.'"

By the eleventh section it was declared that "if any of the railroad companies entitled to bonds of the United States, or to issue their first-mortgage bonds herein provided for, has, at the time of the approval of this act, issued, or shall thereafter issue, any of its own bonds or securities in such form or manner as in law or equity to entitle the same to priority of preference of payment to the said guaranteed bonds or said first-mortgage bonds, the amount of such corporate bonds outstanding and unsatisfied, or uncanceled, shall be deducted from the amount of such Government and first-mortgage bonds which the company may be entitled to receive and issue; and such an amount only of such Government bonds and such first-mortgage bonds shall be granted or permitted as added to such outstanding, unsatisfied, or uncanceled bonds of the company shall make up the whole amount per mile to which the company would otherwise have been entitled. * * * *Provided also*, That no land granted by this act shall be conveyed to any party or parties, and no bonds shall be issued to any company or companies, party or parties, on account of any road, or part thereof, made prior to the passage of the act to which this act is an amendment, or made subsequent thereto, under the provisions of any act or acts other than this act and the act amended by this act."

The twelfth section provided that the Leavenworth, Pawnee and Western Railroad Company, now known as the Union Pacific Railroad Company, Eastern Division, should build the railroad from the mouth of Kansas River, by the way of Leavenworth, or, if that be not deemed the best route, then it should, within two years, build a railroad from the city of Leavenworth to unite with the main stem at or near the city of Lawrence; but to aid in the construction of said branch the company was to receive no bonds. And if the Union Pacific Railroad Company should not be proceeding in good faith to build its railroad through the Territories, when the Leavenworth, Pawnee and Western Railroad Company, or the Union Pacific Railroad Company, Eastern Division, shall have completed its road to the hundredth degree of longitude, then the last-named company may proceed to make said road westward "until it meets and connects with the Central Pacific Railroad Company on the same line."

The fifteenth section required the several companies, authorized to construct the aforesaid roads, to operate and use said roads and telegraph for all purposes of communication, travel, and transportation, so far as the public and Government were concerned, "as one continuous line; and in such operation and use to afford and secure to each equal advantages and facilities as to rates, time, and transportation, without any discrimination of any kind in favor of the road or business of either or any of said companies, or adverse to the road or business of any or either of the others."

Any two or more of the companies authorized to participate in the benefits of the act were authorized at any time to unite and consolidate their organizations "upon such terms and conditions and in such manner as they may agree upon, and as shall not be incompatible with this act or the laws of the States in which the roads of such companies may be," and thereupon such organization, so formed and consolidated, "shall succeed to, possess, and be entitled to receive from the Government of the United States all and singular the grants, benefits, immunities, guaranties, acts and things to be done and performed, and be subject to the same terms, conditions, restrictions, and requirements which said companies, respectively, at the time of such consolidation are or may be entitled or subject to under this act in place and substitution of said companies so consolidated respectively." (Section 16.)

All the provisions of this act, so far as applicable, relating or in any manner appertaining to the companies so consolidated, or either thereof, were to apply to the consolidated organization. And if, upon the completion by the consolidated organization of the roads, or either of them, of the companies consolidated, any other of the road or roads of either of the other companies authorized and forming, or intended or necessary to form, a portion of "a continuous line" from each of the several designated points on the Missouri River to the Pacific coast shall not have constructed the number of miles of its road within the time required, the consolidated organization was authorized "to continue the construction of its road and telegraph in the general direction and route upon which such incomplete or unconstructed road is hereinbefore authorized to be built, until such continuation of the road of such consolidated organization shall reach the constructed road and telegraph of said other company, and at such point to connect and unite therewith; and for and in aid thereof the said consolidated organization may do and perform, in reference to such portion of road and telegraph as shall so be in continuation of its constructed road and telegraph, and to the construction and equipment thereof, all and singular the several acts and things provided, authorized, or granted to be done by the company authorized to construct and equip the same," and shall be entitled to "similar and like grants, benefits, immunities, guarantees, acts, and things to be done and performed by the Government of the United States, by the President of the United States, or the Secretaries of the Treasury and Interior, and by commissioners in reference to such company, and to such portion of the road hereinbefore authorized to be constructed by it, and upon the like and similar terms and conditions, as far as the same are applicable thereto." "And in case any company authorized thereto shall not enter into any consolidated organization, such company, upon the completion of the road as hereinbefore provided, shall be entitled to, and is hereby authorized to, continue and extend the same under the circumstances, and in accordance with the provisions in this section, and to have all the benefits thereof, as fully and completely as are herein provided touching such consolidated organization. And in case more than one such consolidated organization shall be made, pursuant to this act, the terms and conditions of this act, hereinbefore recited as to one, shall apply in like manner, force, and effect, to the other: *Provided, however*, That rights and interests at any time acquired by one such consolidated organization shall not be impaired by another thereof."

It was further provided that "should the Central Pacific Railroad Company of California complete their line to the eastern line of the State of California before the line of the Union Pacific Railroad Company shall have been extended westward so as to meet the line of said first-named company, said first-named company may extend their line of road eastward 150 miles on the established route, so as to meet and connect with the line of the Union Pacific road, complying in all respects with the provisions and restrictions of this act as to said Union Pacific road, and upon doing so shall enjoy all the rights, privileges, and benefits conferred by this act on said Union Pacific Railroad Company." (Section 16.)

By a subsequent act, approved March 3, 1865, the tenth section of the act of 1864 was so amended as to allow the Central Pacific Railroad Company, and the Western Pacific Railroad Company of California, the Union Pacific Railroad Company, the Union Pacific Railroad Company, Eastern Division, and all other companies provided for in the above act, to issue their 6 per cent thirty-year bonds, to the extent of 100 miles in advance of a continuous, completed line of construction; further, that "the assignment made by the Central Pacific Railroad Company of California to the Western Pacific Railroad Company, of said State, of the right to construct all that portion of said railroad and telegraph from the city of San Jose to Sacramento, was ratified and confirmed to the latter company, 'with all the privileges and

benefits of the several acts of Congress relating thereto and subject to all the conditions thereof.'" (13 Stat. 504, c. 88.)

From this review of the legislation of Congress it appears that the acts of 1862, 1864, and 1865 all relate to the same general subject, and when examined for the purpose of ascertaining the object of Congress in passing them, they should be regarded as one enactment. What that object was is no longer a subject of inquiry in this court. In United States *vs.* Union Pacific Railroad Company (91 U. S., 92), this court, speaking by Mr. Justice Davis, held that the construction of a railroad connecting the Missouri River with the Pacific Ocean was a national work, because such a road would be a great national highway, under national control; that the scheme for establishing that highway originated in national necessities, the country being involved at the time in a civil war, which threatened the disruption of the Union and endangered the safety of our possessions on the Pacific, and that the enterprise required national assistance, because private capital was inadequate for an undertaking of such magnitude.

It appears upon the face of the act of 1862, as amended by the act of 1864, that Congress had in view the promotion of the public interest and welfare by the construction of a railroad and telegraph line that could be used by the Government at all times, but particularly in time of war, for postal, military, and other purposes, and that, so far as the Government and the public were concerned, such road and telegraph were to be operated as one continuous line. These ends were to be attained through the agency of a corporation created by Congress and of certain corporations organized under State laws, which Congress selected as instruments to be employed in accomplishing the public objects specified in its legislation.

Naturally, the next inquiry is whether Congress made any, and, if any what, provision to secure the United States against liability on account of its bonds issued in aid of the construction of this national highway. The acts of 1862 and 1864 furnish the answer to this question. By the act of 1862, as we have seen, it is provided that the issuing of bonds and their delivery to the railroad company entitled to receive them should ipso facto constitute a mortgage on the whole line of the railroad and telegraph constructed by the company receiving the bonds, together with its rolling stock, fixtures, and property of every kind and description, and in consideration of which the bonds were issued; and upon the refusal or failure of the company to redeem the bonds, or any part of them, when required so to do by the Secretary of the Treasury in accordance with the act, the railroad, with all the rights, functions, immunities, and appurtenances appertaining thereto, and all lands granted to the company could be taken possession by that officer, for the use and benefit of the United States. The same act also authorized the Government to retain all sums due as compensation for services rendered in its behalf by the railroad company.

These provisions were so far altered by the act of 1864 as to authorize the Union Pacific Railroad Company, or any company authorized to participate in the construction of the road from the Missouri River to the Pacific Ocean, to place a first mortgage on their railroad and telegraph lines, respectively (to an amount not exceeding the bonds of the United States), to which mortgage the lien of the United States bonds was made subordinate—saving the right of the Government, reserved in the act of 1862, to be preferred in the use of the railroad and telegraph for the transportation of the mails, troops, and munitions of war, and the transmission of telegraphic dispatches. The act of 1864 also provided that only one-half of the compensation due from the Government for services rendered should be retained and applied to the payment of the bonds issued by the United States. But the act of May 7, 1878, known as the Thurman Act (20 Statutes, 56, chapter 96, section 2), provided that the whole of such compensation might be retained, one-half to be applied to the payment of interest on the bonds issued by the United States, and the other half to be turned into the sinking fund established by that act.

These and other provisions indicate the extent to which Congress deemed it necessary to make provision for the protection of the United States against liability on its bonds loaned to railroad companies for the purposes indicated in the act of 1862. The security taken by the Government was, of course, impaired by the act of 1864, which subordinated the lien of the United States as originally declared to the first mortgages executed by the respective companies under the authority of that act. But if the act of 1862, fairly interpreted, excludes the idea that stockholders of the companies receiving subsidy bonds were to be personally liable to the United States for the principal and interest accruing on those bonds, the legislation of 1864, however unwise, did not have the effect of imposing such liability.

Now, the important fact disclosed by the Pacific Railroad acts is that no one of them contains any clause imposing upon the stockholders of a corporation receiving subsidy bonds personal responsibility for any debt due to the United States from such corporation by reason of his failure to pay those bonds at maturity. It was, of course, competent for Congress, when incorporating the Union Pacific Railroad Company, to impose such liability upon the stockholders of that corporation.

But as it did not do so, as the personal liability of stockholders for the debts of the corporation arises only from statute, it can not be claimed, nor is it claimed, that the stockholders of that corporation incurred by their subscriptions of stock any liability to the United States or to any other creditor for the debts of that company; they were bound, of course, to make good the amount of their subscriptions: but that being done, their personal responsibility to creditors of the corporate body ceased. (Pollard *vs.* Bailey, 20 Wall., 520, 526; Terry *vs.* Little, 101 U. S., 217; Trustees of Free Schools in Andover *vs.* Flint, 13 Met., 539, 541; Slee *vs.* Bloom, 19 John., 456, 474; Carr *vs.* Iglehart, 3 Ohio St., 458; Seymour *vs.* Seymour, 26 N. Y., 134, 139; Bohn *vs.* Brown, 33 Mich., 257; Woods *vs.* Wicks, 7 Lea, 40, 45; Smith *vs.* Huckabee, 53 Ala., 191, 193; Salt Lake City National Bank *vs.* Hendrickson, 40 N. J. L., 52, 54; Coffin *vs.* Rich, 45 Me., 507, 510; 3 Thomps. on Corp., section 2925, and authorities there cited.)

Congress by its legislation encouraged and invited the investment of private capital in the construction of a highway which at that time was deemed of vital importance to the whole country. As the stockholder of a corporation is not liable, beyond the amount of his unpaid subscription, for its debts, unless such liability is imposed by statute, and as the acts of Congress in question are silent upon that subject, every subscriber to the stock of the Union Pacific Railroad Company must be deemed to have become such upon the condition, implied by law, that he should not be personally liable for the debts of the corporation. It is not too much to say that if the acts of 1862 and 1864 had made the stockholders of the corporations therein named personally liable, in proportion to their stock, for the repayment of the principal and interest of the bonds issued and delivered to such corporation, the accomplishing of the objects Congress had in view would have been seriously retarded, if not wholly defeated.

It is said, however, that these principles have no application to stockholders of California corporations that came into existence under constitutional and statutory provisions making a stockholder of a railroad corporation liable, in proportion to his stock, for its debts and obligations.

This position can not be sustained except upon the theory that Congress intended to take a larger security, in respect of that part of the Pacific road which the California company undertook to construct and maintain, than it took in respect of the Union Pacific Railroad. But it can not be inferred from the legislation of Congress that it intended, for the protection of the interests of the United States, to impose a heavier liability upon the stockholders of the California company than was imposed upon the stockholders of the Union Pacific Railroad Company. Why should it have so intended? Why should it be supposed that Congress would purposely make it more difficult to construct one part of the proposed national highway than another?

The supreme end sought to be attained was, by means of private capital and governmental aid, to secure the construction of the whole line for the benefit, primarily, of the United States, and for the use of all the people. If, instead of making use of the Central Pacific Railroad Company of California, Congress had itself created a corporation with authority to construct a road from San Francisco through the Territories of the United States, to meet the Union Pacific Railroad Company, no one would suggest that the stockholders of such a corporation would have been liable for its debts, unless Congress expressly imposed liability upon them. In respect of the liability of stockholders to the United States, on account of its subsidy bonds, we can not believe that Congress intended to apply to the stockholders of the State corporation, selected to participate in the great work of establishing railroad and telegraphic communication between the Missouri River and the Pacific Ocean, any rule that it did not prescribe for stockholders of a national corporation created for the purpose of accomplishing the same object.

As Congress contemplated the construction of one connected, continuous line from the Missouri River to the Pacific Ocean to be used for governmental and public purposes; as it recognized "the necessity of uniting, by iron bands, the destiny of the Pacific and Atlantic States;" as its enactments disclose an intention to grant national aid to the corporations named, upon terms and conditions applicable alike to all of them, we can not impute to it the purpose to make a discrimination against one part of that line that would necessarily have retarded the accomplishment of the important public object which it had in view. Throughout the whole of the acts referred to is manifest the purpose that the California corporation, and other State corporations named, should enjoy the rights, immunities, benefits, and privileges given to them, upon the same terms and conditions as were prescribed for the Union Pacific Railroad Company.

But the imposition of liability upon the stockholders of the California corporation for the debt of that corporation arising out of the bonds it received from the United States, when no such liability was imposed upon the stockholders of the Union Pacific Railroad corporation on account of like bonds received by it, would be inconsistent with that equality in terms and conditions which Congress prescribed for the corporations that were invited or permitted to participate in the grants, rights, benefits, privileges, and immunities granted by the General Government to the corporation created by it.

It should be remembered that the question here is not whether the stockholders of the California company can be made liable for its debts to the United States arising in some other way than under the Pacific railroad acts and by the acceptance of United States bonds in aid of the construction of its road. Nor are we now to decide whether the adoption of the California corporation as an instrument of the National Government in accomplishing a national object exempted its stockholders from liability under the constitution and laws of California to ordinary creditors.

The question before us relates only to the liability of the stockholders of the California corporation on account of a claim of the United States arising out of particular acts of Congress which authorized the issuing and delivery of bonds to that corporation, and made such provision for the security of the United States as Congress deemed necessary and proper, but which did not reserve any right to look to the stockholders of that corporation if it failed or refused to meet the obligation imposed upon it in respect of those bonds.

Touching the obligation of the several railroad companies to pay at maturity the bonds received from the United States in aid of the construction of a railroad and telegraph line to the Pacific Ocean, there are cogent reasons apart from the words of the act of Congress why a rule should not be applied to the stockholders of the Central Pacific Railroad Company which confessedly can not be applied to stockholders of the Union Pacific Railroad Company. Both corporations participated in the execution of the purposes of Congress. Each received franchises and powers from the Federal Government to be exerted for objects of national concern. Although the Central Pacific Railroad Company of California became an artificial being under the laws of that State, its road owes its existence to the National Government, for all that was accomplished by the corporation that constructed and owns it was accomplished in the exercise of privileges granted by and because of the aid derived from the United States.

"By the act of 1862," this court has said, "Congress granted this corporation a right to build a road from San Francisco, or the navigable waters of the Sacramento River, to the eastern boundary of the State, and thence through the Territories of the United States, until it met the road of the Union Pacific Company. For this purpose all the rights, privileges, and franchises were given this company that were granted the Union Pacific Company, except the franchise of being a corporation, and such others as were merely incident to the organization of the company. The land grants and subsidy bonds to this company were the same in character and quantity as those to the Union Pacific, and the same right of amendment was reserved. Each of the companies was required to file in the Department of the Interior its acceptance of the conditions imposed before it could become entitled to the benefits conferred by the act.

"This was promptly done by the Central Pacific Company, and in this way that corporation voluntarily submitted itself to such legislative control by Congress as was reserved under the power of amendment." Again, in the same case: "But for the corporate powers and financial aid granted by Congress it is not probable that the road would have been built." (Sinking Fund Cases, 99 U. S., 710, 727.) And in California *vs.* Pacific Railroad Company, 127 U. S., 1, 38, Mr. Justice Bradley, delivering the opinion of the court, referred to the Pacific railroad acts, relating to the Central Pacific Railroad, and said: "Thus, without referring to the other franchises and privileges conferred upon this company, the fundamental franchise was given by the acts of 1862 and the subsequent acts to construct a railroad from the Pacific Ocean across the State of California and the Federal Territories until it should meet the Union Pacific, which it did meet at Ogden, in the Territory of Utah."

The relations between the California corporation and the State were of no concern to the National Government at the time the purpose was formed to establish a great highway across the continent for governmental and public use. Congress chose this existing artificial being as an instrumentality to accomplish national ends, and the relations between the United States and that corporation ought to be determined by the enactments which established those relations; and if those enactments do not expressly nor by implication subject the stockholders of such corporation to liability for its debts, it is to be presumed that Congress intended to waive its right to impose any such liability.

The views we have expressed render it unnecessary to consider any other question in the case. We are of opinion that the bill filed by the United States was properly dismissed, and that the order of the circuit court of appeals affirming such dismissal was correct.

The judgment is, therefore, affirmed.

SUPREME COURT OF THE UNITED STATES.

No. 559.—October term, 1895.

The Central Pacific Railroad Company, plaintiff in error, *vs.* The People of the State of California. In error to the supreme court of the State of California.

[March 16, 1896.]

Mr. Chief Justice Fuller delivered the opinion of the court:

The assessment of the State board of equalization is not attacked on the ground of fraud, but it is contended that the value of the Federal franchise or franchises possessed by plaintiff in error was included therein, and that as the assessment embraced all the property assessed as a unit, it was thereby wholly invalidated. (Santa Clara County *vs.* Southern Pacific Railroad Company, 118 U. S., 394; California *vs.* Central Pacific Railroad Company, 127 U. S., 1.)

By section 1 of article 13 of the constitution of California it is provided that "all property of the State not exempt under the laws of the United States shall be taxed in proportion to its value, to be ascertained as provided by law. The word 'property' as used in this article and section is hereby declared to include moneys, credits, bonds, stocks, dues, franchises, and all other matters and things, real, personal, or mixed, and capable of private ownership;" and by section 10 that "the franchise, roadway, roadbed, rails, and rolling stock of all railroads operated in more than one county in this State shall be assessed by the State board of equalization at their actual value;" and the political code provided that this must be, and the mode in which it should be, done.

Railway corporations were required to furnish the board of equalization, before it acted, and as of the first Monday of March in each year, a statement signed and sworn to by one of their officers, showing in detail the whole number of miles of railway in the State, and, when the line was partly out of the State, the whole number of miles within and without, owned or operated by each corporation, and the value thereof; the value of the roadway, roadbed, and rails of the whole, and the value of the same within the State; the width of the right of way; the rolling stock and value; the gross earnings of the entire road and of the road within the State; the net income; the capital stock authorized and paid in; the number of shares authorized and issued, etc.

This verified statement for 1887 was made by plaintiff in error in due time, and purported to be a "statement in relation to its property subject to taxation in the State of California, owned by it for the year ending on the first Monday in March, 1887, and of all property used in operating its railway during such year." And it was therein set forth, among other things: "The value of the franchise and entire roadway, roadbed, and rails within this State is $12,273,785." The board of equalization determined "that the actual value of the franchise, roadway, roadbed, rails, and rolling stock of said company within this State at the said date and time in March was and still is the sum of $18,000,000," and thereupon assessed "the said franchise, roadway, roadbed, rails, and rolling stock for the year 1887" at that sum.

By section 3670 of the Political Code, the duplicate record of assessments of railways and the duplicate record of apportionment of railway assessments, or copies thereof, were made prima facie evidence of the assessment, and that the forms of law in relation to the assessment and levy of such taxes had been complied with, and these were put in evidence.

Under this state of facts, the presumption was that the franchise thus included by plaintiff in error in its return and by the board in its assessment was a franchise which was not exempt under the laws of the United States, and that the board had acted upon property within its jurisdiction rather than upon property which it had no power to include in the assessment. Indeed, as the Supreme Court points out, when plaintiff in error included the franchise in its statement, if there were two franchises, one of which could be assessed and the other could not, plaintiff in error ought not to be permitted to say that the one which was not capable of assessment was intended by it to be or was included therein. (People *vs.* Central Pacific Railroad Company, 105 Cal., 592.)

And the court cited San Francisco *vs.* Flood, 64 Cal., 504; Lake County *vs.* Sulphur Bank Mining Company, 68 Cal., 14, and Dear *vs.* Barnum, 80 Cal., 86, which rule that a party who furnishes a list of property for taxation is estopped from questioning the sufficiency of the description so furnished in an action to collect the taxes. Undoubtedly if the board of equalization had included what it had no authority to assess, the company might seek the remedies given under the law to correct the assessment so far as such property was concerned, or recover back the tax thereon, or, if those remedies were not held exclusive, might defend against the attempt to enforce it. But where the property mentioned in the description could be assessed and the assessment followed the return, as it did here, the company ought at least to be held estopped from saying that the description was ambiguous.

It is said that plaintiff in error should not be bound by this statement because it was on printed blanks prepared by the board, but when plaintiff in error filled out and swore to the statement of its property "as being subject to taxation," and the blank form called on plaintiff in error to give a statement of the value of its franchise within the State for the purpose of assessment and taxation, if it had intended to claim that its State and Federal franchises were so merged as to render the former not subject to taxation, or that it had no franchise subject to taxation, it was its duty to so indicate in making the return. Nothing in the law and nothing in the blank form could have compelled it to make a statement contrary to the facts.

Plaintiff in error attempted to rebut the case made by introducing evidence which it claimed tended to show that the franchise assessed covered franchises derived from the United States as well as from the State, but the findings of fact of the trial court were to the contrary, and there being a conflict of evidence on the point, the Supreme Court treated the findings as conclusive in accordance with the well-settled rule on the subject in that jurisdiction. In Reay *vs.* Butler (95 Cal., 206, 214) it was said: "It has been held here in more than a hundred cases, commencing with Payne *vs.* Jacobs (1 Cal., 39), in the first published book of reports of this court, and ending with Dobinson *vs.* McDonald (92 Cal., 33), in the last volume of said reports, that the finding of a jury or court as to a fact decided upon the weight of evidence will not be reviewed by this court."

That rule is equally binding on us. (Republican River Bridge Company *vs.* Kansas Pacific Railroad Company, 92 U. S., 315; Dower *vs.* Richards, 151 U. S., 168.)

It was argued in the supreme court of California, as it has been here, that because the trial judge, after having determined as a fact from the preponderance of the evidence before him that the Federal franchise was not assessed, stated that he thought that if the parol evidence offered had not weighed in plaintiff's favor, and that if by a preponderance of such evidence defendants could have shown that the board intended to and did include a Federal franchise in the assessment, the court would have to disregard it as incompetent, because the effect would be to contradict the record, therefore the evidence had been disregarded by the court in making its decision, and that the rule in respect of the conclusiveness of a determination of facts on a conflict of evidence did not apply.

We entirely concur with the disposition of this suggested by the supreme court, which said: "It clearly appears, however, that the court did not disregard the evidence, but that, after determining as a fact from the preponderance of evidence before it that the Federal franchise had not been assessed, it stated that if the preponderance of evidence had been otherwise, it would have held as a matter of law that the assessment must be tested by its own language. The fact that a court, after giving its decision upon an issue, gives its opinion upon the manner in which it would have decided the issue under other circumstances, does not constitute an error to be reviewed in this court."

Counsel for plaintiff in error also urge that inasmuch as it appeared in the proceedings to assess for 1888 that the board placed "the franchise of the Central Pacific Company derived from the State of California" at $1,250,000, and then assessed "the franchise derived from the State of California, the roadway, roadbed, and rolling stock of said company within said State at the total sum of $15,000,000," it should be inferred from the difference in the language used in the assessment of 1887 and the difference in the total amount that the franchise then assessed included the Federal franchise. But it also appeared that the return of the company for 1888 in respect of this matter was as follows:

The value of the franchise derived from the State within this State..	$25
The value of the entire roadway, roadbed, rolling stock, and rails within this State is	9,376,607
	9,376,632

And we think that neither the difference in valuation nor the difference in the mode of statement has a material bearing on the assessment of 1887. The proceedings in 1888 showed greater care on the part of the company in making the return, and on the part of the board in making the assessment, and possibly if plaintiff in error had been equally careful in relation to the assessment in 1887, it might have resulted that the valuation would have been less, although it does not follow that the reduction in 1888 might not be attributed to a change of financial conditions.

After all, these are considerations which were presented to the trial judge, in connection will all the evidence, and they have been disposed of adversely to the company.

Exceptions were saved to the action of the trial court in respect of the exclusion of certain evidence, but we are unable to find in these rulings or in the decision of the Supreme Court thereon the denial of any title, right, privilege, or immunity specially set up or claimed under the Constitution or laws of the United States.

The rulings passed on by the supreme court, and which we must assume were all that were called to its attention, relate to the cross-examination of the witness Wilcoxen as to statements previously made by him, which the superior court confined to the assessment for 1887, in respect of which he had been examined in chief. The supreme court held that, under the circumstances disclosed by the record, the superior court did not err in this particular.

And also to the exclusion of the evidence of Maslin as to the conversations of members of the board, in making the assessment, in relation thereto. The supreme court held as to this that "the intention of the board or any of its members, or the signification to be given to the term 'franchise,' as used in the assessment, could not be shown in this manner, and the evidence could not be used for impeaching purposes, unless the members of the board had been previously questioned thereon."

The correctness of these rulings commends itself to us, but it is enough to say that it is impossible to predicate error raising a Federal question as to these or any of the rulings on evidence referred to by counsel.

Clearly no such error was committed in the rejection of the general offers of proof if we should treat them as open to consideration notwithstanding the apparent abandonment of the exceptions in that regard in the supreme court. The issue was upon the assessment for the year 1887. The decision in California *vs.* Pacific Railroad Company (127 U. S., 1) was announced April 30, 1888, but the last of the judgments of the circuit court therein considered and affirmed was rendered July 15, 1886. And the action of the board in years prior to 1887, as sought to be shown, was not necessarily relevant or material. Offers of proof must be offers of relevant proof, specific, not so broad as to embrace irrelevant and immaterial matter, and made in good faith. The exercise of the discretion of the trial court in rejecting these offers can not properly be reviewed by us.

The errors assigned as to the nondeduction of outstanding mortgages from the valuation of the property are expressly waived, though it is assigned for error in the brief that the court erred in not holding that, as the State franchise was subject to the lien of a mortgage to the United States, the assessment was invalid because in effect taxing the interest of the United States in that franchise created by the mortgage. As to this, no such question was raised or passed on in the State court; and, moreover, the objection is without merit, on principle and authority, on grounds hereafter stated.

We are thus brought to the consideration of the real question in the case, presented in various aspects and argued with much ability by counsel for plaintiff in error, namely, that the company's franchises are one and inseparable, constituting an indivisible unit, which can not be subjected to taxation by the State of California, because that would be necessarily to subject the Federal franchise to taxation.

The argument is that the franchise of railroads authorized by the State constitution and the provisions of the Political Code to be assessed is nothing but the right to operate the railroad and charge and take tolls thereon; that the right of the Central Pacific Railroad Company to construct, maintain, and operate its railroad in California was conferred upon that company by, and derived by it from, the United States; and that the right is a single right, though granted also by the State.

The company is a corporation of California, made up of two California corporations consolidated by articles of association entered into under the laws of California, and recognized as a California corporation by the acts of Congress through which it obtained Federal assistance and Federal franchises, subsequently to its incorporation in 1861 (12 Stat., 489; 13 Stat., 356; Id., 504; 20 Stat., 56), and never otherwise regarded in the legislation of the State. Indeed, by the act of April 4, 1864 (Stat. Cal. 1863-64, c. 417), passed to "enable the said company more fully and completely to comply with and perform the provisions and conditions of said act of Congress," of July 1, 1862, California authorized the company to construct, maintain, and operate the road and telegraph in the territory lying east of the State, with the usual incidental rights, privileges, and powers, also vesting in the company the rights, franchises, and powers granted by Congress, with the express reservation that the company should be "subject to all the laws of this State concerning railroad and telegraph lines, except that messages and property of the United States, of this State, and of the said company, shall have priority of transportation and transmission over said line of railroad and telegraph." (Sinking Fund Cases, 99 U. S., 754.) Severance of the allegiance of the corporation to the State that created it, and deprivation or transfer of the powers and privileges conferred by the State, were not the object of the grant by the United States, nor the consequence of the acceptance of that grant by the corporation as thereto authorized by the State. (Penn. Co. *vs.* St. Louis Railroad, 118 U. S., 290, 296.) But it was not contended at the bar that the company ever became a corporation of the United States, or that it is other than a State corporation.

Even in respect of railway corporations created by act of Congress the claim of an exemption of their property from State taxation has been repeatedly denied. This was so ruled in Railroad Company *vs.* Peniston, 18 Wall., 5, 30, 36, and Mr. Justice Strong said:

"It can not be that a State tax which remotely affects the efficient exercise of a Federal power is for that reason alone inhibited by the Constitution. To hold that would be to deny to the States all power to tax persons or property. Every tax levied by a State withdraws from the reach of Federal taxation a portion of the property from which it is taken, and to that extent diminishes the subject upon which Federal taxes may be laid. The States are, and they must ever be, coexistent with the National Government. Neither may destroy the other. Hence the Federal Constitution must receive a practical construction. Its limitations and its implied prohibitions must not be extended so far as to destroy the necessary powers of the States or prevent their efficient exercise. * * *

"It is therefore manifest that exemption of Federal agencies from State taxation is dependent, not upon the nature of the agents, or upon the mode of their construction, or upon the fact that they are agents, but upon the effect of the tax; that is, upon the question whether the tax does in truth deprive them of power to serve the Government as they were intended to serve it, or does hinder the efficient exercise of their power. A tax upon their property has no such necessary effect. It leaves them free to discharge the duties they have undertaken to perform. A tax upon their operations is a direct obstruction to the exercise of Federal powers.

"In this case the tax is laid upon the property of the railroad company precisely as was the tax complained of in Thompson *vs.* Union Pacific. It is not imposed upon the franchises or the right of the company to exist and perform the functions for which it was brought into being. Nor is it laid upon any act which the company has been authorized to do. It is not the transmission of dispatches nor the transportation of United States mails or troops or munitions of war that is taxed, but it is exclusively the real and personal property of this agent, taxed in common with all other property of the State of a similar character. It is impossible to maintain that this is an interference with the exercise of any power belonging to the General Government, and if it is not, it is prohibited by no constitutional implication."

In Thompson *vs.* Pacific Railroad (9 Wall., 579) the Union Pacific Railway Company, Eastern Division, a corporation, created by the legislature of Kansas, received Government aid in bonds and land, and, thus aided, constructed its road to become one link in the transcontinental line known as the Union Pacific system, in accordance with the same acts of Congress relating to plaintiff in error, and conferring the same functions and privileges. The State of Kansas having subsequently taxed the roadbed, rolling stock, and certain personal property of the corporation, its stockholders sought to enjoin the collection of the tax on the ground that the property was mortgaged to the United States, and that it was bound under the Congressional grant to perform certain duties and ultimately pay 5 per cent of its net earnings to the United States, and that State taxation would retard and burden it in the discharge of its obligations to the General Government. But the contention was overruled, and Mr. Chief Justice Chase said:

"But we are not aware of any case in which the real estate or other property of a corporation not organized under an act of Congress has been held to be exempt, in the absence of express legislation to that effect, to just contribution, in common with other property, to the general expenditure for the common benefit, because of the employment of the corporation in the service of the Government.

"It is true that some of the reasoning in the case of McCulloch *vs.* Maryland seems to favor the broader doctrine. But the decision itself is limited to the case of the bank, as a corporation created by a law of the United States, and responsible, in the use of its franchises, to the Government of the United States.

"And even in respect to corporations organized under the legislation of Congress, we have already held at this term that the implied limitation upon State taxation derived from the express permission to tax shares in the national banking associations is to be so construed as not to embarrass the imposition or collection of State taxes to the extent of the permission fairly and liberally interpreted.

"We do not think ourselves warranted, therefore, in extending the exemption established by the case of McCulloch *vs.* Maryland beyond its terms. We can not apply it to the case of a corporation deriving its existence from State law, exercising its franchise under State law, and holding its property within State jurisdiction and under State protection.

* * * "No one questions that the power to tax all property, business, and persons, within their respective limits, is original in the States and has never been surrendered. It can not be so used, indeed, as to defeat or hinder the operations of the National Government; but it will be safe to conclude, in general, in reference to persons and State corporations employed in Government service, that when Congress has not interposed to protect their property from State taxation, such taxation is not obnoxious to that objection. (Lane County *vs.* Oregon, 7 Wall., 77; National Bank *vs.* Commonwealth, supra, 353.) We perceive no limits to the principle of exemption which the complainants seek to establish. It would remove from the reach of State taxation all the property of every agent of the Government. * * *

"The nature of the claims to exemption which would be set up is well illustrated by that which is advanced in behalf of the complainants in the case before us. The very ground of claim is in the bounties of the General Government. The allegation is that the Government has advanced large sums to aid in the construction of the road; has contented itself with the security of a second mortgage; has made large grants of land upon no condition of benefit to itself, except that the company will perform certain services for full compensation, independently of those grants; and will admit the Government to a very limited and wholly contingent interest in remote net income. And because of these advances and these grants, and this fully compensated employment, it is claimed that this State corporation, owing its being to State law, and indebted for these benefits to the consent and active interposition of the State legislature, has a constitutional right to hold its property exempt from State taxation; and this without any legislation on the part of Congress which indicates that such exemption is deemed essential to the full performance of its obligations to the Government."

In his dissenting opinion in Railroad Company *vs.* Peniston, 18 Wall, 48, Mr. Justice Bradley distinguishes Thompson *vs.* The Kansas Pacific Railroad Company from that case thus: "That was a State corporation, deriving its origin from State laws, and subject to State regulations and responsibilities. It would be subversive of all our ideas of the necessary independence of the national and State governments, acting in their respective spheres, for the General Government to take the management, control, and regulation of State corporations out of the hands of the State to which they owe their existence, without its consent, or to attempt to exonerate them from the performance of any duties or the payment of any taxes or contributions to which their position as creatures of State legislation renders them liable."

Both these cases were referred to with approval by Mr. Justice Miller in Western Union Telegraph Company *vs.* Massachusetts, 125 U. S., 530, and by Mr. Justice Brewer in Reagan *vs.* Mercantile Trust Company, 154 U. S., 413, 416. In the latter case it was contended that as the Texas and Pacific Railway was a corporation organized under the laws of the United States, it was not subject to the control of the State even as to rates of transportation wholly within the State. The argument was that the company received all its franchises from Congress; that among those franchises was the right to charge and collect tolls, and that the State had not the power, therefore, in any manner to limit or qualify such franchise.

But that position was not sustained, and Mr. Justice Brewer, delivering the opinion, said, "That, conceding to Congress the power to remove the corporation in all its operations from the control of the State, there is in the act creating the company nothing which indicates an intent on the part of Congress to so remove it, and there is nothing in the enforcement by the State of reasonable rates for transportation wholly within the State which will disable the corporation from discharging all the duties and exercising all the powers conferred by Congress."

Although the Central Pacific Company is not a Federal corporation, it is nevertheless true that important franchises were conferred upon the company by Congress, including that of constructing a railroad from the Pacific Ocean to Ogden, in the Territory of Utah. But, as remarked in California *vs.* The Central Pacific Railroad Company (127 U. S., 138), "this important grant, though in part collateral to, was independent of that made to the company by the State of California, and has ever since been possessed and enjoyed." That case came up from the circuit court of the United States for the northern district of California, and the circuit court found that the assessment made by the State board of equalization "included the full value of all franchises and corporate powers held and exercised by the defendant;" and as it could not be denied that that embraced franchises conferred by the United States, it was held that the assessment was invalid, but it was not held nor intimated that if the board of equalization had only included the State franchise the same result would have followed.

Mr. Justice Bradley, delivering the opinion of the court, said:

"Assuming, then, that the Central Pacific Railroad Company has received the important franchises referred to by grant of the United States, the question arises whether they are legitimate subjects of taxation by the State. They were granted to the company for national purposes and to subserve national ends. It seems very clear that the State of California can neither take them away, nor destroy nor abridge them, nor cripple them by onerous burdens. Can it tax them? It may undoubtedly tax outside visible property of the company, situated within the State. That is a different thing.

"But may it tax franchises which are the grant of the United States? In our judgment it can not. What is a franchise? Under the English law Blackstone defines it as 'a royal privilege or grant of the King's prerogative, subsisting in the hands of the subject.' (2 Bl. Com., 37.) Generalized and divested of the special form which it assumes under a monarchical government based on feudal traditions, a franchise is a right, privilege, or power of public concern, which ought not to be exercised by private individuals at their mere will and pleasure, but should be reserved for public control and administration, either by the government directly or by public agents acting under such conditions and regulations as the government may impose in the public interest and for the public security. Such rights and powers must exist under every form of society.

"They are always educed by the laws and customs of the community. Under our system their existence and disposal are under the control of the legislative department of the Government, and they can not be assumed or exercised without legislative authority. No private person can establish a public highway, or a public ferry, or railroad, or charge tolls for the use of the same, without authority from the legislature, direct or derived. These are franchises. No private person can take another's property, even for a public use, without such authority, which is the same as to say that the right of eminent domain can only be exercised by virtue of a legislative grant. This is a franchise. No persons can make themselves a body corporate and politic without legislative authority. Corporate capacity is a franchise. The list might be continued indefinitely."

Mr. Justice Bradley then referred to McCulloch *vs.* Maryland, Osborn *vs.* Bank of the United States, and Brown *vs.* Maryland to the proposition that a power given to a person or corporation by the United States can not be subjected to taxation by a State, and added "that these views are not in conflict with the decisions of this court in Thompson *vs.* Pacific Railroad (9 Wall. 579) and Railroad Company *vs.* Peniston (18 Wall., 5). As explained in the opinion of the court in the latter case, the tax there was upon the property of the company and not upon its franchises or operations. (18 Wall., 35, 37.")

Thus it was reaffirmed that the property of a corporation of the United States might be taxed, though its franchises—as, for instance, its corporate capacity and its power to transact its appropriate business and charge therefor—could not be. It may be regarded as firmly settled that although corporations may be agents of the United States, their property is not the property of the United States, but the property of the agents, and that a State may tax the property of the agents, subject to the limitations pointed out in Railroad Company *vs.* Peniston. (Van Brocklin *vs.* Tennessee, 117 U. S., 151, 177.)

Of course, if Congress should think it necessary for the protection of the United States to declare such property exempted, that would present a different question. Congress did not see fit to do so here, and unless we are prepared to overrule a long line of well-considered decisions, the case comes within the rule therein laid down. Although in Thompson's case it was tangible property that was taxed, that can make no difference in principle, and the reasoning of the opinion applies.

Under the laws of California plaintiff in error obtained from the State the right and privilege of corporate capacity; to construct, maintain, and operate; to charge and collect fares and freights; to exercise the power of eminent domain; to acquire and maintain right of way; to enter upon lands or waters of any person to survey route; to construct road across, along, or upon any stream, water course, roadstead, bay, navigable stream, street, avenue, highway, or across any railway, canal, ditch, or flume; to cross, intersect, join, or unite its railroad with any other railroad at any point on its route; to acquire right of way, roadbed, and material for construction; to take material from the lands of the State, etc. (Stat. Cal. 1861, 607; 2 Deering's Annotated Codes and Stat. Cal., 114.)

It is not to be denied that such rights and privileges have value and constitute taxable property.

The general rule, as stated by Mr. Justice Miller (in State Railroad Tax Cases, 92 U. S. 575, 603), "that the franchise, capital stock, business, and profits of all corporations are liable to taxation in the place where they do business and by the State which creates them, admits of no dispute at this day." And the constitution of California expressly declares that the word "property," as used in section 1 of article 13, providing that "all property in the State, not exempt under the laws of the United States, shall be taxed in proportion to its value," includes franchises, as well as all other matters and things capable of private ownership.

The question here is not a question of the value of the State franchise, but whether that franchise existed, for if in 1887 plaintiff in error possessed any subsisting rights or privileges, otherwise called franchises, derived from the State, then they were taxable, and the extent of their value was to be determined by the board of equalization.

So far as the ability of the company to discharge its duties and obligations to the General Government is concerned, it is difficult to see that taxation of the State franchise would tend to impair that ability any more than taxation

of the roadway, roadbed, rails, and rolling stock. If the necessary effect of a tax on such tangible property is not to unconstitutionally hinder the efficient exercise of the power to serve the Government, neither can it be so in respect of the State franchise. Indeed, the taxation by the State of the franchise granted by it does not, and could not, prevent plaintiff in error from acting under its Federal franchise.

This was an action to recover judgment against the company under the statute, and the franchise was only an element in arriving at the valuation in making the assessment, but if the power to tax the State franchise involved the power to dispose of it at delinquent tax sale or on execution, such sale would be subject to the superior and independent rights of the United States, and the fact that this would affect the value is of no consequence. If the State franchise should be voluntarily surrendered by the company to the State, or forfeited by the State, yet the United States, through the Federal franchise, could still operate the road in California. And, on the other hand, should plaintiff in error in any manner be deprived of its Federal franchise, it would not thereby be prevented from operating in California under its State franchise.

The right and privilege or franchise of being a corporation is of value to its members, and is considered as property separate and distinct from the property which the corporation may acquire; but apart from that, if the State franchise to be assessed were confined to the right to operate the road and take tolls, such a franchise was originally granted by the State to this company, and as such was taxable property. If the subsequent acts of Congress had the effect of creating a Federal franchise to operate the road, that merely rendered the State right subordinate to the Federal right, and did not destroy the State right nor merge it into the Federal right, and no authority is cited to sustain any such proposition. No act of Congress in terms attempted to bring about this result, and no such result can be deduced therefrom by necessary implication.

Whether plaintiff in error now operates its road under the franchise derived from the United States or from the State is immaterial, as the Supreme Court well said. The right to operate the road is valuable, whether it is being exercised or not, and the question, we repeat, relates to the existence of the franchise, and not to the extent of its value.

When we consider that plaintiff in error returned its franchise for assessment, declined to resort to the remedy afforded by the State laws for the correction of the assessment as made if dissatisfied therewith, or to pay its tax and bring suit to recover back the whole or any part of the tax which is claimed to be illegal, we think its position is not one entitled to the favorable consideration of the court; but, without regard to that, we hold, for the reasons given, that the State courts rightly decided that the company had no valid defense to the causes of action proceeded on.

Judgment affirmed.

Mr. Justice White concurred in the result.

Mr. HARRIS. Mr. President, I desire to state, without consuming any of the time of the Senate, that the friends of this resolution are extremely anxious to obtain a vote, if possible; and I hope the Senators who are opposed to the resolution will take such time as may be necessary in their opinion, and that at the end of that time they will give us an opportunity to have the sense of the Senate upon the resolution.

Mr. THURSTON. Mr. President, I will say that the alleged friends of this resolution have filibustered against it for a week now. They have occupied about eighteen hours of debate, and they have filled the RECORD with alleged facts and statistics, and except for their long-drawn-out discussion of the subject it might have been brought to a vote before this time.

I have endeavored at two sessions of Congress to secure an opportunity to discuss this subject. I was prevented at the last session by some of the Senators who are now urging this resolution; and I feel it my duty, before this resolution comes to a vote, to thoroughly and fairly discuss it. I do not know how long that discussion will occupy. There are others who desire to be heard, and it will be time enough to give unanimous consent to fixing a time for the final vote when this discussion is closed.

I understand the Senator from Nevada [Mr. STEWART] desires to address the Senate upon this subject.

Mr. STEWART. Mr. President, there has been a good deal said with regard to the Pacific railroads which was not relevant to any question pending. The proposition now pending is not broad enough to settle any question. The last Administration did not make a contract, because it had no power to take a given sum and dispose of the road. It simply agreed to appear in a certain case, provided a certain bid was made and a guaranty put up to carry it out. That does not hamper the present Administration in protecting the Government by an adequate bid, if provision be made for that, and if they have the money. There is no obligation on the part of the Administration under anything that has occurred to refrain from doing whatever may be necessary to be done to protect the interests of the United States.

I have been very anxious from the beginning that some comprehensive measure might be proposed which would close out the transaction. As to this particular scheme, much might be said on either side; but it certainly does not pay the Government for all its expenditures by a large amount. It pays the Government the original investment and about 3½ per cent on the interest advanced. The Government loses by the settlement, as I figure it out, about 2¾ per cent on the interest that it invested. I think a settlement could have been made which would have been much more satisfactory. I think if a scheme had been reported for the final settlement of the whole thing, it would have been better for the Government and for all parties concerned. This is simply a resolution giving the opinion of the Senate. I think we ought to have something more than an opinion as to the law. The law officers of the Government can give that opinion.

But in the discussion of this question there appears to be a general idea that the construction of the Pacific railroad was originally a conspiracy to rob the Government. The history and the circumstances of that transaction appear to be entirely ignored. I think that the Pacific railroad companies should be settled with as any other business transaction is settled, without regard to prejudice, without regard to the character of the parties, and without regard to the original initiation of the thing.

The history of the Pacific railroads is a very interesting one—a marvelous one. After the acquisition of California and the discovery of gold mines in that region, there was an exodus from the Atlantic States to California of about 250,000 people. They had to cross the plains, which took from three to six months, by ox teams and the like, or to go around the Horn, or cross the Isthmus. It was a far-off country. There was a great desire to have a more intimate connection with that country, and in the early history of that period, soon after the admission of California, this question was constantly discussed on the Pacific Coast.

The Government at Washington took a deep interest and caused various surveys to be made at the time Jefferson Davis was Secretary of War. Four expeditions were fitted out and crossed the continent and made reports. They surveyed four routes—the Northern Pacific, the Central, the Atlantic and Pacific line, and the Southern line on the twenty-second parallel; and so fearful that no line could be got north of the thirty-second parallel was the Government that it induced the Gadsden purchase of Mexico to get a line. The reports of those various surveys occupied a long time and cost a great deal of money, and were embodied in twelve very large volumes, containing a large amount of very interesting matter.

The army engineers reported against all the routes as impracticable except the thirty-second parallel. The matter was then delayed and the war came on. In the meantime societies were formed on the Pacific Coast, and speeches were made by the most eloquent men in favor of the construction of the Pacific railroad. Both parties put planks in their national platforms in favor of the construction of the road, and it was generally conceded that it must be done. After the war broke out and the Pacific Coast was in that isolated condition, great anxiety was felt here and there for the construction of the Pacific railroad.

Some enterprising citizens of Sacramento organized a little company in 1860 or 1861 and commenced the construction of a railroad, called the Pacific Railroad, from Sacramento east. In the summer and fall of 1861 they were procuring influences and petitions with the view of coming to Congress. They came to the Territory of Nevada in the fall of 1861. I was chairman of the committee that received them. They wanted resolutions passed by the legislature. It seemed almost a fake to talk about building a railroad over the Sierra Nevada Mountains, which had been reported against by all the army engineers and was so generally regarded as impossible.

I asked them various questions, but really we looked upon it as a fake. We did not think anything could be accomplished. We passed the resolutions they asked for, because they were perfectly harmless. They came here in 1861–62, and Congress passed an act for the construction of the Pacific Railroad, and in that act it provided for the issuance of bonds to run for thirty years. The entire freight for the Government was to apply on the bonds and the debt and 5 per cent of the net proceeds. This was in 1862. The parties on this side moving in the matter were Boston people. Oakes Ames was at the head of them. He was the only rich man connected with the whole thing. He was supposed to be worth some eight or ten millions. He was a manufacturer in Boston.

We knew him very well by reputation, because the Ames shovel was the shovel we used in our country out there. Ames was a familiar name. They got this bill passed, and they were unable then to raise any money to commence the work. The Government credit went down considerably during the war, and the Government subsidy was entirely inadequate to enable them even to commence work, except a little near Sacramento. In 1864 they came to Congress again, and Congress passed another act providing that only one-half of the service for Government should be applied on the debt.

Mr. HARRIS. Will the Senator yield to me for a question?

Mr. STEWART. Certainly.

Mr. HARRIS. The Senator says Oakes Ames was the only rich man connected with the company at its inception. Will he be kind enough to tell the Senate how many rich men there were connected with it at its close—at the completion?

Mr. STEWART. There were subsequently some more rich men, but they did not make money so fast as they do in Wall street in reorganizing railroads, and it was a long time after the completion of the road before the projectors increased their wealth.

In 1864 Congress passed an act providing that only one-half of the service done for the Government should apply on the debt, and 5 per cent of the net proceeds, and that the company might issue the company bonds to an amount equal to the subsidy of the Government, and should issue them as fast as the Government

issued the bonds in aid of the road as the road progressed. This was a very radical change. It was deemed necessary.

They went on in the construction of the road. It was constructed under great difficulties. The portion from Sacramento or from a few miles outside of Sacramento to Ogden was exceedingly rough, particularly from Sacramento to the State line. It was an exceedingly high mountain, and such a mountain as had never been traversed by a railroad before. The cost of materials used was very excessive because of the war risk to get it around there. Iron was $125 a ton, and everything else in proportion, and greenbacks were at a discount of from 40 to 60 per cent.

Mr. LINDSAY. The Government bonds were payable in lawful money?

Mr. STEWART. They were payable in lawful money.

Mr. LINDSAY. Greenbacks?

Mr. STEWART. Greenbacks. The Government bonds were payable in lawful money—greenbacks.

Mr. HARRIS. The Senator is now discussing the Central Pacific.

Mr. STEWART. Both of them were the same.

Mr. HARRIS. As to the cost of construction?

Mr. STEWART. I am talking about the general difficulties. It so happened that on the Union Pacific, from Omaha to Cheyenne, there was a level piece of ground where the road could be constructed much more cheaply than had been anticipated. That was a great advantage which that strip of road had.

But it went on under the act of 1864, and both parties commenced in earnest the construction. Congress was very anxious for the speedy construction, but in both of the acts which were passed the California company were restricted to the western line of Nevada, the eastern line of California, and in 1865, to hasten the construction, it was provided that each company might go as far as it could with a completed construction of the line. Finally they had a contest here with regard to where they should have their junction, and it was compromised, and Ogden was made the junction.

The road was completed in June, 1869. The settlement was made in January, 1869, as to the junction, and the road was completed so that trains ran through in June, 1869.

At first the Central Pacific was a very profitable enterprise, on account of the silver mines of Nevada, the Comstock furnishing a great deal of business. The road made money, and the stock was sold for a profit. That circumstance enabled the projectors to make money which they could not do in the construction. The Union Pacific subsequently developed a large amount of country. It became more valuable, and is very much more valuable property now. It appears to be the stem of the great system. In 1878 the question was agitated as to whether the companies were making provision for the payment of the debt. It turned out that one-half of the compensation did not go very far toward liquidating the demand, as was anticipated at the time the bill was passed.

At the time the bill was passed various resolutions were sent to the Secretary of War inquiring what was the expense of transportation of arms in the Indian service and so on, and for the Army over this route, and the report came in that it was from four to eight million dollars a year in connection with the mail service, and it was anticipated in the discussion that the fares and freights would more than liquidate the whole debt before the bonds became due. It was passed upon that basis. On that idea the law of 1862 was changed in 1864. If the cost of Government transportation had continued, the debt would have been paid long before the bonds fell due.

But railroad travel became so much cheaper that it eliminated a portion; the railroad settled the Indian question, which eliminated much more, and then other railroads were built, which supplied the country. The Government aided several other roads. It passed a bill granting the alternate sections of land 80 miles wide to the Northern Pacific. It was not known at the time that the land was worth anything, but it turned out to be enormously good land, and that donation of land was of more value by the time the road was constructed than all the subsidies granted to all the other roads put together—money and lands and everything. That was a very valuable grant.

Of course the grants of that kind in building the road relieved the Central route of a portion of its Government business, for the Government took the other route, as was very natural. Then the Atlantic and Pacific had a land grant also, which was utilized for most of the distance. There was a land grant given to the Texas Pacific, which is where the Southern Pacific is now constructed. The Texas Pacific did not construct it from El Paso to California or into California. The grant was first made to the Texas Pacific, and they made an assignment to the Southern Pacific, which the courts held was not good, so that the land grant did not go into effect.

These circumstances have left the companies largely in debt, but there are other considerations connected with the matter. There have been great benefits derived from them. They have not been public enemies at all. They went into it in pursuance of the patriotic desire of all the American people, and they exhibited great pluck and courage. I recollect when all the press of California were ridiculing the men of Sacramento and calling their efforts to build a road the Dutch Flat swindle. They were caricatured. The newspapers exhibited as much genius as any newspaper in modern times in ridiculing these men for making the effort.

Nobody on the Pacific Coast who had any large amount of money was willing to risk it in the enterprise. The gentlemen who undertook it were merchants of Sacramento, the city where the miners obtained their supplies. The gentlemen were Leland Stanford, C. P. Huntington, Mark Hopkins, Charles F. Crocker, and Judge Crocker, his brother. They were not men of great wealth, but they were well-to-do business men, worth, perhaps, several hundred thousand dollars. The very rich men on the Coast would not risk their money in what was regarded as an impossible undertaking. These men are all dead excepting C. P. Huntington; in fact, all the original projectors both in the Union Pacific and the Central Pacific are dead except Mr. Huntington, who has been the leading spirit in the Central Pacific and Southern Pacific from the beginning. He is the greatest builder of railroads, shipyards, and other public works now living, and it is doubtful if any man ever lived in the United States who has built so much and torn down so little.

Most of the great railroad magnates have made their money by reorganizing railroads and operating through the misfortunes of others. Mr. Huntington has torn down nothing, and his genius and enterprise have improved the roads from the Atlantic to the Pacific, many of which he has built. Great good has come from the construction of the Pacific railroad. It led to the building of other continental roads because it demonstrated its practicability. These roads have developed the interior country. If it could have been known that the Pacific railroad legislation would not only have caused the construction of one continental road but many others, and would lead to the building up of States in a region of country which was supposed to be uninhabitable, there would have been even more enthusiasm for legislation than existed at the time of the passage of the Pacific railroad bills.

It is easy to find fault with what others have done, and there may be reasons for complaint of these railroads. It would be impossible that there should not be. But who can say, in view of what has transpired, that the passage of the Pacific railroad bills was not a national necessity and a national blessing? It was not inaugurated as a money-making scheme on the part of the Government, but rather as a war measure to consolidate the Union. But it accomplished other and greater results than could possibly have been anticipated.

Those who discussed it got up one after another—the leading men—and said they did not expect to get anything back except the service for the Government. If they got that, they would be well satisfied. But when they found that this would not amount to much, then Congress insisted that it should be paid; that provision should be made for payment. They passed the Thurman Act, which makes provision for the payment of a certain amount. It requires that all the freight money shall be applied on the debt, as the original act of 1862 did, and then it provides for a certain percentage of the net proceeds. I believe those acts have been complied with. There is where the sinking fund comes from.

What I mean to say is that the scheme was not originally one to rob the Government, but it was a patriotic effort, an effort inspired by patriotism, to some extent. Of course they wanted to make money, but everybody was in favor of constructing the road, and Congress was urging it on by all appropriate legislation. I am aware that these facts do not exonerate them from paying any just debt they owe to the Government.

Mr. HARRIS. If the Senator will pardon me, I wish to call his attention to some testimony with regard to the patriotic character and the methods of the gentlemen who constructed the road. I desire to call attention to a paragraph in the message submitted by President Cleveland January 17, 1888, in which, referring to the report submitted by the commission, he says:

> These reports exhibit such transactions and schemes connected with the construction of the aided roads and their management, and suggest the invention of such devices on the part of those having them in charge, for the apparent purpose of defeating any chance for the Government's reimbursement, that any adjustment or plan of settlement should be predicated upon the substantial interests of the Government rather than any forbearance or generosity deserved by the companies.

Further:

> When the relations created between the Government and these companies by the legislation referred to is considered, it is astonishing that the claim should be made that the directors of these roads owed no duty except to themselves in their construction, that they need regard no interests but their own, and that they were justified in contracting with themselves and making such bargains as resulted in conveying to their pockets all the assets of the companies. As a lienor the Government was vitally interested in the amount of the mortgage to which its security had been subordinated; and it had the right to insist that none of the bonds secured by this prior mortgage should be issued fraudulently or for the purpose of division among these stockholders without consideration.

I desire to call the attention of the Senator from Nevada to that statement.

Mr. STEWART. I am very glad the Senator has called my attention to it, and it is of Mr. Cleveland's arrangement that the Senator from Kansas is complaining so bitterly now. It is an arrangement that he suggests to carry out the ideas of his message. He regards this as a fair thing to be done. I do not think it is anything like as fair a thing to be done as it would have been to have made an arrangement, to have passed a law, whereby the time would have been extended and the Government would have collected the whole debt. But it collects a very large amount of it. I am not prepared to say that it could get more. I think it could, however, if we passed a bill closing the whole thing up.

My objection to this proposition is that it does not close up anything. It simply gives the opinion of the Senate alone. It is advisory of the President as to a matter of law. It is simply an opinion of the Senate, and the President and his advisers are as well able to ascertain what the law is as is the Senate. If we want to settle this matter, it ought to be put in the form of a bill for a settlement.

I do not deny that there have been things done by these companies during all these years which might be complained of, but I do not hear it suggested that the first-mortgage bonds were in excess of what was authorized by law. In fact, they were not. The amount of first-mortgage bonds authorized was precisely equivalent to the Government bonds issued, and the Government bonds were issued as the road was built and inspected.

I do not understand what the President means by the Government having an interest to see that there were no fraudulent bonds issued. Of course it has, but I have not heard any suggestion that such was the case. They put out their own bonds, which were equivalent to the Government bonds. They have until quite recently kept up the interest on the first-mortgage bonds. The Central has kept it up altogether. The other road has failed in the interest on these bonds. There is some question whether or not it was necessary for it to fail, but the question is a business proposition and not a matter of punishment for any original conspiracy. I am familiar with the whole matter from beginning to end, living along the line of the road, being a pioneer in California. I know the anxiety of the good people that this should be done. I know all this, and I know the grand results which have come from this enterprise.

The Government never spent any money which can show half the results that this does. Look at the States which have grown up in consequence of it. I do not make this statement with the view of exonerating the railroad from paying the full amount, the Government having its rights, but I do object to the entry upon the consideration of this subject and treating parties as criminals, claiming thereby that it should not be settled. There ought to be a bill to settle it. The Committee on Pacific Railroads has reported several bills, almost any one of which would have been a good settlement in my judgment. It might have been perfected, and the thing would have been settled. It ought to be settled as a business proposition. There is no reason for keeping this open on any ground that these people were originally bad; that they were totally depraved by nature. Senators talk about that.

It accomplished great results. Look at the millions that have come into the Treasury by the recent development of the line of States across the continent, of the development of the mines, which could not have been done without the roads. The building of this railroad induced the building of other railroads and opened that country. Besides, the leading idea of building the road at the time—during the war—was to cement the Union, the East with the West. The Pacific was an isolated province. The expenditure of fifty or sixty million dollars was to secure a union between the East and the West—to make it one country.

It was thought at the time a very small matter, and Members and Senators who argued the matter argued it on that basis, as a war measure—that it was the pressing necessity of the war. They desired to make it one country, and they induced Congress to make these appropriations; and it has turned out better than anybody anticipated. It has not turned out that they have paid to the Government the amount, but it has saved the Government many times the whole cost of the road. If the Government had paid for transportation the amount which it theretofore had paid in supplying the Indians and in connection with the Indian wars, it would have cost very much more than the entire cost of the road.

The cost of freight and transportation and the expense of the Army in one year's war in Arizona was over $15,000,000. I do not know how many millions the Mormon expedition cost, but a vast sum, and the expenditure in keeping that country were such that everybody was in favor of the construction of this road. There was not a voice against it. The only thing against it was that the engineers had reported it as impracticable; that they could not scale the mountains with a railroad. Many who would not go into it themselves ridiculed the proposition. All admitted it would be a grand boon, worth many times the cost, if it could be accomplished. The only objection in California was the impossibility of accomplishing it. It was thought to be a fake. It turned out to be a reality. The road has been constructed and we have such assets as remain.

It is the duty of the Government of the United States now to act on a business proposition, to settle this debt, and not to be passing resolutions which are mere brutum fulmen, reaching no results. I do not believe this Administration is going to take the responsibility of swindling the Government in this regard. I do not believe it is necessary to give it any opinion. If you give it anything, give it a law. Opinions simply embarrass. The officers of the Government are entitled to a law of Congress to guide them. They ought not to be embarrassed by an ex parte opinion which may conflict with what they conceive to be their duty.

That is my objection to this resolution. It accomplishes no purpose. The purpose now that we have in view is an honest, fair settlement of the obligation these companies owe to the Government. The former equities connected with the matter should not be ignored to the extent of calling these people criminals, because the passage of those laws certainly caused the construction of railroads across the continent twenty years in advance of what any private parties would have ever done. The probabilities are that there would have been no road across up to this time, because much of the line goes over desert, and it is very discouraging on the Central and on the Atlantic and Pacific. It is a very discouraging route, and it was pronounced impracticable. You can see how those obstacles were overcome. We rejoiced when the Gadsden purchase was made, because there was a pass where the mountains are low enough so that there would be a chance to get communication between the two oceans.

Resolutions were passed by the Democratic and Republican conventions that assembled prior to that time, and were hailed with delight, although the scheme was discounted on account of the fear that it was impossible of consummation. This grand enterprise was looked forward to with fervent anxiety by all the people of the Pacific and the Atlantic. It was accomplished. Why not, then, act upon it as a business proposition and pass laws that will enable the Administration to settle this matter and not pass a resolution to embarrass the Administration? It is not a businesslike way of treating the transaction. There is nothing in the history of this whole business to warrant any such treatment.

I am aware that politicians have been making capital out of this thing or that thing, and they have found it popular to abuse the Pacific railroads and to abuse everybody connected with them. I know there is a prejudice against railroads, and there may be some political capital made out of it, but it is unworthy of the Senate to deal with it in that light. It should deal with it as a business proposition, which this resolution does not do. You have a proposition agreed upon that will put an end to it.

Let us settle it on the basis that a sensible business man would settle it, and let the country have peace, instead of dragging it into politics and saying hard things. It is easy to bring forward criticisms. Mr. Cleveland sent his message to Congress, and he turned right around when there came a proposition to him. He was in favor of a settlement. He was in favor of a bill. I understand that he favored the bills that were reported to Congress for the settlement of this question. He was anxious to have a settlement in a business way, and when no action was taken by Congress, he authorized the Attorney-General to appear upon the guaranty that they will make a certain bid and save the Government.

I do not think there was anything in the conduct of Mr. Cleveland in this transaction to reflect upon him or as a business man and straightforward in the transaction. It is not developed in the case, and it ought not to go off on that line. That I am not an admirer of Mr. Cleveland is very well known. I made several objections to him during his term of office. But his treatment of this question does not appear to be out of the ordinary business line. What he has done may or may not have been for the best. If it is not for the best, let Congress take up the subject and pass a bill that shall settle it and be for the best.

That is the position I take in this respect, and that is all I have to say about it. I simply want to impress upon the Senate that this is a business transaction, not to be settled on the assumption that everybody connected with it originally was a rascal, or that it will benefit anybody to inquire into the little shortcomings that do not affect the result. The question is, Have they complied with the statute? If not, why not; and if not, then how shall we make them comply so far as may be consistent with the law? How shall we enforce the contracts to do the best for all parties concerned?

I do not think it is a matter for abuse and animadversion upon the character of men which do not appear in the record. The scheme originally started was a grand patriotic scheme that accomplished results the like of which no appropriation made by Congress ever accomplished. Trace it from the beginning to the end, and see the advantages that have grown up out of it. Of course there have been many complaints against the management

of the road. Freighters are dissatisfied there, and undoubtedly there have been discriminations that ought not to have been made. That has occurred everywhere, on all roads. There have been faults in the management, but that does not go to the main question.

We can not settle all the private grievances against railroads, and in settling the debt of the Pacific railroad that consideration does not come into the question at all. If we undertake to do that, we shall wrangle here as long as we live. We can find something mean to say about men here and about railroad management for a long time. We hear it every day. If we are going in to regulate the railroad management of the United States and say everything mean that can be said of all railroad men, we will not pass a bill here very soon, and this matter will not be settled. I am sorry this resolution is pressed.

I wish the time could be occupied in the discussion and passage of some such bill as has been reported by the Pacific Railroad Committee which would secure the Government the entire amount of its disbursements and enable the railroads to devote their attention to accommodating the public by good and cheap service and not to legislation or politics. What we want is cheaper fares, better service, although the service on the Pacific railroads is equal to any in the United States; but it can be improved, branch railroads built, and the country developed if the Government will allow the management to get out of politics, which politicians make necessary in self-defense. Nevada wants the Central Pacific Railroad improved and made better. She wants a tunnel through the Sierra Nevadas to avoid the snow sheds and heavy grades, and cheapen and expedite transportation to the Pacific. She wants development, and not wrangle and discord.

This resolution can accomplish no good, but I believe in the near future Congress will take a sensible view of the subject and the railroad managers will do likewise, and some arrangement will be made whereby the Government will get its just dues and the rights of all parties be respected. This will not be accomplished by speeches reflecting upon the character of the men who built these great roads and are now passed away. They were respected in their day and generation, and their memories will be held in grateful recollection when the temptation to get political advantage by abusing the constructors of the railroad shall have passed away.

Mr. THURSTON. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The absence of a quorum is suggested by the Senator from Nebraska. The Secretary will call the roll.

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

Allen,	Hale,	Mills,	Stewart,
Allison,	Hanna,	Morgan,	Teller,
Bacon,	Hansbrough,	Morrill,	Thurston,
Bate,	Harris,	Nelson,	Turner,
Berry,	Hawley,	Pettigrew,	Turpie,
Burrows,	Jones, Ark.	Pettus,	Vest,
Caffery,	Kenney,	Platt, Conn.	Walthall,
Chandler,	Lindsay,	Pritchard,	Warren,
Deboe,	McEnery,	Proctor,	Wetmore.
Fairbanks,	Mallory,	Quay,	
Gallinger,	Mantle,	Rawlins,	
Gear,	Mason,	Spooner,	

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

ENROLLED BILL SIGNED.

A message from the House of Representatives, by Mr. W. J. BROWNING, its Chief Clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. 13) making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1897, and for prior years, and for other purposes; and it was thereupon signed by the Vice-President.

UNION PACIFIC RAILROAD.

The Senate resumed the consideration of resolution No. 125, reported by Mr. HARRIS from the Committee on Pacific Railroads, declaring it to be the sense of the Senate that the President should direct the Secretary of the Treasury to carry out the provisions of the act approved March 3, 1887, by clearing off by payment the paramount liens, mortgages, etc., on the Union Pacific Railroad, and to take steps to foreclose any mortgage or lien of the United States on any of said railroad property.

Mr. THURSTON. Mr. President, after what I consider to be an extraordinary filibuster by the alleged friends of the pending resolution against any possibility of a vote upon it at this session, we have now reached a point where they are willing that some one opposed to its adoption shall have an opportunity to discuss it. Those in favor of the resolution differ with me in two particulars, and only two particulars, so far as the real action that ought to be taken is concerned. Those who support the resolution insist that the Government of the United States, which already has $70,000,000 invested in the Union Pacific property, shall now take from its Treasury thirty-four other million dollars and invest them also in the Union Pacific property before it commences or initiates an action to reimburse itself out of the security.

I insist that the Government of the United States has already risked enough moneys in its investment, and that without chancing any further expenditures of money it shall proceed in the ordinary, legal, proper method through the courts of the country to enforce its legal rights, whatever they may be, to secure a repayment of all its claims out of whatever properties the courts of the country say are justly subject thereto.

We differ upon one other proposition. The friends of the resolution insist that the United States shall repudiate the action under which there is now a guarantee bid on the ultimate sale of this property of $45,000,000, and in doing so release the parties known as the reorganization committee from their present deposit of four and a half million dollars, to be forfeited to the United States in case the guaranteed bid is not made upon foreclosure sale.

I insist that this guaranteed bid of $45,000,000 is of the greatest possible advantage to the United States; that to permit those who have made it to withdraw therefrom will be to seriously endanger that part of the claim of the Government which now stands secured under that guaranty; that to repudiate the so-called arrangement made by President Cleveland's Administration with the reorganization committee is to release the present deposit of four and a half million dollars which will be forfeited to the United States if this guaranteed bid is not made upon foreclosure sale.

Therefore we stand opposed on two propositions. Shall the Government foreclose its lien now, insist upon its rights now, get what it can now, close up its foreclosure now, or shall it suspend proceedings, invest $34,000,000 additional in the property, and then endeavor to collect the whole sum back in whatever way it can? Shall the United States take advantage of the present guaranteed bid under which the Government is sure to receive $45,000,000 of the $70,000,000 due, or shall it waive that valuable advantage and leave the ultimate foreclosure sale of the Union Pacific property open to the bidders of the world without any upset price or guaranteed bid?

Mr. President, to pass the resolution means an absolute loss, in my judgment, to the United States of many millions of dollars.

The resolution provides for only two things. First—

That it is the sense of the Senate that the President should, in strict accordance with the above-quoted statute, direct the Secretary of the Treasury to carry out the provisions of said act by redeeming or otherwise clearing off the paramount liens, mortgages, and incumbrances on said railroad by paying the sums lawfully due in respect thereof out of the Treasury to the holders of prior liens.

If any man known to have been friendly to the great Pacific railway interests had offered a resolution in the Congress of the United States at any time in the last fifteen years directing the payment out of the Treasury of the first mortgage on that road, $34,000,000 in amount, he would have been denounced as a robber of the Treasury. He would have been denounced as in league with the railway interests, seeking to secure an additional investment of the moneys of the Government in a railway property that could never under any circumstances pay off its liens.

Mr. President, is it any wonder that I, therefore, stand on the floor of the Senate and assert my solemn belief that this resolution emanates from those first-mortgage bondholders of the Union Pacific Railroad, who are endeavoring in this way to have their bonds paid without taking any chances or paying any part of the expenses involved in a reorganization plan?

I am justified in this belief for another reason. Certain of the minority bondholders, or rather a committee alleging to represent certain minority bondholders of the Union Pacific road, published an invitation to the holders of the securities to come in under their committee. That was published about the holidays in 1895, and in that prospectus was an assertion (that will be verified if Senators care to look up the publication made at the time) that these gentlemen representing the minority bondholders had received favorable assurances from the Secretary of the Treasury that the United States would pay off the first-mortgage bonds.

At every stage of this argument on the floor of the Senate the Senators have been referring to communications they hold from these same minority bondholders.

Mr. MORGAN. Not bondholders; stockholders.

Mr. THURSTON. I am talking about the minority bondholders, who have not submitted to the plan of the reorganization, and who are endeavoring by the passage of this resolution to secure payment of their bonds without expense to themselves from the Treasury of the United States.

Mr. MORGAN. I have made no representation coming from anybody except the stockholders.

Mr. THURSTON. Mr. President, for years, as evidenced by the report of every committee of the Senate and of the House of Representatives, the Pacific roads have been confessedly unable to meet all of their mortgage obligations, including the mortgage

obligations of the United States, and it is to me an astonishing proposition that with this confessed insolvency, with this confessed inadequacy of assets and of security with which to pay off their mortgage obligations, it should now be seriously proposed to take $34,000,000 more out of the Treasury and use it to pay off the first-mortgage bonds.

For twenty-five years there has gone up in the land a wail against the action of Congress which originally invested $34,000,000 in the Union Pacific road, taking for security a lien upon the property; and now, stripped of all this special pleading, robbed of all the reckless and unwarranted charges which have been so freely made upon this floor, the present proposition is to invest another $34,000,000 in this same property and take the chance to get it back on the ultimate sale of the railroad.

Now, what else does this resolution provide for? First, to take the $34,000,000 out of the Treasury, pay it to the first bondholders, and then start a suit to recover on both sets of bonds. Second—

And that the President is requested to suspend proceedings to carry into effect the agreement alleged to have been made to sell the interest of the United States in the Union Pacific Railroad and in the sinking fund until the further action of Congress is had in reference thereto.

As I have already stated, the only agreement that has been made at all by President Cleveland's Administration is an agreement which surrenders no right of the United States. No Senator, no lawyer on earth, can point out to me where there has been any waiver, any surrender of any right of the United States against the property of the railroad, real, mixed, or personal, against any individual who has ever been connected with it, against any outside property in which funds have ever been invested, or against any interest, however remote, in which it is claimed that the proceeds of the operations of the Union Pacific may have gone.

When I ask what right has the Government surrendered; what has it agreed to waive; what has it agreed to give up; what action has it bound itself not to institute, Senators are silent; they can not answer. There is no agreement by which President Cleveland or his Administration waived any right of the United States to enforce its whole claim to the utmost penny, by which it waived any right to pursue its claim to the most remote individual, by which it surrendered any right, equitable or legal, to bring any action in any court against anybody or any property, wherein it could be claimed that a recovery would lie in favor of the United States.

Mr. President, there is nothing behind this resolution except that same old appeal to the rabble and to the prejudices of men. How did it come about that this so-called arrangement was entered into by President Cleveland's Administration? I have never been particularly an admirer of Mr. President Cleveland, but I have admired his Administration in one respect, and that is that so far as the Attorney-General's Department is concerned and so far as the legal rights of the United States are concerned, President Cleveland did call around him some of the ablest, the greatest, the most profound lawyers that are known of modern times.

Mr. Attorney-General Olney was a man who ranked second to no lawyer in the United States in point of ability, integrity of character, and in high professional standing. Mr. Attorney-General Harmon was a man equal to him in all respects professionally, unless it may have been that Mr. Attorney-General Olney had achieved a little wider reputation as a great lawyer; but Mr. Attorney-General Harmon was a man above reproach, of the highest personal and professional character, upon whose legal judgment and into whose professional care varied and vast interests have safely reposed through many a trying time of legal complications.

When it became evident that the affairs of the Pacific roads, and especially of the Union Pacific, had become complicated, and when, on October 13, 1893, that vast system of railroads, which extended from the Missouri River to the Pacific Coast, which penetrated into thirteen States and Territories, which had a mileage of about 8,000 miles, and which was at the time the greatest railway system of the earth—when that great railroad on that date passed under a receivership, when the courts of the United States took possession of that property for its protection, its conservation, and its distribution to those ultimately found to be entitled thereto, it was then that Mr. Cleveland selected another great lawyer of the United States, another great Democratic lawyer, too; and into his care and custody were placed the interests of the United States in its relation to the Union Pacific Railway. That other great lawyer, who has been great in politics, in statecraft as well as in law, was ex-Governor George Hoadly, formerly of Ohio, now one of the leaders of the bar of New York City.

In addition to that, and at the instance of my predecessor, Senator Manderson, the Attorney-General also selected at the West another great lawyer of our locality to look after and to protect the interests of the Government. I refer to the Hon. John C. Cowin, of Omaha, one of the ablest and strongest lawyers of the West, a man of splendid attainments, of recognized character, and unquestioned honesty.

Mr. President, so greatly did President Cleveland and his Administration have at heart the real interests of the United States in this property that they were not at all satisfied with the receivers who had been appointed by the court on the original application for a receivership. The first receivers, appointed on the 13th day of October, 1893, were Mr. Silas H. H. Clark, who had been for a long time the general manager and president of the Union Pacific system, one of the most remarkable and successful railway managers of the age; Mr. Oliver W. Mink, who had been for a long time the comptroller of the system, a man deeply versed in all its monetary affairs and matters of accounts and books, and Mr. E. Ellery Anderson, who was a Government director, a resident of New York, a man who, by reason of his connection with the Pacific railway commission appointed under the act of 1887, was supposed to possess a greater familiarity with the affairs of the Pacific roads than any other man in the country who had not been directly engaged in the management of those roads.

It is a part of the unwritten history of these matters that Mr. Attorney-General Olney called the attention of the people interested in the securities of the Union Pacific to the fact that the United States was not sufficiently represented in the personnel of the receivership; that it only had one out of three; and there was a conference called in this city, at which Attorney-General Olney and Governor Hoadly, on behalf of the Government, and Judge John F. Dillon, of New York, and myself, as counselors for the then receivers and as officers of the court, participated.

We met and discussed the question of a change in the personnel of the receivership. That conference resulted in an ultimatum from Mr. Cleveland, through Attorney-General Olney, that the United States must be represented in that receivership by a majority of receivers selected by the Administration. That determination of the United States was acquiesced in, and Mr. Attorney-General Olney named as two additional receivers John W. Doane, of Chicago, another Government director, and Frederic R. Coudert, of New York City.

Mr. MORGAN. Will the Senator allow me to inquire just there, was the Government of the United States a party to the suit at that time?

Mr. THURSTON. The United States was not a party to the suit at that time.

Mr. MORGAN. Then we have the case here of an outsider, not a party to a suit, insisting upon being represented at that suit by three receivers?

Mr. THURSTON. Yes; you have that exact situation, Mr. President.

Mr. MORGAN. That is a very strange transaction, and I should like the Senator to explain it.

Mr. THURSTON. If the Senator will review the files of that receivership case, he will find that under the direction of Mr. Governor Hoadly, Hon. John C. Cowin, the Western counsel of the United States, appeared in court under a statement that he was there as a representative of the United States, to act as the friend of the court and to point out to the court what its duty was in the premises for the protection of the interests of the United States.

Mr. MORGAN. Now, if the Senator will allow me, I desire to get exactly the statement of the case and the facts before the Senate. The United States, then, after refusing to appear in the suit as a party defendant, appeared by Mr. Hoadly as next friend of the court, I believe the Senator said, to suggest that the Government of the United States should have three receivers in this road. Did the Government thereupon, as the next friend of the court, undertake to take charge of the conduct of the suit?

Mr. THURSTON. The Government by its counsel, Mr. Cowin, expressly disclaimed any purpose of appearing for the United States, it not having been determined by the law officers of the United States as to whether or not such an appearance was desirable, but, having the interests of the Government at heart, its law officers saw to it in a practical way, and in a way which secured all they asked for, that three out of the five receivers should be men selected by Mr. President Cleveland and Mr. Attorney-General Olney, leading Democrats of the United States, who could have no possible interest in the property, whose only object and aim and purpose would necessarily be to see that the rights of all the creditors of that railroad were protected under the receivership; and from the 13th day of December, 1893, down to the present time that property has been in charge of five receivers, three of them great Democrats, selected by Mr. President Cleveland and Mr. Attorney-General Olney.

Mr. President, let me say in that connection, that I hold it as one of the honors of my career professionally that this board of receivers, with three great Democrats in charge, selected me, by permission of the court, as their solicitor, a place which I retained until I came to the Senate of the United States.

I have cited the history of the cases for the purpose of showing to the Senate and to the country that from the date that the Union Pacific system went under a receivership, went into the hands of

the court, President Cleveland and his great law officers were alert, were active, were vigorous, in the maintenance of the rights of the Government. That receivership drifted along until the first-mortgage bondholders——

Mr. WARREN. Mr. President, the Senator from Nebraska is making a very interesting argument, and I know the Senator is not in the habit of talking to empty chairs; and so, if I have his permission, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TURNER in the chair). Does the Senator from Nebraska yield for that purpose?

Mr. THURSTON. I do.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

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

Aldrich,	Fairbanks,	Morgan,	Teller,
Allen,	Gallinger,	Nelson,	Thurston,
Allison,	Gear,	Pasco,	Turner,
Bacon,	Hale,	Pettus,	Turpie,
Bate,	Hanna,	Platt, Conn.	Vest,
Berry,	Harris,	Pritchard,	Walthall,
Burrows,	Hawley,	Proctor,	Warren,
Caffery,	Jones, Ark.	Rawlins,	Wetmore,
Carter,	Lindsay,	Roach,	White.
Chandler,	McEnery,	Shoup,	
Clay,	Mason,	Spooner,	
Daniel,	Mills,	Stewart,	

The PRESIDING OFFICER. Forty-five Senators have responded to their names. A quorum is present. The Senator from Nebraska will proceed.

Mr. THURSTON. Mr. President, during the first two years of the Union Pacific receivership foreclosure bills were filed by all, or nearly all, of the first-mortgage bondholders of the several railroads that went to make up the Union Pacific system. The Oregon Railway and Navigation Company, which furnished the Pacific outlet for the system, and which, with its branches, was resident in Oregon and Washington only, went under foreclosure in the courts of those two States; and after a very spirited contest, after the utmost resistance on the part of the receivers of the system to the severance of their receivership, and the placing of the Oregon Railway and Navigation line under a separate receiver, the courts of Washington and Oregon appointed other receivers for those Western lines in the interest of the bondholders of those roads; and those roads have been operated for nearly two years past under a separate receivership, which, I believe, has finally resulted in a sale of the properties and their reorganization; and it is now a part of the common railway history of the country that the control of those lines is hostile to the Union Pacific.

So that, instead of furnishing a Pacific outlet to the Union Pacific system, instead of being operated in harmony therewith, they are now rival lines, shutting off the Union Pacific from the waters of the Pacific Coast, and used for the purpose of gathering up business and transporting it across the country by the Great Northern lines, rivals of the main Union Pacific line, which is Government aided.

Mr. MORGAN. May I inquire of the Senator whether the United States was a party defendant in that suit of which he has just been speaking?

Mr. THURSTON. General Cowin, to whom I have referred, the Government counsel, went to Portland and attended the hearings in which I resisted for the receivers of the Union Pacific a separate and severed receivership, and he made the same appearance there for the Government that I have stated he made in the original case, and was permitted by the Oregon court to argue at length against the action of those courts severing the system.

Mr. MORGAN. If I understand that statement, the United States was not a party to the suit, but Mr. Cowin went there as amicus curiæ to inform the court of his opinion of the law on the subject.

Mr. THURSTON. The Senator understands it correctly.

Mr. MORGAN. That is right.

Mr. THURSTON. And I may say to the Senator that in the decision which severed that part of the system the court of Oregon held that the Government of the United States had no interest in those lines and no right to be heard.

Mr. MORGAN. The Senator does not contend that the United States is concluded by a decree in a suit to which it was not a party?

Mr. THURSTON. Certainly not. If the Government had any right or interest as against that property, it has it still.

Then the Oregon Short Line and Utah Northern Railway Company, which was the connecting link between the Union Pacific Government-aided line and the Oregon lines and which furnished the whole network of branch lines on which the business of Utah, Idaho, and Montana was gathered up and transferred to and shipped over the main lines—that system went away under the foreclosure of its first-mortgage bonds. It was taken away by the decrees of the courts after the most spirited contest on the part of the general receivers of the Union Pacific system. The foreclosure of the mortgages on those lines went to a final decree; the road has been sold out and reorganized. It is a part of the common railway history of the land that it is now operated in opposition to the Union Pacific; that it has formed offensive and defensive alliances with the Denver and Rio Grande and the Great Northern Railway, the two parallel competing lines of the Union Pacific on the south and the north.

Mr. MORGAN. May I inquire of the Senator whether the Union Pacific was not a majority stockholder or had a large amount of stock in the Oregon Short Line?

Mr. THURSTON. It had unquestionably, and it appeared as a stockholder and set up its claim, but the road was sold out by the bondholders.

Mr. MORGAN. And that stock is gone?

Mr. THURSTON. That stock is gone.

Mr. MORGAN. How much of it was there?

Mr. THURSTON. And necessarily gone, because it is true of that line as it is of all the other Western railway lines that what seemed to be their value fifteen years ago is not their value to-day, and in my judgment never will be their value again.

Mr. MORGAN. Does the Senator know how much stock the Union Pacific had in the Oregon Short Line?

Mr. THURSTON. I can not give the Senator the figures, but they are very large. That corporation had, I think, about 2,000 miles of road, very heavily capitalized. The Union Pacific held a majority of its stock, but not in the way that has been suggested by the Senator from Alabama. It is true, as I said on the floor the other day, that the Union Pacific, before it went into the hands of the courts, had invested in the stocks and bonds of other companies, and by such investment and by traffic agreements entered into had secured the operation of a number of separate railway lines belonging to separate railway companies, and thereby formed that great system of which I have spoken.

But as a matter of fact, little more than the credit of the Union Pacific was invested in any of these purchases of the outside stock or bonds of other companies. The Senator will find, if he looks over the record, that when the Union Pacific bought the controlling stock in the Oregon Railway and Navigation Company, something over $12,000,000 par value, purchased at 90 cents on the dollar, the money to buy that stock was raised on a trust—what I would call a chattel mortgage. They issued what I would call, in order that laymen may understand it, a chattel mortgage—a deed of trust for about $11,000,000—and they put up the stock they had purchased as collateral to it, and thereby, without putting anything into the transaction except the faith and credit of the company, they secured control of this other system.

Mr. MORGAN. Did the Union Pacific put up its stock also as collateral?

Mr. THURSTON. No; it did not.

Mr. MORGAN. Why not?

Mr. THURSTON. It put up none of its stock. The stock of the Union Pacific was held by about 3,000 persons in all parts of the world. There was, you may say, none in the treasury.

Mr. MORGAN. The Senator misapprehended me. Did the Union Pacific put up any part of its stock in the Oregon Short Line as a guaranty?

Mr. THURSTON. It said to the owners of the Oregon stock, "We will give you $11,000,000 for $12,000,000 of your stock." It financiered, as I understand it, with the Baring Bros. for a loan of $11,000,000 and put up the stock it purchased as collateral for the money. That was the transaction.

Mr. MORGAN. The Union Pacific put up its stock as collateral for the loan?

Mr. THURSTON. It put it up for collateral to the loan, the stock that was purchased with the money. That is all. That is generally true of the manner in which it acquired the stock in the other lines.

Now, that perhaps would have been all right if the conditions of the country had remained the same, because if the Oregon Railway and Navigation stock had continued worth 90 cents, or, as it was then quoted on the market, about 96, it would have been good security for the loan, and there would have been gradually paid, as there was for a time, interest and a part of the principal of the loan. But railway values in the West and all over the country went down for reasons which I will not occupy the time of the Senate to discuss; for reasons about which we might differ; in my judgment, from a combination of conditions. But no one can definitely specify or trace the causes to a single origin.

I will say to the Senator from Alabama that before this stock transaction to which I have referred took place the Union Pacific, acting through the Oregon Short Line, had taken a lease on the Oregon Railway and Navigation property, under which it agreed to pay as lease money the interest on all the bonded indebtedness of the Oregon Railway and Navigation Company and, if my memory serves me right, 6 per cent on the entire capital stock of that company, then $24,000,000. I confess to the Senator from Alabama that in the statement of these figures there may be more

or less inaccuracy. It is impossible for any man to remember with absolute certainty, and so as not to make any mistake, all the details of these great transactions. But in the main I am stating the situation correctly.

Mr. MORGAN. May I inquire of the Senator whether in the reorganization of the Oregon Railway and Navigation Company the common stock was included in the plan of reorganization?

Mr. THURSTON. I think in the reorganization of the Short Line Company some provision was made for participation by the old stock in the stock of the new company, and that the stock which the Union Pacific Company had purchased with its credit, and had immediately put up as collateral for the money borrowed to pay for it, was represented in the reorganization and received a proportionate share, whatever that may have been, of the stock of the new company. If I am correct in that, it follows that the stock of the new Oregon Railway and Navigation Company, whatever the proportion may have been, took the place of the old stock under this collateral trust. It did not come to the Union Pacific. It took the place of the other security for the old original loan.

Mr. MORGAN. Does the Senator remember the names of the parties who made the reorganization; the committee, for instance?

Mr. THURSTON. I think one of the parties was Henry R. Reed, of Boston; another of the parties, if I am not mistaken, was James L. Carr, of Boston; another, I think, was Oliver Ames, of Boston. The other names I do not know. I will say for the benefit of the Senator that Mr. Carr and Mr. Ames were both stockholders of the Union Pacific and holders of some of the securities of the Union Pacific. To be entirely fair with the Senator——

Mr. MORGAN. They are both provided for in the reorganization agreement which I put into the RECORD Saturday.

Mr. THURSTON. Whatever may be the securities of these gentlemen in the Union Pacific, while I know nothing about it, I have every reason to suppose they are represented in the reorganization committee of the Union Pacific.

Mr. MORGAN. The Fitzgerald committee?

Mr. THURSTON. The Fitzgerald committee. I have no doubt of it.

Then, Mr. President, in similar ways, by process of the local courts, whose proceedings and judgments could not be stayed and could not have been stayed by the United States, the several portions of the Union Pacific road broke asunder. The mortgagees took them, foreclosed them, severed them, part of them were reorganized, and part are in process of reorganization.

Mr. MORGAN. Now, if I understand the matter, in each one of these corporations, which, as the Senator says, broke away from the Union Pacific, the Union Pacific had a controlling stock interest.

Mr. THURSTON. In some it had a controlling stock interest. With others it had traffic agreements. In others it had both a stock and a bonded interest.

Mr. MORGAN. Was the United States a party to any of those proceedings?

Mr. THURSTON. The United States was not a party to any of those proceedings; and if the United States, out of the sale of the Union Pacific, does not realize its full claim, it can pursue all the remedies it ever had against all these properties, and that entirely irrespective of the foreclosure sale which the Senator now seeks to hold up.

Mr. MORGAN. As I understand it, the proposed contract of sale made by President Cleveland conveys all the property and rights of the Union Pacific of every kind and character to the purchaser, as a decree of court would, and the bill is framed to sell the entire interest of the United States in the Union Pacific Company, subject to the following liens or mortgages.

Mr. THURSTON. There, as I have stated all the time, the Senator and I utterly disagree. There has been no engagement on the part of the United States to waive any of its claims. Whatever property the court has hold of is to be sold, and there is a guaranteed bid. If there is any deficiency after the sale, the Government of the United States is still the owner of the deficiency claim and can pursue its remedy for the collection thereof just as far as it could if the so-called arrangement with President Cleveland had not been made.

Mr. MORGAN. The Senator, I think, misapprehends the point I make. It is that the reorganization which has been made by the Fitzgerald committee includes a disposition or disposal of all the rights, credits, belongings of the Union Pacific Railroad Company into the hands of the committee, in absolute ownership, to be disposed of by them as they see proper. The agreement was the predicate upon which the letters were passed among Mr. Harmon and Mr. Hoadly and Mr. Fitzgerald which resulted in the agreement between them for the purchase at the foreclosure sale of this property.

Now, no exception, I understand, has been made in favor of the United States out of that sale of any right or privilege or franchise or anything of the kind. It all passes subject to the prior lien of the first-mortgage bondholders.

Mr. THURSTON. The sale, of course, will go on like any other railroad foreclosure sale. The court takes the property—all it can lay its hands on. The real estate it takes, and it reduces to possession such of the assets as it can lay the hands of the court upon, thereby subjecting them to the lien of the mortgages and disposition of the court. The court sells what it has got. It does not foreclose the United States from pursuing its claim against other railroad properties. If there is a deficiency and the Government has any claim against the Oregon Short Line, the Oregon Navigation Company, or the Union Pacific, Denver and Gulf Company, or any of the old branch-line properties not foreclosed, it can proceed against them as fully as if no agreement had been made.

Nothing in this suit affects the claim of the Government against those roads. But the claim of the Government against outside companies, and the claim of the Government against the stockholders and bondholders for misappropriation of funds, for malfeasance or misfeasance in office, does not attach and never can attach until there is a deficiency ascertained.

So, Mr. President, the Administration of President Cleveland was presented the spectacle of the different courts of the United States, at the instance of the first-mortgage bondholders, who had first right to these separate and distinct properties, taking possession of the several railroads, appointing separate receivers, foreclosing the mortgages thereon, selling them out, severing them from the Union Pacific, until it reached the point where the old main line of the Union Pacific stood single and alone, a line from the Missouri River on the east to Ogden, in Utah, on the west, 1,032 miles; from Kansas City on the east to Denver on the west, from Denver across to Cheyenne on the main line, a distance of about 800 miles more, and at the time that this so-called arrangement was made the naked trunks of the Union Pacific stood stripped of every branch.

This is important because that great system, as a system, was one thing; the 1,800 miles of original main line is another. It is also important because it throws light upon the figures which Senators have read here, wherein they have claimed on the floor that the Union Pacific Railroad for a series of years earned over $7,000,000 per annum. Those figures were for the system during the years when 8,000 miles were operated, and not to the latter years, when severed and alone the entire earnings to pay the first-mortgage bonds and the Government must be made from 1,800 miles of road.

Mr. President, the Cleveland Administration waited until it discovered another thing, and that was that first mortgages were being foreclosed on every foot of the Union Pacific main line. It waited until it was disclosed that the issues had been made up, and that these foreclosures were approaching final decrees. It waited until it was face to face with a vision of the sale of those properties, the Government left out.

Now, what ought President Cleveland to have done? I have rarely defended him. I have not been called upon to do so much, but he certainly did see to it that the United States was equipped with a splendid corps of eminent lawyers to look after its interests in the matter of foreclosure, to see to its protection, to make sure that its rights were not sacrificed, its assets dissipated, its remedies gone.

Having reached that point, I beg to call the attention of the Senate and the country to the action that followed. The action is fully set forth in the report of the Government directors to the Department of the Interior, made on the 23d day of January last, which since that time has constituted a part of the record of the Department—that Department where ever since the Government has had relation with railroads all reports affecting those relations have gone on record and are to be found; that Department in which any Senator or any citizen desiring any information upon the subject is directed, by the law of the land, by the usual course of procedure, and by the precedents long time set. The report of the Government directors is as follows:

[Copy of Union Pacific Government directors' report to the Department of the Interior.]

SIR: In the Government directors' report of the Union Pacific Railway Company made to you, and bearing date September 12, 1896, they referred to the fact that the large interests which are represented in the committees charged with the reorganization of the property might, at a somewhat later period, assume a more definite attitude and define more clearly the part which they might be willing to take in reaching a satisfactory adjustment of the Government claim. We further stated that, in that event, we should file a supplemental report with our recommendations to your Department.

During the first and second sessions of the Fifty-fourth Congress the subject of the adjustment of the debts of the bond-aided roads to the Government, which had been the subject of so much prolific discussion during the earlier Congresses, was again brought forward, patiently examined by the committee of the House, and the deliberations of that committee resulted in what is known as the Powers bill. The House allowed three days for its discussion, and the result was that the bill was lost by a decisive majority.

In the opinion of the Government directors, the provisions of the Powers bill were not favorable to the Government. By its terms the Union Pacific Railway Company, or its successor, was allowed to subject the property to a prior lien of $54,000,000, bearing interest at 4 per cent. This is over $20,000,000

more than the lien which now precedes the Government's, and while it is true that the property bound by the Government lien would have been the entire 1,822 miles which complete the Union Pacific Railway Company's property, including terminals, it is still true that the second mortgage to be given to the Government would offer but an imperfect security.

Since the failure of the Powers bill the reorganization committee, representing a very large majority of the stocks and bonds of the Union Pacific Railway Company, which committee consists of Messrs. Louis Fitzgerald, Jacob H. Schiff, T. Jefferson Coolidge, jr., Chauncey M. Depew, Marvin Hughitt, and Oliver Ames, 2d, have presented to Hon. Judson Harmon, the Attorney-General of the United States, a proposition contained in the letter of Gen. Louis Fitzgerald, chairman, to the Hon. George Hoadly, dated January 15, 1897, which was written in answer to the latter's letter of January 14, 1897.

The entire correspondence is as follows:

"NEW YORK, *January 14, 1897.*

"DEAR SIR: As you are probably aware, I have for more than two years past had charge, under the direction of the Attorney-General of the United States, as special assistant to him, of the interest of the United States in the matter of its issue of subsidy bonds and its lien securing the same upon the Union Pacific Railway.

"The defeat of the proposed funding bill by the House of Representatives renders it certain that the President, the Secretary of the Treasury, and the Attorney-General must look in some other direction for the protection of the interests of the United States.

"After a careful consideration by the late and present Attorney-General and myself it was decided at an early stage in the history of the Pacific Railroad litigation that the Government should not appear in that cause until the parties competent and responsible to act should appear who would enter into some definite arrangement for a bid upon the property, including the sinking fund, at such a rate as would afford reasonable protection to the interests of the United States, and yet not prevent competition which might result in larger offers.

"It has been informally suggested that the committee of reorganization, of which you are chairman, are prepared to enter into engagement to make a bid on the sale of the Union Pacific and Kansas Pacific railways, and of the sinking fund of the Union Pacific Railway, of a sum which, without debarring the Government from accepting a higher bid at such sale, would afford some reasonable approximation to the value of the rights of the Government as a second mortgage of the property, if it should prove to be the highest and best bid.

"I therefore solicit from you an early response, to be communicated by me to the executive department of the Government, as to whether your committee would be willing to fix a sum which they would be willing to bid at a sale if procured in foreclosure, and which would carry a perfect title to the property, barring the right of the United States as well as first mortgagees from future claims, so that we may know before commencing proceedings that we are secured at least an approximate equivalent to the value of the property as the result of the prosecution of a foreclosure case such as the Attorney-General is authorized to bring.

"I shall be glad if you will kindly take up this matter for early action, and if your committee are willing to bind themselves to make such a bid, please accompany your reply with detailed suggestions as to how the performance may be secured to the satisfaction of the Government.

"Yours, truly,

"GEORGE HOADLY.

"Gen. LOUIS FITZGERALD,
"*120 Broadway, City.*

—

"NEW YORK, *January 15, 1897.*

"DEAR SIR: Replying on behalf of the Union Pacific reorganization committee to your favor of the 14th instant, in which you request from this committee such propositions as it may be willing to make, fixing a guaranteed bid at foreclosure and sale for the interest of the United States in the Union Pacific Railway and for the Union Pacific sinking fund, I am authorized to submit to you, and through you to the executive department of the Government, the following:

"In the event that the Government shall at once take such proceedings in the pending foreclosure suits, or by independent bills, for the enforcement of its lien upon the railroad and property of the Union Pacific Railway (which includes the Kansas Pacific line) by sale thereof, and for the sale of the sinking fund in the hands of the Secretary of the Treasury relating to the Union Pacific Railway Comyany, the reorganization committee is prepared to guarantee a minimum bid for the Union and Kansas Pacific lines of railroad and property embraced within the lien of the Government and for the cash and securities in the United States Union Pacific sinking fund taken at par, which shall produce to the Government over and above any prior liens and charges upon the railways and sinking fund the net sum of $45,000,000.

"The committee is prepared to furnish adequate security for the due performance of the above offer. As such security it will deposit with such national depository in New York City as may be selected by the proper officers of the Government the sum of $4,500,000 in cash (namely, 10 per cent of the guaranteed bid), subject to the condition that the deposit may be used under the terms of the foreclosure decree as a deposit to qualify such bidders as may act on behalf of the reorganization committee, and that the extent to which the Government may determine the terms of the decree, an equal deposit, to be made within a reasonable time before sale, shall be required as a qualification of any other bidder.

"Should the Government desire to liquidate the sinking fund in advance of the sale of railway property, the reorganization committee will be prepared to anticipate this feature of its offer by an earlier purchase of the sinking fund at par of the cash and securities therein contained.

"As the provision proposed is one of considerable magnitude, and as the proposition is based upon conditions which now exist, it will be obvious that the reorganization committee must reserve, and it desires to be understood as reserving, the right to withdraw this offer at any time previous to its acceptance by the Government.

"I have the honor to be
"Very respectfully, yours,

"LOUIS FITZGERALD,
"*Chairman of the Reorganization Committee*
"*of the Union Pacific Railway Company.*

"Hon. GEORGE HOADLY,
"*Special Assistant to Attorney-General,*
"*No. 22 William Street, New York City.*

—

"DEPARTMENT OF JUSTICE, *Washington, D. C., January 18, 1897.*

"SIR: Hon. George Hoadly, special assistant to the Attorney-General, has sent me your letter to him of the 15th instant making a proposition on behalf of your committee for a guaranteed minimum bid for the property of the Union Pacific and Kansas Pacific railway companies and the Union Pacific sinking fund as a basis for the Government's proceeding to foreclose its lien thereon. I am authorized by the President to commence foreclosure proceedings as suggested in your proposal, provided it is modified in the following particulars:

"First. In order to preserve the bases of the original informal negotiations which took place in the absence of an accurate statement of the sinking fund, your offer should be modified so that the amount of the guaranteed bid therein named will be $45,754,059.99 instead of the sum of $45,000,000.

"Second. That the following clause of your proposal be eliminated, viz: 'And that, to the extent to which the Government may determine the terms of decree, an equal deposit to be made within a reasonable time before sale shall be required as a qualification of any other bidder.' While I have no doubt that the court will follow the uniform practice in railway foreclosures of requiring a deposit of all bidders as a guarantee of good faith and security for performance, and while the Government will obviously have the same interest as other parties in having such conditions imposed, I do not wish to make a stipulation on that point as a condition of our arrangement.

"Third. That your proposal is understoed to mean that in case the property mentioned should not be sold as a unit, minimum bids for the separate portions thereof are to be made which in the aggregate will produce to the Government the net sum above mentioned. In case of separate sales the deposit named by you may of course be used for qualification of bidders representing you at each, in such proportions as may be required under the terms of sale.

"Fourth. Your guaranty applies to such sale or sales as shall become effective. The sale of the sinking fund may be judicial or otherwise.

"Your acceptance of the above modifications of your proposal will close the arrangement, and I will proceed to institute foreclosure proceedings on behalf of the Government as soon as the deposit named by you is made, for which, upon receipt of your acceptance, I will designate the depository.

"Very respectfully,

"JUDSON HARMON, *Attorney-General.*

"LOUIS FITZGERALD, Esq.,
"*Chairman Reorganization Committee*
"*Union Pacific Rwy. Co., No. 120 Broadway, New York.*

"NEW YORK, *January 20, 1897.*

"SIR: I have your favor of the 18th instant, written in reply to my letter of the 18th instant to Hon. George Hoadly, special assistant to the Attorney-General.

"On behalf of the reorganization committee of the Union Pacific Railway Company, I have the honor to accept the modifications proposed in your letter of January 18, 1897, to the proposal made in my letter to Hon. George Hoadly, dated on the 15th instant.

"I am, very respectfully,

"LOUIS FITZGERALD,
"*Chairman Union Pacific Reorganization Committee.*

"Hon. JUDSON HARMON,
"*Attorney-General, Washington, D. C.*

—

"NEW YORK, *January 20, 1897.*

"SIR: I beg to acknowledge receipt of your letter of this date, addressed to me.

"The arrangement between your committee and the United States being closed thereby, as provided in my last letter, I hereby designate as a depositary the United States Trust Company of New York.

"Yours, truly,

"JUDSON HARMON,
"*Attorney-General of the United States.*

"LOUIS FITZGERALD, Esq.,
"*Chairman of the Reorganization Committee*
"*of the Union Pacific Rwy. Co.*

—

"UNITED STATES TRUST COMPANY OF NEW YORK, *45-47 Wall Street.*

"United States Trust Company of New York hereby certifies that there has been deposited with it by Louis Fitzgerald, chairman of the reorganization committee of the Union Pacific Railway Company, the sum of four million five hundred thousand dollars ($4,500,000) under the terms of and for the purposes named in the agreement embodied in the letter of said Fitzgerald to Hon. George Hoadly, special assistant to the Attorney-General of the United States, dated January 15, 1897; the letter of Judson Harmon, Attorney-General of the United States, to said Fitzgerald, dated January 18, 1897, and the letter of said Fitzgerald to Judson Harmon, Attorney-General, dated January 20, 1897, copies of which letters are attached hereto; and said United States Trust Company of New York hereby agrees to hold said deposit for and apply the same to the uses and purposes set forth in said letters. Said trust company agrees to allow interest on said deposit at such rate as may from time to time be agreed upon.

"Given in duplicate this 21st day of January, 1897.

"JOHN A. STEWART, *President.*
"[SEAL.] N. L. THORNELL, *Secretary.*"

The proposition will result in the payment to the Government of the sum of $45,754,059.99 on account of its claims against the Union Pacific Railroad Company and the Kansas Pacific Railway Company. These claims on December 31, 1896, amounted to $69,982,188.45. This sum represents $33,539,512 of principal and $36,442,675.45 of unpaid interest.

The following are the amounts of interest which have been heretofore paid by the Union Pacific and Kansas Pacific companies to the United States by transportation earnings allowed and credited to interest and by cash payment:

Union Pacific	$15,691,688.05
Kansas Pacific	4,499,003.38
Union Pacific cash	438,409.58
Total	20,629,081.01

The proposed bid of $45,754,059.99 exceeds the principal amount due by $12,214,547.99. Adding this amount to the amounts above stated as having been heretofore paid for account of interest, the total will be found to be $32,843,629.

It therefore follows that the result of the negotiation is to refund to the United States the principal amount advanced and the sum of $32,843,629 on account of interest. This, for the thirty-year period during which the bonds have run, will be equivalent to something over 3 per cent.

Looking at it from another point of view, the company's obligation is $69,982,188.45. The offer is $45,754,059.99. This is equivalent to about 65 per cent.

The Government directors have always reported themselves to be entirely opposed to Government ownership or management of railways, and the fact, therefore, that the acceptance of the proposition made by the reorganization committee would lead to an absolute and complete severance of all relations between the Government and the Union Pacific Railway Company is a circumstance which strongly commended this proposition to our favor.

The most important question is whether under this proposition the Government will realize as large a return as could have been obtained from a

funding bill or from any other of the forms of settlement attempted in Congress. Under the Powers bill, for instance, the prior first lien was $54,300,000, and the amount of bonds given to the Government was about $54,000,000.

These bonds were to bear 2 per cent interest, and if sold on the market would not, in our opinion, command more than 35 per cent. We, of course, make this estimate without guarantee by the Government. Under the Powers funding bill the Government would also realize the amount of the sinking fund, $17,000,000, and the value of its second-mortgage bonds, $20,000,000—in all, $37,000,000. It is therefore manifest that the cash offer of $45,754,059.99 is much to be preferred.

In addition to the mere business view relating to the cash value of the securities to be given to the United States under the provisions of the Powers bill as compared with the cash offer made by the reorganization committee, we are satisfied that the holding by the Government of $54,000,000 of 2 per cent bonds secured by a second lien would result unfavorably to the United States. The Government would be exposed to repeated attacks or entreaties asking for remission of payment of sinking-fund obligations and, at the maturity of the bonds, would find itself confronted with the same difficulties which have always embarrassed every effort which has been made to secure the payment of this claim.

The sale of the road will be open and public, so that if a higher bid than the one guaranteed by the reorganization committee should be made, the United States will obtain the benefit of such bid.

This whole subject was placed before the Government directors before any action was had, and we advised the acceptance of the proposition and the institution of foreclosure proceedings. This report is now made for the purpose of taking formal action and of placing our report on the records of your Department.

All of which is respectfully submitted.

E. ELLERY ANDERSON,
J. W. DOANE,
J. N. H. PATRICK,
W. J. COOMBS,
J. N. SHERIDAN,
Government Directors.

Hon. DAVID R. FRANCIS,
Secretary Department of the Interior, Washington, D. C.

Now, I challenge the attention of the country to the letter which I am about to read again, the letter which I introduced here a few days since, which it is well to read again; for this letter when properly read, when carefully considered from a legal standpoint, and when properly understood, is a complete answer to all of the animadversions of the Senators on the other side of this question to the proposition that the United States had needlessly and uselessly and improperly included the sinking fund in this matter of foreclosure.

I call the attention of the country to the fact that the first proposition which resulted in this arrangement came from a special counsel of the Government, Governor Hoadly. Governor Hoadly had been employed to make a special study of the claim of the Government and its security. He had been employed because of his high standing, his known attainments, his unblemished character, his honesty as a man. He gave to this question careful, deliberate, patient, and exhaustive examination; and when he wrote the letter of January 14 it was the letter of a great lawyer solicitous for the rights of his client, endeavoring to secure for that client the uttermost that there was in the security that he had to satisfy its claim:

NEW YORK, *January 14, 1897.*

DEAR SIR: As you are probably aware, I have for more than two years past had charge, under the direction of the Attorney-General of the United States, as special assistant to him, of the interest of the United States in the matter of its issue of subsidy bonds and its lien securing the same upon the Union Pacific Railway.

The defeat of the proposed funding bill by the House of Representatives renders it certain that the President, the Secretary of the Treasury, and the Attorney-General must look in some other direction for the protection of the interests of the United States.

After a careful consideration by the late and present Attorney-General and myself, it was decided at an early stage in the history of the Pacific Railroad litigation that the Government should not appear in that cause until the parties responsible and competent to act should appear who would enter into some definite arrangement for a bid upon the property (including the sinking fund) at such a rate as would afford reasonable protection to the interests of the United States, and yet not prevent competition, which might result in larger offers.

It has been informally suggested that the committee of reorganization, of which you are chairman, are prepared to enter into engagement to make a bid on the sale of the Union Pacific and Kansas Pacific railways, and of the sinking fund of the Union Pacific Railway, of a sum which, without debarring the Government from accepting a higher bid at such sale, would afford some reasonable approximation to the value of the rights of the Government as a second mortgage of the property, if it should prove to be the highest and best bid.

I therefore solicit from you an early response, to be communicated by me to the executive department of the Government, as to whether your committee would be willing to fix a sum which they would be willing to bid at a sale if procured in foreclosure, and which would carry a perfect title to the property, barring the right of the United States as well as first mortgagees from future claim, so that we may know before commencing proceedings that we are secured at least an approximate equivalent to the value of the property as the result of the prosecution of a foreclosure case such as the Attorney-General is authorized to bring.

I shall be glad if you will kindly take up this matter for early action, and if your committee are willing to bind themselves to make such a bid, please accompany your reply with detailed suggestions as to how the performance may be secured to the satisfaction of the Government.

Yours, truly,

GEORGE HOADLY.

Gen. LOUIS FITZGERALD, *120 Broadway, City.*

Mr. MORGAN. May I inquire of the Senator what committee is referred to in that letter by Governor Hoadly when he says "your committee"?

Mr. THURSTON. He refers to the committee whose chairman he addressed, the Fitzgerald committee.

Mr. MORGAN. It is the same as in the RECORD here?

Mr. THURSTON. The same committee. Mr. President, I challenge attention to the fact that the first suggestion to include the sinking fund in the property to be sold came from the law officers of the United States. If any lawyer will follow me but for a few moments, he will become convinced that that proposition was made after a careful study of the legal relation of the United States to that sinking fund and for the express purpose of protecting the United States in securing the benefit of that sinking fund.

He will understand also that it was not of the slightest importance and is not to-day to the reorganization committee or to any bidder on that property whether that sinking fund is included in the property sold, because that sinking fund is taken as so much cash—$17,000,000—and it can make no difference to that committee, it can make no difference to any other purchaser in bidding on the railroad property, whether he raises his bid $17,000,000 because he gets $17,000,000 cash in addition to the other property or whether he decreases his bid $17,000,000 because he does not get the $17,000,000.

The Senator from Alabama has suggested that this sinking fund in some way is to be used by the bidders to make up their bid on the property. Not at all. It does not go to them until the sale is over. It goes to them just as any other part of the railroad, as a part of the assets that they buy.

Mr. HARRIS. I should like to ask for information of the Senator from Nebraska why it was necessary, then, to specify the sinking fund at all in these negotiations?

Mr. THURSTON. I will explain that to the Senator with the greatest pleasure, as I have already announced my purpose of doing at this time. This sinking fund was created by an act of Congress known as the Thurman Act, which became a law on the 7th of May, 1878. Section 3 of that act provides:

That there shall be established in the Treasury of the United States a sinking fund, which shall be invested by the Secretary of the Treasury in bonds of the United States and the semiannual income thereof shall be in like manner from time to time invested, and the same shall accumulate and be disposed of as hereinafter mentioned. And in making such investments the Secretary shall prefer the 5 per cent bonds of the United States, unless, for good reasons appearing to him, and which he shall report to Congress, he shall at any time deem it advisable to invest in other bonds of the United States. All the bonds belonging to said fund shall, as fast as they shall be obtained, be so stamped as to show that they belong to said fund, and that they are not good in the hands of other holders than the Secretary of the Treasury until they shall have been indorsed by him, and publicly disposed of pursuant to this act.

Section 4 provides the manner in which the sinking fund shall be credited and determined. It is as follows:

That there shall be carried to the credit of the said fund, on the 1st day of February in each year, the one-half of the compensation for services hereinbefore named, rendered for the Government by said Central Pacific Railroad Company, not applied in liquidation of interest; and, in addition thereto, the said company shall, on said day in each year, pay into the Treasury, to the credit of said sinking fund, the sum of $1,200,000, or so much thereof as shall be necessary to make the 5 per cent of the net earnings of its said road payable to the United States under said act of 1862, and the whole sum earned by it as compensation for services rendered for the United States, together with the sum by this section required to be paid, amount in the aggregate to 25 per cent of the whole net earnings of said railroad company, ascertained and defined as hereinbefore provided, for the year ending on the 31st day of December next preceding. That there shall be carried to the credit of the said fund, on the 1st day of February in each year, the one-half of the compensation for services hereinbefore named, rendered for the Government by said Union Pacific Railroad Company, not applied in liquidation of interest; and, in addition thereto, the said company shall, on said day in each year, pay into the Treasury to the credit of said sinking fund the sum of $850,000, or so much thereof as shall be necessary to make the 5 per cent of the net earnings of its said road payable to the United States under said act of 1862, and the whole sum earned by it as compensation for services rendered for the United States, together with the sum by this section required to be paid, amount in the aggregate to 25 per cent of the whole net earnings of said railroad company, ascertained and defined as hereinbefore provided, for the year ending on the 31st day of December next preceding.

Section 5 refers to the same matter, and is as follows:

That whenever it shall be made satisfactorily to appear to the Secretary of the Treasury, by either of said companies, that 75 per cent of its net earnings as hereinbefore defined, for any current year, are or were insufficient to pay the interest for such year upon the obligations of such company, in respect of which obligations there may exist a lien paramount to that of the United States, and that such interest has been paid out of such net earnings, said Secretary is hereby authorized, and it is made his duty, to remit for such current year so much of the 25 per cent of net earnings required to be paid into the sinking fund, as aforesaid, as may have been thus applied and used in the payment of interest as aforesaid.

Section 6 prohibits the voting of any dividend when the company shall be in default of complying with the terms of the act, and is as follows:

That no dividend shall be voted, made, or paid for or to any stockholder or stockholders in either of said companies respectively at any time when the said company shall be in default in respect of the payment either of the sums required as aforesaid to be paid into said sinking fund, or in respect of the payment of the said 5 per cent of the net earnings, or in respect of interest upon any debt the lien of which, or of the debt on which it may accrue, is paramount to that of the United States; and any officer or person who shall vote, declare, make, or pay, and any stockholder of any of said companies who shall receive, any such dividend contrary to the provisions of this act shall be liable to the United States for the amount thereof, which, when recovered, shall be paid into said sinking fund. And every such officer, person,

or stockholder who shall knowingly vote, declare, make, or pay any such dividend, contrary to the provisions of this act, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by a fine not exceeding $10,000, and by imprisonment not exceeding one year.

Section 7 provides as follows:

That the said sinking fund so established and accumulated shall, at the maturity of said bonds so respectively issued by the United States, be applied to the payment and satisfaction thereof, according to the interest and proportion of each of said companies in said fund, and of all interest paid by the United States thereon, and not reimbursed, subject to the provisions of the next section.

Section 8 is as follows:

That said sinking fund so established and accumulated shall, according to the interest and proportion of said companies respectively therein—

I call attention carefully to this provision, because it was upon this that the law officers of the United States were so solicitous that the sinking fund should be sold as a part of the mortgage property—

be held for the protection, security, and benefit of the lawful and just holders of any mortgage or lien debts of such companies respectively, lawfully paramount to the rights of the United States, and for the claims of other creditors, if any, lawfully chargeable upon the funds so required to be paid into said sinking fund, according to their respective lawful priorities, as well as for the United States, according to the principles of equity, to the end that all persons having any claim upon said sinking fund may be entitled thereto in due order; but the provisions of this section shall not operate or be held to impair any existing legal right, except in the manner in this act provided, of any mortgage, lien, or other creditor of any of said companies respectively, nor to excuse any of said companies respectively from the duty of discharging, out of other funds, its debts to any creditor except the United States.

Mr. MORGAN. The Senator says he was the counsel for the receivers. He was counsel at the time the orders appointing the receivers and defining their powers were made, and I suppose he probably drew up the orders. Now, let me ask the Senator, if that sinking fund belonged to the Union Pacific Railroad Company in the sense that that company might dispose of it, or if it was within the control of the court in the sense that the court might dispose of it, why was it not put into the order of court taking possession of the property of the Union Pacific Railroad Company?

Mr. THURSTON. For the very plain and patent reason, may it please you, Mr. President, that it was in the possession of the United States and could not be reached by the processes of the court or subjected to the jurisdiction of the receivers. Although my recollection is not accurate on that subject, I think perhaps it may have been referred to in the bill in the case, but I am not certain.

Mr. MORGAN. No, sir; there is no mention made of it in the order that I have ever seen, and I think I have read the papers. The Secretary of the Treasury, in his annual report in 1893, on page 48, as to the disposition of this fund, states:

But as the bonds mature the sinking fund can be applied to their partial payment, unless the corporations should make default on obligations secured by prior liens, in which event the law heretofore quoted requires the assets held by the Government to be used for their satisfaction.

If the Senator will pardon me for one moment, I will call his attention to the broad language of the order appointing the receivers, and of the property which was placed in their hands by the order of the court.

In the circuit court of the United States for the Eighth judicial circuit and western district of Missouri.

ORDER APPOINTING RECEIVERS.

[Title of cause omitted.]

Upon reading and considering the verified bill of complaint in this cause and the answer of the defendant, the Union Pacific Railway Company, this day filed, and on motion of the counsel for complainants, the defendant, the Union Pacific Railway Company, appearing by counsel and assenting hereto, and each of the other defendants appearing by counsel and assenting hereto, and due deliberation being therein had, it is

Adjudged, ordered, and decreed by the court: That S. H. H. Clark, of Omaha, and Oliver W. Mink, of Boston, and E. Ellery Anderson, of New York, be, and they are hereby, appointed ancillary receivers of all such portion of the entire system of railroads held and controlled, leased, or operated by, for, or in the interest of the said Union Pacific Railway Company, defendant, and of each of the other of said defendants, and of all the equipments, material, machinery, supplies, moneys, accounts, choses in action, shares of stock, bonds, property, and assets of every description, and of all lands and land grants, leasehold, contractual rights, and properties belonging to each of said defendants, so far as the same may now be situated or hereafter found to be within the territorial jurisdiction of this court, whether described in the bill of complaint or not, including all equipments, locomotives, cars, and other rolling stock, boats, steamships, ships, docks, piers, floats, machinery, tools, material, shops, coal yards and fixtures, coal on hand, and supplies now owned, held, or in possession of any of said defendants or of any corporation composing a part of or operated in the interest of the said Union Pacific system, as described in said bill of complaint, including all track, terminal facilities, real estate, warehouses, offices, stations, and all other buildings of every kind owned, held, or possessed by all or any of said companies, together with all telegraph lines and the appurtenances thereto; and also all the moneys, books of accounts, contracts of every kind, debts, things in action, bonds, stocks, securities, deeds, leases, leasehold interests, beneficial muniments of title, bills receivable, rents, profits, and income of the premises accruing and to accrue, as well as all franchises, rights, easements, and privileges of each and every of said companies, so far as the same may now be situate or hereafter found within the territorial jurisdiction of this court.

That the said receivers be, and they are hereby, fully authorized and directed to take immediate possession of all and singular the railroads and property above described or referred to and continue the operation of said railroad and water system and every part thereof, and to run, manage, and operate the said railroads, and such other railroads as said Union Pacific Railway Company holds under lease, contract, or otherwise, and has heretofore run and operated, or which have been or are being operated by, for, or in the interest of the Union Pacific Railway Company as a part of its system within the territorial jurisdiction of this court, and to exercise the authority and franchises of the said companies and conduct systematically the business and occupation of a common carrier of passengers and freight, and discharge all the public and governmental duties obligatory upon said Union Pacific Railway corporation, or upon any of the other corporations whose lines of road are now in the possession of and operated by, for, or in the interest of said Union Pacific Railway Company, within said territorial jurisdiction; and to preserve the said property in proper condition and repair, so that it may with safety and most advantageously be used, and to protect the title and possession of the same, and to employ such persons and make such payments and disbursements as may be needful or proper in so doing.

Said Union Pacific Railway Company, and each and every of said defendant companies, and each and every of the officers, directors, agents, or employees of each of the defendants, and all other persons and corporations soever, are hereby required and commanded forthwith to turn over and deliver, to such receivers or their duly constituted representative, any and all railroads, property, books of account, vouchers, papers, deeds, leases, contracts, bills, notes, accounts, moneys, or other property in his or their hands, or under his or their control, so situate or hereafter found within the territorial jurisdiction of this court; and each and every of such directors, officers, agents, employees, persons, or corporations are hereby commanded and required to obey and conform to such orders as may be given them from time to time by the said receivers, or their duly constituted representatives, in conducting the operations of the said property and in discharging their duties as such receivers; and each and every of such officers, directors, and employees of the said Union Pacific Railway Company, and of each of the defendants, and all other persons and corporations soever, are hereby enjoined from interfering in any way whatever with the possession or management of any part of the property over which the receivers are hereby appointed, or interfering in any way to prevent the discharge of their duties or operating the same under the court's order.

Said receivers are hereby fully authorized to operate the said system of railroads so owned, leased, operated, or controlled by, for, or in the interest of the said Union Pacific Railway Company, and manage all other property of such corporation now situate or hereafter found within the territorial jurisdiction of this court, at their discretion, and in such manner as will, in their judgment, produce the most satisfactory results consistent with the discharge of the public duties imposed thereon, and to collect and receive all the income therefrom and all the debts due said companies of all kinds; and for such purpose are hereby vested with full power at their discretion to employ and discharge and fix the compensation of all such officers, attorneys, managers, superintendents, agents, and employees to aid in the proper discharge of their duties; and they and each of them shall have power, with the sanction of the court, to redeem any and all of the securities of the company now pledged as security on loans of money, and they shall have power, with the sanction of the court first had, to borrow money, if needful, in their judgment, in order to comply with this direction, and also so far as may be needful to pay all operating expenses, and for current necessities for labor and supplies, but for no other purpose without the further order of this court.

Said receivers are fully authorized and empowed to institute and prosecute all such suits as may be necessary, in their judgment, for the proper protection of the property and trusts hereby vested in them, and to likewise defend such actions instituted against them as such receivers, and also to appear in and conduct the prosecution or defense of any suit now pending in any court against the Union Pacific Railway Company; the defendants, or any of them, or any of the companies embraced in the Union Pacific system or operated by, for, or in the interest of said system, the prosecution or defense of which will, in the judgment of said receivers, be necessary for the proper protection of the property placed in their charge for the interest and rights of creditors connected therewith.

Said receivers are hereby directed to deposit the moneys coming into their hands in some banks in New York City, Boston, and Omaha, and such other cities or places as may be necessary or convenient, and report to the court what banks they have so selected.

It is hereby further ordered, adjudged, and decreed that out of the moneys that shall come into the hands of said receivers from the operation of said railway, properties, or otherwise, they shall—

First. Pay all current expenses incident to the creation or administration of this trust and to the operation of said railway or railroads and properties.

Second. Pay all sums due or to become due connecting or intersecting lines of railroads arising from the interchange of business, and for track service of other railroads used by the said Union Pacific Railway Company, or by any of the companies composing said system in the operation of its lines, traffic, and car mileage, balances, and all amounts now due from said Union Pacific Railway Company or roads and properties constituting part of its system for taxes and assessments upon the property or any part thereof.

Third. Pay the amounts due to all operatives, employees, attorneys, and agents of said company for any services rendered said company or companies within six months prior to the allowance of this order.

Fourth. Pay all amounts due for supplies and material contracted for or purchased or delivered or used in operating said railway or railroads, or by said company or companies for supplies furnished to laborers and credited against their labor within six months prior to the allowance of this order.

Fifth. And all amounts due from said railway company or companies for or on account of the rental or compensation for railway lines, property, or rolling stock.

Sixth. The money belonging to the defendants and each company constituting part of said system, except as heretofore directed, shall be held by said receivers until they are authorized to dispose of the same under the order or decree of this court.

Seventh. And said receivers are further authorized, in case it is proper in their judgment, with the sanction of the court, to use any balance of funds arising from the operation of said railroads as aforesaid, for the purpose of protecting such of the real and personal property under lease, sale, pledge, mortgage, or contract.

It is further ordered, That the said receivers shall retain possession and continue to discharge the duties and trusts aforesaid until the further order of this court in the premises, and that they shall from time to time make report to this court of their doings in the premises, and may from time to time apply to this court for such other and further order and direction as they may deem necessary and requisite to the due administration of said trust; and said receivers are vested, in addition to the powers aforesaid, with all the general powers of receivers in cases of this kind, subject to the supervision of this court.

It is further ordered, That an injunction be issued against the defendants and all other persons claiming to act by, through, or under them, and all other persons to restrain them from interfering with the receivers further taking possession of and managing said property.

Said receivers are hereby further required, within twenty days from this date, to file with the clerk of this court a proper bond, with sureties to be

approved by the clerk of this court, each in the penal sum of $5,000, conditioned for the faithful discharge of their duties, and to account for all funds coming into their hands according to the order of this court.

JNO. F. PHILIPS, *Judge.*

(Filed October 16, 1893.)

Afterwards, that being dated October 16, 1893, on the 5th of December, 1894, Judge Sanborn ordered, adjudged, and decreed as follows:

In the circuit court of the United States for the eighth judicial circuit and western district of Missouri.

Russell Sage and George J. Gould, trustees, complainants, *vs.* The Union Pacific Railway Company, The Mercantile Trust Company, S. H. Clark, Oliver W. Mink, E. Ellery Anderson, Frederic R. Coudert, and John W. Doane, defendants.

Order appointing additional receivers.

Upon reading and considering the petition of Richard Olney, Attorney-General of the United States, for the United States this day presented, and upon motion of J. C. Cowan, special assistant to the Attorney-General in the premises, the complainants and defendants appearing by counsel and assenting hereto, and due deliberation being therein had, it is

Ordered, adjudged, and decreed by the court: That John W. Doane, of Chicago, Ill., and Frederic R. Coudert, of New York City, be, and they are hereby, appointed additional receivers of this court of all and singular the said defendant, the Union Pacific Railway Company, and of all the railroad property and assets described in the bill of complaint herein; and the said additional receivers hereby appointed are required within thirty days from this date to file with the clerk of the court a proper bond, with sureties to be approved by the said clerk or the court, each in the penal sum of $25,000, conditioned for the faithful discharge of his duties, and to account for all funds coming into his hands according to the order of this court, and to comply with all the terms and provisions of the order heretofore made in this cause appointing S. H. H. Clark, Oliver W. Mink, and E. Ellery Anderson receivers herein.

Ordered, adjudged, and decreed: That all provisions of all former orders of this court herein shall apply so as to authorize and govern the said additional receivers so that said additional receivers, John W. Doane and Frederic R. Coudert, acting and cooperating with said Receivers Clark, Mink, and Anderson, shall have all the powers granted to and perform all the duties imposed upon said Receivers Clark, Mink, and Anderson by the former orders of this court, as fully and to the same effect as if the original order of this court appointing the said Clark, Mink, and Anderson as such receivers had embraced the names of five receivers instead of three, viz, of the said Doane and Coudert in addition to the said Clark, Mink, and Anderson.

Omaha, December 5, 1894.

WALTER H. SANBORN, *Circuit Judge.*

So, Mr. President, if the Senator will pardon me a moment, this power of appointment did not include the sinking fund, for the reason that it was sequestered in the hands of the United States as a trust fund, to be applied according to law by the officers of the United States to the creditors therein provided for, of different classes, and so on. Therefore, without a violation of the statute the court could not possibly take that property under its jurisdiction and dispose of it otherwise than is prescribed by the statute. So the President of the United States had no right to include it in the agreement which he made with Fitzgerald, as the chairman of this reorganization committee, and so there was a violation of the law.

I suppose that when a decree is passed for the sale of this property, it will include all that I have referred to here; and if it does, there will not be a rap of a man's finger left of the entire property of the Union Pacific Railroad that does not pass into the hands of the purchasers except only the sinking fund, which is excluded by law from any such disposal by the court. This agreement is therefore void.

Mr. GEAR. Is the Senator through?

Mr. MORGAN. I am through.

Mr. GEAR. Will the Senator from Nebraska yield to me?

Mr. THURSTON. Certainly.

Mr. GEAR. It is pretty late. The Senator from Nebraska is not quite through, and he will probably have some time to-morrow. I therefore move that the Senate adjourn.

Mr. MASON. I should like to have an executive session for just one moment to make some reports.

Mr. GEAR. I will withdraw the motion to adjourn, and move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 8 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, July 20, 1897, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 19, 1897.

COMMISSIONER.

Charles H. Isham, of Baltimore, Md., to be a commissioner in and for the District of Alaska, to reside at Unga, to fill one of the four additional commissionerships created by the act of Congress approved June 4, 1897.

SURVEYORS-GENERAL.

George Christ, of Nogales, Ariz., to be surveyor-general of Arizona, vice George J. Roskruge, removed.

Alpheus P. Hanson, of Sundance, Wyo., to be surveyor-general of Wyoming, vice John C. Thompson, removed.

REGISTER OF LAND OFFICE.

Edward W. Fox, of Clayton, N. Mex., to be register of the land office at Clayton, N. Mex., vice John C. Slack, removed.

COLLECTOR OF CUSTOMS.

John K. Ames, of Maine, to be collector of customs for the district of Machias, in the State of Maine, vice George W. Drisko, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 19, 1897.

APPOINTMENT IN THE UNITED STATES MARINE CORPS.

Charles Laurie McCawley, to be an assistant quartermaster in the United States Marine Corps, with the rank of captain.

CONSUL.

Henry W. Diederich, of the District of Columbia, to be consul of the United States at Magdeburg, Germany.

PROMOTIONS IN THE NAVY.

Commander Nehemiah M. Dyer, to be a captain.

Lieut. Commander Edward P. Wood, to be a commander.

APPOINTMENTS IN THE NAVY.

Joseph C. Thompson, M. D., a citizen of New York, to be an assistant surgeon.

Frank T. Chambers, a citizen of Kentucky, to be a civil engineer.

Charles W. Parks, a citizen of New York, to be a civil engineer.

PROMOTIONS IN THE ARMY.

Infantry arm.

Lieut. Col. Daniel Webster Benham, Seventh Infantry, to be colonel.

Maj. Gilbert Saltonstall Carpenter, Fourth Infantry, to be lieutenant-colonel.

Capt. Stephen Baker, Sixth Infantry, to be major.

First Lieut. Lyman Walker Vere Kennon, Sixth Infantry, to be captain.

Second Lieut. Henry Jackson Hunt, Fifteenth Infantry, to be First lieutenant.

COLLECTORS OF INTERNAL REVENUE.

David A. Nunn, of Tennessee, to be collector of internal revenue for the Fifth district of Tennessee.

Frederick E. Coyne, of Illinois, to be collector of internal revenue for the first district of Illinois.

REGISTER OF THE LAND OFFICE.

George W. Heist, of Nebraska, to be register of the land office at Sidney, Nebr.

POSTMASTERS.

Alexander Cestia, to be postmaster at New Iberia, in the parish of Iberia and State of Louisiana.

Thomas B. Leland, to be postmaster at Water Valley, in the county of Yalobusha and State of Mississippi.

George J. Elam, to be postmaster at Marlin, in the county of Falls and State of Texas.

J. A. Henry, to be postmaster at Janesville, in the county of Waseca and State of Minnesota.

HOUSE OF REPRESENTATIVES.

MONDAY, *July 19, 1897.*

The House met at 12 o'clock m. Prayer by the Chaplain, Rev. HENRY N. COUDEN.

The Journal of the proceedings of Friday last was read and approved.

MESSAGE FROM THE SENATE.

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

A bill (S. 2138) to give the consent of Congress to a compact entered into between the States of South Dakota and Nebraska respecting the boundary between said States; and

A bill (S. 2365) to amend the Indian appropriation act of June 7, 1897, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled joint resolution (S. R. 52) directing the Secretary of War to issue tents for the use of the Grand Army Encampment, at Leavenworth, Kans.

SENATE BILLS AND RESOLUTION REFERRED.

Under clause 2 of Rule XXIV, Senate bills and resolution were taken from the Speaker's table and referred to their appropriate committees as indicated below:

A bill (S. 2365) to amend the Indian appropriation act of June 7, 1897, and for other purposes—to the Committee on Indian Affairs, when appointed.

Concurrent resolution—

Whereas the Secretary of War has heretofore reported to the Senate that he has serious doubts as to his authority to make contracts for the construction of a breakwater at San Pedro, Cal., under the provisions of the river and harbor act of June 3, 1896, and has asked the instruction of Congress with reference thereto; and

Whereas it is important that any doubt upon the subject should be removed by Congressional interpretation: Now, therefore,

Resolved by the Senate (the House of Representatives concurring), That the Secretary of War be, and he is hereby, directed to advertise for bids for the construction of a breakwater at San Pedro, Cal., in accordance with the project recommended in the report of the board appointed to locate a harbor at Port Los Angeles or San Pedro, Cal., which report appears in Senate Document No. 18, Fifty-fifth Congress, and to proceed with the construction of said breakwater, provided that the same can be contracted for within the limit authorized by the provisions of the river and harbor act of June 3, 1896—

To the Committee on Rivers and Harbors, when appointed.

A bill (S. 2138) to give the consent of Congress to a compact entered into between the States of South Dakota and Nebraska respecting the boundary between said States—to the Committee on the Public Lands, when appointed.

DEFICIENCY APPROPRIATION BILL.

Mr. CANNON. I rise to a privileged report. I submit the report of the committee of conference on the disagreeing votes of the two Houses on the general deficiency appropriation bill. I ask unanimous consent that the reading of the report be dispensed with, and that in lieu thereof the statement of the House conferees be read.

There was no objection.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 13) making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1897, and for prior years, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6 and 56.

That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 152, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$23,122;" and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 182, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"To pay C. W. Coombs, assistant Department messenger, at the rate of $1,800 per annum, for services rendered and to be rendered from March 4, 1897, to December 1, 1897, inclusive, $1,342.09.

"To pay George Jenison, special messenger, at the rate of $1,200 per annum, for services rendered and to be rendered from March 4, 1897, to December 1, 1897, inclusive, $895.49."

And the Senate agree to the same.

J. G. CANNON,
S. A. NORTHWAY,
JOSEPH D. SAYERS,
Managers on the part of the House.

EUGENE HALE,
S. M. CULLOM,
F. M. COCKRELL,
Managers on the part of the Senate.

The statement of the House conferees was read, as follows:

The managers on the part of the House of the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 13) making appropriations to supply deficiencies submit the following written statement in explanation of the action agreed upon and recommended on each of the amendments, namely:

On amendment numbered 6: Strikes out the appropriation proposed by the Senate of $14,485.50 to distribute the balance of net increment received by the United States under the Spanish and American Claims Commission.

On amendment numbered 56: Strikes out the appropriation proposed by the Senate to pay the Washington Gaslight Company, for extra lighting during the fiscal year 1896, $3,715.07.

On amendment numbered 152: Appropriates $23,122, instead of $35,000, as proposed by the Senate, to construct an engine house for the Government Printing Office.

On amendment numbered 153: Appropriates $2,500, as proposed by the Senate, for the further establishment and maintenance of a library in the Government Printing Office.

On amendment numbered 182: Provides for the employment of C. W. Coombs and George Jenison by the House of Representatives until December 1, 1897, as provided in the bill as it was passed by the House.

The bill as finally agreed upon appropriates $7,874,865.36, being a reduction of $206,374.22 under the amount as passed by the Senate.

J. G. CANNON,
S. A. NORTHWAY,
JOSEPH D. SAYERS,
Managers on the part of the House.

Mr. CANNON. Mr. Speaker, I yield a moment to the gentleman from Ohio [Mr. GROSVENOR].

Mr. GROSVENOR. Mr. Speaker, for some time it has been my purpose to submit some remarks to the House upon the subject of the civil-service law and its administration; and I have prepared a speech on that subject. The chairman of the Committee on Appropriations of the last House [Mr. CANNON] very kindly offered me time during the pendency of this appropriation bill, which, as it contains a large number of appropriations in regard to the administration of the civil service, appeared to be a proper place for the presentation of my speech.

But during the last ten days it has been impossible for me to be present in the House; and now we find ourselves confronted with the incoming of the conference report upon the tariff bill. I do not desire at this time to inflict upon the House a speech occupying time the consumption of which will necessarily postpone to that extent the return of members to their homes. I ask unanimous consent, therefore, that I may print in the proceedings on this bill the speech which I have prepared.

The SPEAKER. The gentleman from Ohio asks unanimous consent to print in the RECORD a speech on the civil service. Is there objection?

Mr. TERRY. I should like to know whether the speech of the gentleman from Ohio is going to be a justification of the very great departure from "civil-service reform" that will be inaugurated shortly after we adjourn.

Mr. GROSVENOR. Submitting this speech to so intelligent a gentleman as the gentleman from Arkansas [Mr. TERRY], I would not undertake to foretell what effect it would have upon his mind. [Laughter.]

Mr. TERRY. Well, I want to say to my genial friend from Ohio that, hoping he will elucidate this somewhat abstruse question of the "civil service," I have, so far as I am concerned, no objection.

Mr. RICHARDSON. I will ask my friend from Ohio whether he thinks that his views on this subject would not keep very well until next winter?

Mr. GROSVENOR. No; they will not. I have given notice that I was going to submit this speech——

Mr. RICHARDSON. Very well; I have no objection if the speech will not keep. [Laughter.]

The SPEAKER. There being no objection, the leave requested by the gentleman from Ohio is granted.

Mr. CANNON. Mr. Speaker, I want to congratulate the House, and the Senate as well, upon the bill which I trust is about to be enacted, so far as the House is concerned, and which I wish to characterize by the simple statement that it is the most proper, the best guarded, and cleanest general deficiency bill, pure and simple, that has been enacted by Congress within many years. Does the gentleman from Texas [Mr. SAYERS] desire to make any remarks?

Mr. SAYERS. Oh, no.

Mr. BOUTELLE. I hope the gentleman from Texas will not be too modest to take his share of the credit for the framing of this bill.

Mr. CANNON. Well, if the gentleman from Texas is so modest, I will say that, recollecting the contest over this bill in the closing hours of the last session, I recall with pleasure the very decided and able cooperation that I had from him and others in securing a proper bill. I now ask for a vote on the adoption of the conference report.

The conference report was agreed to.

On motion of Mr. SAYERS, a motion to reconsider the last vote was laid on the table.

THE TARIFF.

Mr. DINGLEY. I desire to present the conference report on the tariff bill. [Applause.]

The SPEAKER. The Clerk will read the report.

The Clerk proceeded to read the report.

Mr. DINGLEY (interrupting the reading). Mr. Speaker, I wish to interrupt the reading for a moment to make a statement. The reading of this formal conference report would probably occupy an hour and a half; and from its very nature, being a mere recital of concurrence in certain amendments, receding from others, and concurrence in others with amendments, it would not of itself give the House any information.

The committee has had printed a document containing the text of the bill as it passed the House, the Senate amendments to the same, and the action of the conferees on each amendment; and this document will be immediately laid on the tables of members. In view of this fact, and because the mere formal reading of the report would take so much time which could perhaps be better given to debate, I suggest that the reading of the formal report in detail be dispensed with and that the statement of the managers on the part of the House showing the effect of the amendments as agreed to be read instead.

Mr. BAILEY. I think the course suggested by the gentleman from Maine is desirable; but it ought to be understood that this statement is the statement of the Republican managers on the part of the House——

Mr. DINGLEY. That is understood.

Mr. BAILEY. Because we on the Democratic side had no part

or parcel in the preparation of this statement—really have not read it, and know nothing that is in it.

The SPEAKER. Is there objection to the proposition of the gentleman from Maine, that the reading of the conference report be dispensed with? [A pause.] The Chair hears no objection.

Mr. BAILEY. I wish to suggest that the report be printed in full in the RECORD, because the statement now being distributed will not go upon our files as a regular document.

Mr. DINGLEY. I concur in the gentleman's suggestion. It is desirable that the conference report be printed in full in the RECORD.

The SPEAKER. Without objection, the report will be printed in the RECORD.

There was no objection.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11, 17, 70, 77, 78, 101, 108, 110, 116, 117, 139, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 169, 182, 188, 196, 197, 198, 204, 205, 206, 225, 232, 237, 243, 282, 302, 339, 340, 341, 342, 355, 356, 370, 373, 386, 400, 409, 421, 427, 436, 452, 520, 521, 527, 558, 569, 574, 575, 595, 601, 602, 604, 610, 612, 615, 616, 617, 618, 634, 635, 647, 659, 680, 685, 687, 689, 690, 694, 697, 712, 716, 731, 732, 735, 738, 741, 744, 748, 749, 753, 754, 756, 760, 767, 772, 773, 776, 779, 780, 781, 782, 784, 795, 800, 801, 802, 803, 819, 834, 837, 838, 851, 854, 856, 860, 862, and 865.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 9, 10, 12, 13, 14, 15, 16, 18, 19, 20, 21, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 57, 58, 59, 60, 62, 68, 69, 71, 72, 73, 76, 95, 96, 97, 98, 99, 100, 102, 103, 104, 105, 106, 107, 109, 111, 112, 113, 114, 140, 141, 142, 143, 147, 149, 161, 162, 163, 164, 165, 166, 167, 168, 170, 171, 172, 173, 177, 178, 179, 180, 181, 183, 184, 185, 186, 187, 189, 190, 195, 199, 200, 201, 202, 203, 207, 208, 209, 210, 211, 213, 214, 215, 216, 226, 227, 228, 229, 230, 231, 233, 234, 235, 236, 238, 239, 240, 241, 242, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 260, 262, 263, 283, 284, 285, 286, 287, 288, 289, 290, 291, 293, 294, 295, 296, 297, 299, 300, 303, 309, 310, 311, 313, 314, 315, 316, 317, 318, 319, 320, 321, 323, 324, 327, 328, 330, 333, 334, 335, 347, 349, 350, 354, 366, 367, 368, 369, 372, 374, 375, 376, 377, 379, 380, 381, 384, 385, 391, 392, 393, 394, 395, 396, 398, 402, 403, 405, 406, 408, 410, 412, 414, 415, 419, 420, 422, 423, 424, 425, 426, 428, 429, 430, 431, 433, 434, 435, 437, 438, 439, 440, 441, 442, 443, 445, 446, 447, 451, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 476, 477, 478, 480, 481, 482, 483, 484, 485, 486, 487, 488, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 522, 523, 524, 525, 526, 528, 529, 530, 531, 532, 533, 534, 535, 541, 542, 543, 544, 545, 546, 547, 548, 549, 553, 554, 555, 556, 561, 563, 564, 565, 566, 567, 568, 570, 571, 572, 573, 577, 578, 580, 581, 582, 583, 585, 586, 587, 589, 590, 591, 592, 593, 594, 596, 597, 598, 599, 600, 606, 607, 608, 609, 611, 613, 621, 622, 623, 624, 625, 627, 628, 629, 631, 632, 633, 636, 637, 638, 639, 640, 641, 642, 643, 644, 646, 649, 651, 655, 656, 657, 658, 660, 661, 662, 663, 665, 666, 667, 668, 669, 670, 671, 672, 674, 675, 676, 677, 678, 679, 681, 682, 683, 684, 686, 691, 692, 693, 695, 696, 701, 702, 703, 705, 706, 708, 709, 710, 711, 713, 714, 715, 717, 718, 726, 727, 728, 730, 733, 734, 736, 737, 739, 743, 745, 747, 752, 755, 757, 758, 759, 761, 762, 763, 765, 766, 770, 771, 774, 775, 777, 778, 785, 786, 790, 791, 792, 793, 794, 796, 797, 804, 805, 807, 808, 810, 811, 814, 817, 818, 820, 821, 822, 823, 824, 825, 826, 828, 829, 830, 831, 832, 833, 835, 836, 840, 844, 846, 848, 850, 853, 857, 858, 861, 863, 867, 871, and 872, and agree to the same.

Amendments numbered 3, 4, 5, 6, 7, and 8: That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 6, 7, and 8, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"1. Acids: Acetic or pyroligneous acid, not exceeding the specific gravity of 1.047, three-fourths of 1 cent per pound; exceeding the specific gravity of 1.047, 2 cents per pound; boracic acid, 5 cents per pound; chromic acid and lactic acid, 3 cents per pound; citric acid, 7 cents per pound; salicylic acid, 10 cents per pound; sulphuric acid or oil of vitriol not specially provided for in this act, one-fourth of 1 cent per pound; tannic acid or tannin, 50 cents per pound; gallic acid, 10 cents per pound; tartaric acid, 7 cents per pound; all other acids, not specially provided for in this act, 25 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"17. Collodion and all compounds of pyroxylin, whether known as celluloid or by any other name, 50 cents per pound; rolled or in sheets, unpolished, and not made up into articles, 60 cents per pound; if in finished or partly finished articles, and articles of which collodion or any compound of pyroxylin is the component material of chief value, 65 cents per pound and 25 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "One-fourth of 1 cent per pound, and in addition thereto;" and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"30. Chicle, 10 cents per pound."

And the Senate agree to the same.

Amendments numbered 55 and 56: That the House recede from its disagreement to the amendments of the Senate numbered 55 and 56, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"40. Olive oil, not specially provided for in this act, 40 cents per gallon; in bottles, jars, tins, or similar packages, 50 cents per gallon."

And the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"47. Black, made from bone, ivory, or vegetable substance, by whatever name known, including bone black and lampblack, dry or ground in oil or water, 25 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In line 2 of the matter inserted by said amendment, after the word "earths," insert a comma; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"50. Orange mineral, 3½ cents per pound."

And the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"51. Red lead, 2½ cents per pound."

And the Senate agree to the same.

Amendments numbered 66 and 67: That the House recede from its disagreement to the amendments of the Senate numbered 66 and 67, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"52. Ultramarine blue, whether dry, in pulp, or mixed with water, and wash blue containing ultramarine, 3½ cents per pound."

And the Senate agree to the same.

Amendments numbered 74 and 75: That the House recede from its disagreement to the amendments of the Senate numbered 74 and 75, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"55. White lead, white paint, and pigment containing lead, dry or in pulp, or ground or mixed with oil, 2½ cents per pound."

And the Senate agree to the same.

Amendments numbered 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, and 89: That the House recede from its disagreement to the amendments of Senate numbered 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, and 89, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"58. All paints, colors, pigments, lakes, crayons, smalts, and frostings, whether crude or dry or mixed, or ground with water or oil or with solutions other than oil, not otherwise specially provided for in this act, 30 per cent ad valorem; all paints, colors, and pigments, commonly known as artists' paints or colors, whether in tubes, pans, cakes, or other forms, 30 per cent ad valorem.

"59. Paris green and london purple, 15 per cent ad valorem."

And the Senate agree to the same.

Amendments numbered 90, 91, 92, and 93: That the House recede from its disagreement to the amendments of the Senate numbered 90, 91, 92, and 93, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"60. Lead: Acetate of, white, 3½ cents per pounds; brown, gray, or yellow, 2½ cents per pound; nitrate of, 2½ cents per pound; litharge, 2½ cents per pound."

And the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"61. Phosphorus, 18 cents per pound."

And the Senate agree to the same.

Amendment numbered 115: That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"88. Tiles, plain unglazed, one color, exceeding 2 square inches in size, 4 cents per square foot; glazed, encaustic, ceramic mosaic, vitrified, semivitrified, flint, spar, embossed, enameled, ornamental, hand painted, gold decorated, and all other earthenware tiles, valued at not exceeding 40 cents per square foot, 8 cents per square foot; exceeding 40 cents per square foot, 10 cents per square foot and 25 per cent ad valorem."

And the Senate agree to the same.

Amendments numbered 118, 119, 120, 121, 122, 123, and 124: That the House recede from its disagreement to the amendments of the Senate numbered 118, 119, 120, 121, 122, 123, and 124, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"91. Plaster rock or gypsum, crude, 50 cents per ton; if ground or calcined, $2.25 per ton; pearl hardening for paper makers' use, 20 per cent ad valorem."

And the Senate agree to the same.

Amendments numbered 125 and 126: That the House recede from its disagreement to the amendments of the Senate numbered 125 and 126, and agree to the same with an amendment, as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"92. Pumice stone, wholly or partially manufactured, $6 per ton; unmanufactured, 15 per cent ad valorem."

And the Senate agree to the same.

Amendments numbered 127, 128, 129, 130, 131, and 132: That the House recede from its disagreement to the amendments of the Senate numbered 127, 128, 129, 130, 131, and 132, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"93. Clays or earths, unwrought or unmanufactured, not specially provided for in this act, $1 per ton; wrought or manufactured, not specially provided for in this act, $2 per ton; china clay or kaolin, $2.50 per ton; limestone rock asphalt containing not more than than 15 per cent of bitumen, 50 cents per ton; asphaltum and bitumen, not specially provided for in this act, crude, if not dried or otherwise advanced in any manner, $1.50 per ton; if dried or otherwise advanced in any manner, $3 per ton; bauxite, or beauxite, crude, not refined or otherwise advanced in condition from its natural state, $1 per ton; fuller's earth, unwrought and unmanufactured, $1.50 per ton; wrought or manufactured, $3 per ton."

And the Senate agree to the same.

Amendments numbered 133, 134, 135, 136, 137, and 138: That the House recede from its disagreement to the amendments of the Senate numbered 133, 134, 135, 136, 137, and 138, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"94. Common yellow, brown, or gray earthenware, plain, embossed, or salt-glazed common stoneware, and crucibles, all the foregoing not decorated in any manner, 25 per cent ad valorem; Rockingham earthenware not decorated, 40 per cent ad valorem."

And the Senate agree to the same.

Amendments numbered 144 and 145: That the House recede from its disagreement to the amendments of the Senate numbered 144 and 145, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"98. Gas retorts, $3 each; lava tips for burners, 10 cents per gross and 15 per cent ad valorem; carbons for electric lighting, 90 cents per hundred; filter tubes, 45 per cent ad valorem; porous carbon pots for electric batteries, without metallic connections, 20 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"99. Plain green or colored, molded or pressed, and flint, lime, or lead glass bottles, vials, jars, and covered or uncovered demijohns and carboys, any of the foregoing, filled or unfilled, not otherwise specially provided for, and whether their contents be dutiable or free (except such as contain merchandise subject to an ad valorem rate of duty, or to a rate of duty based in whole or in part upon the value thereof, which shall be dutiable at the rate applicable to their contents), shall pay duty as follows: If holding more than 1 pint, 1 cent per pound; if holding not more than 1 pint and not less than one-fourth of a pint, 1½ cents per pound; if holding less than one-fourth of a pint, 50 cents per gross: *Provided*, That none of the above articles shall pay a less rate of duty than 40 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"100. Glass bottles, decanters, or other vessels or articles of glass, cut, engraved, painted, colored, stained, silvered, gilded, etched, frosted, printed in any manner or otherwise ornamented, decorated, or ground (except such grinding as is necessary for fitting stoppers), and any articles of which such glass is the component material of chief value, and porcelain, opal, and other blown glassware; all the foregoing, filled or unfilled, and whether their contents be dutiable or free, 60 per cent ad valorem."

And the Senate agree to the same.

Amendments numbered 174, 175, and 176: That the House recede from its disagreement to the amendments of the Senate numbered 174, 175, and 176, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"107. Cast polished plate glass, silvered or unsilvered, and cylinder, crown, or common window glass, silvered or unsilvered, when bent, ground, obscured, frosted, sanded, enameled, beveled, etched, embossed, engraved, flashed, stained, colored, painted, or otherwise ornamented or decorated, shall be subject to a duty of 5 per cent ad valorem in addition to the rates otherwise chargeable thereon."

And the Senate agree to the same.

Amendments numbered 191, 192, and 193: That the House recede from its disagreement to the amendments of the Senate numbered 191, 192, and 193, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"115. Manufactures of agate, alabaster, chalcedony, chrysolite, coral, cornelian, garnet, jasper, jet, malachite, marble, onyx, rock crystal, or spar, including clock cases with or without movements, not specially provided for in this act, 50 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 194: That the House recede from its disagreement to the amendment of the Senate numbered 194, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"117. Freestone, granite, sandstone, limestone, and other building or monumental stone, except marble and onyx, unmanufactured or undressed, not specially provided for in this act, 12 cents per cubic foot."

And the Senate agree to the same.

Amendment numbered 212: That the House recede from its disagreement to the amendment of the Senate numbered 212, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "1½ cents per pound;" and the Senate agree to the same.

Amendments numbered 217, 218, 219, 220, 221, 222, 223, and 224: That the House recede from its disagreement to the amendments of the Senate numbered 217, 218, 219, 220, 221, 222, 223, and 224, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"128. Hoop, band, or scroll iron or steel, not otherwise provided for in this act, valued at 3 cents per pound or less, 8 inches or less in width, and less than three-eighths of 1 inch thick and not thinner than No. 10 wire gauge, five-tenths of 1 cent per pound; thinner than No. 10 wire gauge and not thinner than No. 20 wire gauge, six-tenths of 1 per cent per pound; thinner than No. 20 wire gauge, eight-tenths of 1 cent per pound: *Provided*, That barrel hoops of iron or steel, and hoop or band iron or hoop or band steel flared, splayed or punched, with or without buckles or fastenings, shall pay one-tenth of 1 cent per pound more duty than that imposed on the hoop or band iron or steel from which they are made; steel bands or strips, untempered, suitable for making band saws, 3 cents per pound and 20 per cent ad valorem; if tempered, or tempered and polished, 6 cents per pound and 20 per cent ad valorem.

"129. Hoop or band iron, or hoop or band steel, cut to lengths, or wholly or partly manufactured into hoops or ties, coated or not coated with paint or any other preparation, with or without buckles or fastenings, for baling cotton or any other commodity, five-tenths of 1 cent per pound."

And the Senate agree to the same.

Amendment numbered 257: That the House recede from its disagreement to the amendment of the Senate numbered 257, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: "*Provided further*, That all iron or steel wire rods which have been tempered or treated in any manner or partly manufactured shall pay an additional duty of one-half of 1 cent per pound;" and the Senate agree to the same.

Amendments numbered 258 and 259: That the House recede from its disagreement to the amendments of the Senate numbered 258 and 259, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendments insert the following:

"137. Round iron or steel wire, not smaller than No. 13 wire gauge, 1½ cents per pound; smaller than No. 13 and not smaller than No. 16 wire gauge, 1½ cents per pound; smaller than No. 16 wire gauge, 2 cents per pound: *Provided*, That all the foregoing valued at more than 4 cents per pound shall pay 40 per cent ad valorem. Iron or steel or other wire not specially provided for in this act, including such as is commonly known as hat wire, or bonnet wire, crinoline wire, corset wire, needle wire, piano wire, clock wire, and watch wire, whether flat or otherwise, and corset clasps, corset steels, and dress steels, and sheet steel in strips, twenty-five one-thousandths of an inch thick or thinner, any of the foregoing, whether uncovered or covered with cotton, silk, metal, or other material, valued at more than 4 cents per pound, 45 per cent ad valorem: *Provided*, That articles manufactured from iron, steel, brass, or copper wire shall pay the rate of duty imposed upon the wire used in the manufacture of such articles, and in addition thereto 1½ cents per pound, except that wire rope and wire strand shall pay the maximum rate of duty which would be imposed upon any wire used in the manufacture thereof, and in addition thereto 1 cent per pound; and on iron or steel wire coated with zinc, tin, or any other metal, two-tenths of 1 cent per pound in addition to the rate imposed on the wire from which it is made."

And the Senate agree to the same.

Amendment numbered 261: That the House recede from its disagreement to the amendment of the Senate numbered 261, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "one and seven-eighths;" and the Senate agree to the same.

Amendments numbered 264, 265, 266, 267, and 268: That the House recede from its disagreement to the amendments of the Senate numbered 264, 265, 266, 267, and 268, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"151. Chain or chains of all kinds, made of iron or steel, not less than three-fourths of 1 inch in diameter, 1½ cents per pound; less than three-fourths of 1 inch and not less that three-eighths of 1 inch in diameter, 1¾ cents per pound; less than three-eighths of 1 inch in diameter and not less than five-sixteenths of 1 inch in diameter, 1¾ cents per pound; less than five-sixteenths of 1 inch in diameter, 3 cents per pound; but no chain or chains of any description shall pay a lower rate of duty than 45 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 269: That the House recede from its disagreement to the amendment of the Senate numbered 269, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "; all other iron or steel tubes, finished, not specially provided for in this act, 35 per cent ad valorem;" and the Senate agree to the same.

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: In line 9 of the matter inserted by said amendment, strike out the words "fifty cents" and insert in lieu thereof the words "twenty-five cents;" and in line 11, strike out the words "fifty cents" and insert in lieu thereof the words "twenty-five cents;" and the Senate agree to the same.

Amendments numbered 271, 272, 273, 274, 275, 276, 277, 278, and 279: That the House recede from its disagreement to the amendments of the Senate numbered 271, 272, 273, 274, 275, 276, 277, 278, and 279, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"156. Files, file-blanks, rasps, and floats of all cuts and kinds, 2½ inches in length and under, 30 cents per dozen; over 2½ inches in length and not over 4½ inches, 50 cents per dozen; over 4½ inches in length and under 7 inches, 75 cents per dozen; 7 inches in length and over, $1 per dozen."

And the Senate agree to the same.

Amendment numbered 280: That the House recede from its disagreement to the amendment of the Senate numbered 280, and agree to the same with an amendment as follows: Strike out the word "ten" and in lieu thereof insert the word "five;" and the Senate agree to the same.

Amendment numbered 281: That the House recede from its disagreement to the amendment of the Senate numbered 281, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: ", one dollar and fifty cents each and in addition thereto 15 per cent ad valorem; valued at more than $5 and not more than $10, $4 each and in addition thereto 15 per cent ad valorem;" and the Senate agree to the same.

Amendment numbered 292: That the House recede from its disagreement to the amendment of the Senate numbered 292, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "Steel band saws, finished or further advanced than tempered and polished, 10 cents per pound and 20 per cent ad valorem;" and the Senate agree to the same.

Amendment numbered 298: That the House recede from its disagreement to the amendment of the Senate numbered 298, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"171. Umbrella and parasol ribs and stretchers, composed in chief value of iron, steel, or other metal, in frames or otherwise, 50 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 301: That the House recede from its disagreement to the amendment of the Senate numbered 301, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: ", 1½ cents per pound;" and the Senate agree to the same.

Amendments numbered 304, 305, 306, 307, and 308: That the House recede from its disagreement to the amendments of the Senate numbered 304, 305, 306, 307, and 308, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"173. Aluminum, and alloys of any kind in which aluminum is the component material of chief value, in crude form, 8 cents per pound; in plates, sheets, bars, and rods, 13 cents per pound."

And the Senate agree to the same.

Amendment numbered 312: That the House recede from its disagreement to the amendment of the Senate numbered 312, and agree to the same with an amendment as follows: Strike out the word "eight" and insert in lieu thereof the word "six;" and the Senate agree to the same.

Amendment numbered 322: That the House recede from its disagreement to the amendment of the Senate numbered 322, and agree to the same with an amendment as follows: Strike out the words "and one-fourth" and insert in lieu thereof the words "and one-eighth;" and the Senate agree to the same.

Amendment numbered 325: That the House recede from its disagreement to the amendment of the Senate numbered 325, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"184. Mica, unmanufactured, or rough trimmed only, 6 cents per pound and 20 per cent ad valorem; mica, cut or trimmed, 12 cents per pound and 20 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 326: That the House recede from its disagreement to the amendment of the Senate numbered 326, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"185. Nickel, nickel oxide, alloy of any kind in which nickel is a component material of chief value, in pigs, ingots, bars, or sheets, 6 cents per pound."

And the Senate agree to the same.

Amendment numbered 329: That the House recede from its disagreement to the amendment of the Senate numbered 329, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", whether imported in cases or not, if;" and the Senate agree to the same.

Amendment numbered 331: That the House recede from its disagreement to the amendment of the Senate numbered 331, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "not composed wholly or in part of china, porcelain, parian, bisque, or earthenware;" and the Senate agree to the same.

Amendment numbered 332: That the House recede from its disagreement to the amendment of the Senate numbered 332, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment

insert the following: "; all jewels for use in the manufacture of watches or clocks, 10 per cent ad valorem;" and the Senate agree to the same.

Amendments numbered 336, 337, and 338: That the House recede from its disagreement to the amendments of the Senate numbered 336, 337, and 338, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"194. Timber hewn, sided, or squared (not less than 8 inches square), and round timber used for spars or in building wharves, 1 cent per cubic foot."

And the Senate agree to the same.

Amendment numbered 343: That the House recede from its disagreement to the amendment of the Senate numbered 343, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "*Provided*, That if any country or dependency shall impose an export duty upon saw logs, round unmanufactured timber, stave bolts, shingle bolts, or heading bolts, exported to the United States, or a discriminating charge upon boom sticks, or chains used by American citizens in towing logs, the amount of such export duty, tax, or other charge, as the case may be, shall be added as an additional duty to the duties imposed upon the articles mentioned in this paragraph when imported from such country or dependency;" and the Senate agree to the same.

Amendments numbered 344, 345, and 346: That the House recede from its disagreement to the amendments of the Senate numbered 344, 345, and 346, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"200. Hubs for wheels, posts, heading bolts, stave bolts, last blocks, wagon blocks, oar blocks, heading blocks, and all like blocks or sticks, rough-hewn, sawed or bored, 20 per cent ad valorem; fence posts, 10 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 348: That the House recede from its disagreement to the amendment of the Senate numbered 348, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"204. Casks, barrels, and hogsheads (empty), sugar-box shooks, and packing boxes (empty), and packing-box shooks, of wood, not specially provided for in this act, 30 per cent ad valorem."

And the Senate agree to the same.

Amendments numbered 351 and 352: That the House recede from its disagreement to the amendments of the Senate numbered 351 and 352, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"207. Toothpicks of wood or other vegetable substance, 2 cents per 1,000 and 15 per cent ad valorem; butchers' and packers' skewers of wood, 40 cents per 1,000."

And the Senate agree to the same.

Amendment numbered 353: That the House recede from its disagreement to the amendment of the Senate numbered 353, and agree to the same with an amendment as follows: On page 52 of the bill, in line 9, after the word "degrees," insert the words "ninety-five one-hundredths of;" and in line 11, strike out the words "three one-hundredths" and insert in lieu thereof the words "thirty-five one-thousandths;" and the Senate agree to the same.

Amendments numbered 357 and 358: That the House recede from its disagreement to the amendments of the Senate numbered 357 and 358, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"211. Saccharine, $1.50 per pound and 10 per cent ad valorem."

And the Senate agree to the same.

Amendments numbered 359, 360, 361, 362, 363, and 364: That the House recede from its disagreement to the amendments of the Senate numbered 359, 360, 361, 362, 363, and 364, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"212. Sugar candy and all confectionery not specially provided for in this act, valued at 15 cents per pound or less, and on sugars after being refined, when tinctured, colored, or in any way adulterated, 4 cents per pound and 15 per cent ad valorem; valued at more than 15 cents per pound, 50 per cent ad valorem. The weight and the value of the immediate coverings, other than the outer packing case or other covering, shall be included in the dutiable weight and the value of the merchandise."

And the Senate agree to the same.

Amendment numbered 365: That the House recede from its disagreement to the amendment of the Senate numbered 365, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment, strike out the words "one dollar and seventy-five cents" and insert in lieu thereof the words "one dollar and eighty-five cents;" and the Senate agree to the same.

Amendment numbered 371: That the House recede from its disagreement to the amendment of the Senate numbered 371, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"218. Cattle, if less than one year old, $2 per head; all other cattle, if valued at not more than $14 per head, $3.75 per head; if valued at more than $14 per head, 27½ per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 378: That the House recede from its disagreement to the amendment of the Senate numbered 378, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"240. Beans, 45 cents per bushel of 60 pounds."

And the Senate agree to the same.

Amendments numbered 382 and 383: That the House recede from its disagreement to the amendments of the Senate numbered 382 and 383, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"245. Eggs, yolk of, 25 per cent ad valorem; albumen, egg or blood, 3 cents per pound; dried blood, when soluble, 1½ cents per pound."

And the Senate agree to the same.

Amendments numbered 387, 388, and 389: That the House recede from its disagreement to the amendments of the Senate numbered 387, 388, and 389, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"250. Pease, green, in bulk or in barrels, sacks, or similar packages, and seed pease, 40 cents per bushel of 60 pounds; pease, dried, not specially provided for, 30 cents per bushel; split pease, 40 cents per bushel of 60 pounds; pease in cartons, papers, or other small packages, 1 cent per pound."

And the Senate agree to the same.

Amendment numbered 390: That the House recede from its disagreement to the amendment of the Senate numbered 390, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"251. Orchids, palms, dracænas, crotons, and azaleas, tulips, hyacinths, narcissi, jonquils, lilies, lilies of the valley, and all other bulbs, bulbous roots, or corns, which are cultivated for their flowers, and natural flowers of all kinds, preserved or fresh, suitable for decorative purposes, 25 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 397: That the House recede from its disagreement to the amendment of the Senate numbered 397, and agree to the same with an amendment as follows: On page 59 of the bill, in line 5, after the word "nursery," insert the words or "greenhouse;" and the Senate agree to the same.

Amendment numbered 399: That the House recede from its disagreement to the amendment of the Senate numbered 399, and agree to the same with an amendment as follows: Strike out the word "twenty-five" and insert in lieu thereof the word "thirty;" and the Senate agree to the same.

Amendment numbered 401: That the House recede from its disagreement to the amendment of the Senate numbered 401, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment strike out the word "Containing" and insert in lieu thereof the words "When in packages containing;" and in line 12, after the word "fish," insert the words "(except shellfish);" and in line 13 strike out the words "except shellfish;" and the Senate agree to the same.

Amendment numbered 404: That the House recede from its disagreement to the amendment of the Senate numbered 404, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment, after the word "salmon," insert the word "fresh;" and the Senate agree to the same.

Amendment numbered 407: That the House recede from its disagreement to the amendment of the Senate numbered 407, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Peaches, quinces, cherries, plums, and pears;" and the Senate agree to the same.

Amendment numbered 411: That the House recede from its disagreement to the amendment of the Senate numbered 411, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "act," insert the words "1 cent per pound and;" in line 4 strike out the word "eighteen" and insert in lieu thereof the word "ten;" in line 8 strike out the word "eighteen" and insert in lieu thereof the word "ten;" and the Senate agree to the same.

Amendment numbered 413: That the House recede from its disagreement to the amendment of the Senate numbered 413, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"265. Grapes in barrels or other packages, 20 cents per cubic foot of capacity of barrels or packages."

And the Senate agree to the same.

Amendment numbered 416: That the House recede from its disagreement to the amendment of the Senate numbered 416, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment strike out the words "2½ cents" and insert in lieu thereof the words "2 cents;" and the Senate agree to the same.

Amendments numbered 417 and 418: That the House recede from its disagreement to the amendments of the Senate numbered 417 and 418, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"268. Pineapples, in barrels and other packages, 7 cents per cubic foot of the capacity of barrels or packages; in bulk, $7 per thousand."

And the Senate agree to the same.

Amendment numbered 432: That the House recede from its disagreement to the amendment of the Senate numbered 432, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"282. Cocoa-butter or cocoa-butterine, 3½ cents per pound."

And the Senate agree to the same.

Amendment numbered 444: That the House recede from its disagreement to the amendment of the Senate numbered 444, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment, strike out the words "thirty cents" and in lieu thereof insert the words "forty cents;" and the Senate agree to the same.

Amendment numbered 448: That the House recede from its disagreement to the amendment of the Senate numbered 448, and agree to the same with an amendment as follows: Strike out the word "fourteen" and insert in lieu thereof the word "twenty;" and the Senate agree to the same.

Amendment numbered 449: That the House recede from its disagreement to the amendment of the Senate numbered 449, and agree to the same with an amendment as follows: Strike out the word "twenty-four" and insert in lieu thereof the word "thirty;" and the Senate agree to the same.

Amendment numbered 450: That the House recede from its disagreement to the amendment of the Senate numbered 450, and agree to the same with an amendment as follows: Strike out the word "twenty" and insert in lieu thereof the word "twenty-four;" and the Senate agree to the same.

Amendment numbered 453: That the House recede from its disagreement to the amendment of the Senate numbered 453, and agree to the same with an amendment as follows: On page 71 of the bill, in line 24, strike out the words "three-tenths of a cent" and insert in lieu thereof the words "one-fourth of 1 cent;" and the Senate agree to the same.

Amendment numbered 454: That the House recede from its disagreement to the amendment of the Senate numbered 454, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "on number 80 and above, three-tenths of 1 cent per number per pound;" and the Senate agree to the same.

Amendment numbered 475: That the House recede from its disagreement to the amendment of the Senate numbered 475, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "otherwise," insert the words "of which cotton is the component material of chief value;" and the Senate agree to the same.

Amendment numbered 479: That the House recede from its disagreement to the amendment of the Senate numbered 479, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the words "description, or condition;" and the Senate agree to the same.

Amendment numbered 489: That the House recede from its disagreement to the amendment of the Senate numbered 489, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: "*Provided*, That corduroys composed of cotton or other vegetable fiber, weighing 7 ounces or over per square yard, shall pay a duty of 18 cents per square yard and 25 per cent ad valorem: *Provided further;*" and the Senate agree to the same.

Amendment numbered 536: That the House recede from its disagreement to the amendment of the Senate numbered 536, and agree to the same with an amendment as follows: Strike out the word "fourteen" and insert in lieu thereof the word "thirteen;" and the Senate agree to the same.

Amendment numbered 537: That the House recede from its disagreement to the amendment of the Senate numbered 537, and agree to the same with an amendment as follows: Strike out the word "seven-eighths" and insert in lieu thereof the word "three-fourths;" and the Senate agree to the same.

Amendment numbered 538: That the House recede from its disagreement to the amendment of the Senate numbered 538, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"331. Single yarns in the gray, made of flax, hemp, or ramie, or a mixture of any of them, not finer than 8 lea or number, 7 cents per pound; finer than 8 lea or number and not finer than 80 lea or number, 40 per cent ad valorem; single yarns, made of flax, hemp, or ramie, or a mixture of any of them, finer than 80 lea or number, 15 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 539: That the House recede from its disagreement to the amendment of the Senate numbered 539, and agree to the same with an amendment as follows: In the last line of the matter inserted by said amendment strike out the word "twenty" and insert in lieu thereof the word "twenty-five;" and the Senate agree to the same.

Amendment numbered 540: That the House recede from its disagreement to the amendment of the Senate numbered 540, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"333. Floor mattings, plain, fancy, or figured, manufactured from straw, round or split, or other vegetable substances not otherwise provided for, including what are commonly known as Chinese, Japanese, and India straw mattings, valued at not exceeding 10 cents per square yard, 3 cents per square yard; valued at exceeding 10 cents per square yard, 7 cents per square yard and 25 per cent ad valorem."

And the Senate agree to the same.

Amendments numbered 550 and 551: That the House recede from its disagreement to the amendments of the Senate numbered 550 and 551, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"338. Shirt collars and cuffs, composed of cotton, 45 cents per dozen pieces and 15 per cent ad valorem; composed in whole or in part of linen, 40 cents per dozen pieces and 20 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 552: That the House recede from its disagreement to the amendment of the Senate numbered 552, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment, after the word "laces" strike out the semicolon and insert in lieu thereof a comma; and in line 3, after the word "articles," insert a comma; and the Senate agree to the same.

Amendment numbered 557: That the House recede from its disagreement to the amendment of the Senate numbered 557, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"341. Plain woven fabrics of single jute yarns, by whatever name known, not exceeding 60 inches in width, weighing not less than 6 ounces per square yard and not exceeding 30 threads to the square inch, counting the warp and filling, five-eighths of 1 cent per pound and 15 per cent ad valorem; if exceeding 30 and not exceeding 55 threads to the square inch, counting the warp and filling, seven-eighths of 1 cent per pound and 15 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 559: That the House recede from its disagreement to the amendment of the Senate numbered 559, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"343. Bags or sacks made from plain woven fabrics, of single jute yarns, not dyed, colored, stained, painted, printed, or bleached, and not exceeding 30 threads to the square inch, counting the warp and filling, seven-eighths of 1 cent per pound and 15 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 560: That the House recede from its disagreement to the amendment of the Senate numbered 560, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"344. Bagging for cotton, gunny cloth, and similar fabrics, suitable for covering cotton, composed of single yarns made of jute, jute butts, or hemp, not bleached, dyed, colored, stained, painted, or printed, not exceeding 16 threads to the square inch, counting the warp and filling, and weighing not less than 15 ounces per square yard, six-tenths of 1 cent per square yard."

And the Senate agree to the same.

Amendment numbered 562: That the House recede from its disagreement to the amendment of the Senate numbered 562, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment strike out the words "four ounces" and insert in lieu thereof the words "four and one-half ounces;" and in line 20, strike out the words "four ounces" and insert in lieu thereof the words "four and one-half ounces;" and the Senate agree to the same.

Amendment numbered 576: That the House recede from its disagreement to the amendment of the Senate numbered 576, and agree to the same with an amendment as follows: Strike out the word "ten" and insert in lieu thereof the word "twelve;" and the Senate agree to the same.

Amendment numbered 579: That the House recede from its disagreement to the amendment of the Senate numbered 579, and agree to the same with an amendment as follows: Strike out the word "ten" and insert in lieu thereof the word "twelve;" and the Senate agree to the same.

Amendment numbered 584: That the House recede from its disagreement to the amendment of the Senate numbered 584, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment, after the word "noils," insert the words "wool extract;" and the Senate agree to the same.

Amendment numbered 588: That the House recede from its disagreement to the amendment of the Senate numbered 588, and agree to the same with an amendment as follows: In line 2 of the matter inserted by said amendment strike out the word "thirty-five" and insert in lieu thereof the word "thirty;" and in line 5 strike out the word "thirty-five" and insert in lieu thereof the word "thirty;" and the Senate agree to the same.

Amendment numbered 603: That the House recede from its disagreement to the amendment of the Senate numbered 603, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "thereto on all the foregoing valued at not above 70 cents per pound, 50 per cent ad valorem; valued above 70 cents per pound, 55 per cent ad valorem;" and the Senate agree to the same.

Amendment numbered 605: That the House recede from its disagreement to the amendment of the Senate numbered 605, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "thereto on all the foregoing valued at not above 70 cents per pound, 50 per cent ad valorem; valued above 70 cents per pound, 55 per cent ad valorem;" and the Senate agree to the same.

Amendment numbered 614: That the House recede from its disagreement to the amendment of the Senate numbered 614, and agree to the same with an amendment as follows: Strike out the words "sixty-two and one-half" and insert in lieu thereof the word "sixty;" and the Senate agree to the same.

Amendment numbered 619: That the House recede from its disagreement to the amendment of the Senate numbered 619, and agree to the same with an amendment as follows: Strike out the word "twenty-five" and insert in lieu thereof the word "twenty-two;" and the Senate agree to the same.

Amendment numbered 620: That the House recede from its disagreement to the amendment of the Senate numbered 620, and agree to the same with an amendment as follows: Strike out the word "twenty" and insert in lieu thereof the word "eighteen;" and the Senate agree to the same.

Amendment numbered 626: That the House recede from its disagreement to the amendment of the Senate numbered 626, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the words "velvet or plush ribbons;" and the Senate agree to the same.

Amendment numbered 630; That the House recede from its disagreement to the amendment of the Senate numbered 630, and agree to the same with an amendment as follows: In lines 24 and 25 of the matter inserted by said amendment strike out the words "two dollars and fifty cents" and insert in lieu thereof the words "two dollars and twenty-five cents;" and in line 36 strike out the words "three dollars and fifty cents," and insert in lieu thereof the words "three dollars and twenty-five cents;" and the Senate agree to the same.

Amendment numbered 645: That the House recede from its disagreement to the amendment of the Senate numbered 645, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "And all Jacquard figured goods in the piece, made on looms, of which silk is the component material of chief value, dyed in the yarn, and containing two or more colors in the filling;" and the Senate agree to the same.

Amendment numbered 648: That the House recede from its disagreement to the amendment of the Senate numbered 648, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "wool," insert the words "exported to the United States;" and the Senate agree to the same.

Amendment numbered 650: That the House recede from its disagreement to the amendment of the Senate numbered 650, and agree to the same with an amendment as follows: In lieu of the amended paragraph insert the following:

"396. Printing paper, unsized, sized, or glued, suitable for books and newspapers, valued at not above 2 cents per pound, three-tenths of 1 cent per pound; valued above 2 cents and not above 2½ cents per pound, four-tenths of 1 cent per pound; valued above 2½ cents per pound and not above 3 cents per pound, five-tenths of 1 cent per pound; valued above 3 cents and not above 4 cents per pound, six-tenths of 1 cent per pound; valued above 4 cents and not above 5 cents per pound, eight-tenths of 1 cent per pound; valued above 5 cents per pound, 15 per cent ad valorem: *Provided*, That if any country or dependency shall impose an export duty upon pulp wood exported to the United States, there shall be imposed upon printing paper when imported from such country or dependency, an additional duty of one-tenth of 1 cent per pound for each dollar of export duty per cord so imposed, and proportionately for fractions of a dollar of such export duty."

And the Senate agree to the same.

Amendment numbered 652: That the House recede from its disagreement to the amendment of the Senate numbered 652, and agree to the same with an amendment as follows: In line 8 of the matter inserted by said amendment strike out the word "twenty" and insert in lieu thereof the word "ten;" and the Senate agree to the same.

Amendment numbered 653: That the House recede from its disagreement to the amendment of the Senate numbered 653, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"Manufactures of paper:

"399. Paper envelopes, plain, 20 per cent ad valorem; if bordered, embossed, printed, tinted, or decorated, 35 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 654: That the House recede from its disagreement to the amendment of the Senate numbered 654, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"400. Lithographic prints from stone, zinc, aluminum, or other material, bound or unbound (except cigar labels, flaps, and bands, lettered or otherwise, music and illustrations when forming a part of a periodical or newspaper and accompanying the same, or if bound in or forming a part of printed books, not specially provided for in this act), on paper or other material not exceeding eight one-thousandths of 1 inch in thickness, 20 cents per pound; on paper or other material exceeding eight one-thousandths of 1 inch and not exceeding twenty one-thousandths of 1 inch in thickness, and exceeding 35 square inches but not exceeding 400 square inches cutting size in dimensions, 8 cents per pound; exceeding 400 square inches cutting size in dimensions, 35 per cent ad valorem; prints exceeding eight one-thousandths of 1 inch and not exceeding twenty one-thousandths of 1 inch in thickness, and not exceeding 35 square inches cutting size in dimensions, 5 cents per pound; lithographic prints from stone, zinc, aluminum, or other material, on cardboard or other material, exceeding twenty one-thousandths of 1 inch in thickness, 6 cents per pound; lithographic cigar labels, flaps, and bands, lettered or blank, printed from stone, zinc, aluminum, or other material, if printed in less than eight colors (bronze printing to be counted as two colors), but not including labels, flaps, and bands printed in whole or in part in metal leaf, 20 cents per pound. Labels, flaps, and bands, if printed entirely in bronze printing, 15 cents per pound; labels, flaps, and bands printed in eight or more colors, but not including labels, flaps, and bands printed in whole or in part in metal leaf, 30 cents per pound; labels, flaps, and bands printed in whole or in part in metal leaf, 50 cents per pound. Books of paper or other material, for children's use, containing illuminated lithographic prints, not exceeding in weight 24 ounces each, and all booklets and fashion magazines or periodicals printed in whole or in part by lithographic process or decorated by hand, 8 cents per pound."

And the Senate agree to the same.

Amendment numbered 664: That the House recede from its disagreement to the amendment of the Senate numbered 664, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"406. Playing cards, in packs not exceeding fifty-four cards and at a like rate for any number in excess, 10 cents per pack and 20 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 673: That the House recede from its disagreement to the amendment of the Senate numbered 673, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment, strike out the words "except steel" and insert in lieu thereof the words "(except steel);" and the Senate agree to the same.

Amendment numbered 688: That the House recede from its disagreement to the amendment of the Senate numbered 688, and agree to the same with an amendment as follows: On page 135 of the bill, in line 10, after the word "manner," insert the words "and not specially provided for in this act;" and the Senate agree to the same.

Amendment numbered 698: That the House recede from its disagreement to the amendment of the Senate numbered 698, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"437. Hides of cattle, raw or uncured, whether dry, salted, or pickled, 15 per cent ad valorem: *Provided*, That upon all leather exported, made from imported hides, there shall be allowed a drawback equal to the amount of duty paid on such hides, to be paid under such regulations as the Secretary of the Treasury may prescribe."

And the Senate agree to the same.

Amendment numbered 699: That the House recede from its disagreement to the amendment of the Senate numbered 699, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"438. Band or belting leather, sole leather, dressed upper and all other

leather, calfskins tanned or tanned and dressed, kangaroo, sheep, and goat skins (including lamb and kid skins) dressed and finished, chamois and other skins and bookbinders' calfskins, all the foregoing not specially provided for in this act, 20 per cent ad valorem; skins for morocco, tanned but unfinished, 10 per cent ad valorem; patent, japanned, varnished, or enameled leather, weighing not over 10 pounds per dozen hides or skins, 30 cents per pound and 20 per cent ad valorem; if weighing over 10 pounds and not over 25 pounds per dozen, 30 cents per pound and 10 per cent ad valorem; if weighing over 25 pounds per dozen, 20 cents per pound and 10 per cent ad valorem; pianoforte leather and pianoforte action leather, 35 per cent ad valorem; leather shoe laces, finished or unfinished, 50 cents per gross pairs and 20 per cent ad valorem; boots and shoes made of leather, 25 per cent ad valorem: *Provided*, That leather cut into shoe uppers or vamps or other forms, suitable for conversion into manufactured articles, shall be classified as manufactures of leather and pay duty accordingly,"

And the Senate agree to the same.

Amendment numbered 700: That the House recede from its disagreement to the amendment of the Senate numbered 700, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"445. In addition to the foregoing rates there shall be paid the following cumulative duties: On all leather gloves, when lined, $1 per dozen pairs; on all piqué or prix seam gloves, 40 cents per dozen pairs; on all gloves stitched or embroidered, with more than three single strands or cords, 40 cents per dozen pairs."

And the Senate agree to the same.

Amendment numbered 704: That the House recede from its disagreement to the amendment of the Senate numbered 704, and agree to the same with an amendment as follows: On page 124 of the bill, in line 3, strike out the word "spar;" and the Senate agree to the same.

Amendment numbered 707: That the House recede from its disagreement to the amendment of the Senate numbered 707, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"454. Paintings in oil or water colors, pastels, pen and ink drawings, and statuary, not specially provided for in this act, 20 per cent ad valorem; but the term "statuary" as used in this act shall be understood to include only such statuary as is cut, carved, or otherwise wrought by hand from a solid block or mass of marble, stone, or alabaster, or from metal, and as is the professional production of a statuary or sculptor only."

And the Senate agree to the same.

Amendment numbered 719: That the House recede from its disagreement to the amendment of the Senate numbered 719, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"SEC. 2. That on and after the passage of this act, unless otherwise specially provided for in this act, the following articles when imported shall be exempt from duty:"

And the Senate agree to the same.

Amendments numbered 720, 721, 722, 723, 724, and 725: That the House recede from its disagreement to the amendments of the Senate numbered 720, 721, 722, 723, 724, and 725, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"464. Acids: Arsenic or arsenious, benzoic, carbolic, fluoric, hydrochloric or muriatic, nitric, oxalic, phosphoric, phthalic, picric or nitro-picric, prussic, silicic, and valerianic."

And the Senate agree to the same.

Amendment numbered 729: That the House recede from its disagreement to the amendment of the Senate numbered 729, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Cattle, horses, sheep, or other domestic animals straying across the boundary line into any foreign country, or driven across such boundary line by the owner for temporary pasturage purposes only, together with their offspring, may be brought back to the United States within six months free of duty, under regulations to be prescribed by the Secretary of the Treasury;" and the Senate agree to the same.

Amendment numbered 740: That the House recede from its disagreement to the amendment of the Senate numbered 740, and agree to the same with an amendment as follows: In the last line of the matter inserted by said amendment strike out the word "suitable" and insert in lieu thereof the word "available;" and the Senate agree to the same.

Amendment numbered 742: That the House recede from its disagreement to the amendment of the Senate numbered 742, and agree to the same with an amendment as follows: In lines 4 and 5 of the matter inserted by said amendment strike out the words "and scientific books and periodicals devoted to original scientific research;" and the Senate agree to the same.

Amendment numbered 746: That the House recede from its disagreement to the amendment of the Senate numbered 746, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "countries," insert the words "all the foregoing;" and the Senate agree to the same.

Amendments numbered 750 and 751: That the House recede from its disagreement to the amendments of the Senate numbered 750 and 751, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"523. Coal, anthracite, not specially provided for in this act, and coal stores of American vessels, but none shall be unloaded."

And the Senate agree to the same.

Amendment numbered 752: That the House recede from its disagreement to the amendment of the Senate numbered 752, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"524. Coal tar, crude, pitch of coal tar, and products of coal tar known as dead or creosote oil, benzol, toluol, naphthalin, xylol, phenol, cresol, toluidine, xylidin, cumidin, binitrotoluol, binitrobenzol, benzidin, tolidin, dianisidin, naphtol, naphtylamin, diphenylamin, benzaldehyde, benzyl chloride, resorcin, nitro-benzol, and nitro-toluol; all the foregoing not medicinal and not colors or dyes."

And the Senate agree to the same.

Amendment numbered 764: That the House recede from its disagreement to the amendment of the Senate numbered 764, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"555. Fish, fresh, frozen, or packed in ice, caught in the Great Lakes or other fresh waters by citizens of the United States."

And the Senate agree to the same.

Amendments numbered 768 and 769: That the House recede from its disagreement to the amendments of the Senate numbered 768 and 769, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"559. Fruits or berries, green, ripe, or dried, and fruits in brine, not specially provided for in this act."

And the Senate agree to the same.

Amendment numbered 783: That the House recede from its disagreement to the amendment of the Senate numbered 783, and agree to the same with an amendment as follows: Strike out the amended paragraph; and the Senate agree to the same.

Amendments numbered 787, 788, and 789: That the House recede from its disagreement to the amendments of the Senate numbered 787, 788, and 789, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert the following:

"584. Ivory tusks in their natural state or cut vertically across the grain only, with the bark left intact, and vegetable ivory in its natural state."

And the Senate agree to the same.

Amendment numbered 798: That the House recede from its disagreement to the amendment of the Senate numbered 798, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment, after the word "civet," insert the word "cocoanut;" and the Senate agree to the same.

Amendment numbered 799: That the House recede from its disagreement to the amendment of the Senate numbered 799, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"627. Orange and lemon peel, not preserved, candied, or dried."

And the Senate agree to the same.

Amendment numbered 806: That the House recede from its disagreement to the amendment of the Senate numbered 806, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Including old gunny cloth and old gunny bags;" and the Senate agree to the same.

Amendment numbered 809: That the House recede from its disagreement to the amendment of the Senate numbered 809, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment strike out the word "or" where it first occurs, and insert in lieu thereof the word "and;" and the Senate agree to the same.

Amendments numbered 812 and 813: That the House recede from its disagreement to the amendments of the Senate numbered 812 and 813, and agree to the same with an amendment as follows: Strike out the amended paragraph and on page 144 of the bill, between lines 13 and 14, insert the following:

"681. Terra alba, not made from gypsum or plaster rock."

And the Senate agree to the same.

Amendment numbered 815: That the House recede from its disagreement to the amendment of the Senate numbered 815, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment strike out the words "arriving in" and insert in lieu thereof the words "emigrating to;" and the Senate agree to the same.

Amendment numbered 816: That the House recede from its disagreement to the amendment of the Senate numbered 816, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment, after the word "specimens," insert the words "or casts;" in line 2, strike out the words "in bronze, alabaster, or wood;" in line 3, after the word "use," insert the words "and by order;" and in line 6, strike out the word "or" where it last occurs and insert in lieu thereof the word "and;" and the Senate agree to the same.

Amendment numbered 827: That the House recede from its disagreement to the amendment of the Senate numbered 827, and agree to the same with an amendment as follows: After the word "preparations," in the matter inserted by said amendment, insert the words "that can be;" and the Senate agree to the same.

Amendment numbered 839: That the House recede from its disagreement to the amendment of the Senate numbered 839, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"696. Wafers, unleavened or not edible."

And the Senate agree to the same.

Amendments numbered 841, 842, and 843: That the House recede from its disagreement to the amendments of the Senate numbered 841, 842, and 843, and agree to the same with an amendment as follows: Strike out the amended paragraph and insert in lieu thereof the following:

"699. Wood: Logs and round unmanufactured timber, including pulpwoods, firewood, handle-bolts, shingle-bolts, gun-blocks for gun-stocks roughhewn or sawed or planed on one side, hop-poles, ship-timber and ship-planking; all the foregoing not specially provided for in this act."

And the Senate agree to the same.

Amendment numbered 845: That the House recede from its disagreement to the amendment of the Senate numbered 845, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the words "reeds unmanufactured;" and the Senate agree to the same.

Amendment numbered 847: That the House recede from its disagreement to the amendment of the Senate numbered 847, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment strike out the word "permanent;" and the Senate agree to the same.

Amendment numbered 849: That the House recede from its disagreement to the amendment of the Senate numbered 849, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 3. That for the purpose of equalizing the trade of the United States with foreign countries and their colonies, producing and exporting to this country the following articles: Argols, or crude tartar, or wine lees, crude; brandies, or other spirits manufactured or distilled from grain or other materials; champagne and all other sparkling wines; still wines, and vermuth; paintings and statuary; or any of them, the President be, and he is hereby, authorized, as soon as may be after the passage of this act, and from time to time thereafter, to enter into negotiations with governments of those countries exporting to the United States the above-mentioned articles, or any of them, with a view to the arrangement of commercial agreements in which reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States; and whenever the government of any country or colony producing and exporting to the United States the above-mentioned articles, or any of them, shall enter into a commercial agreement with the United States, or make concessions in favor of the products, or manufactures thereof, which, in the judgment of the President, shall be reciprocal and equivalent, he shall be, and he is hereby, authorized and empowered to suspend, during the time of such agreement or concession, by proclamation to that effect, the imposition and collection of the duties mentioned in this act, on such article or articles so exported to the United States from such country or colony, and thereupon and thereafter the duties levied, collected, and paid upon such article or articles shall be as follows, namely:

"Argols, or crude tartar, or wine lees, crude, 5 per cent ad valorem.

"Brandies, or other spirits manufactured or distilled from grain or other materials, $1.75 per proof gallon.

"Champagne and all other sparkling wines, in bottles containing not more than 1 quart and more than 1 pint, $6 per dozen; containing not more than 1 pint each and more than one-half pint, $3 per dozen; containing one-half pint each or less, $1.50 per dozen; in bottles or other vessels containing more than 1 quart each, in addition to $6 per dozen bottles on the quantities in excess of 1 quart, at the rate of $1.90 per gallon.

"Still wines, and vermuth, in casks, 35 cents per gallon; in bottles or jugs,

per case of one dozen bottles or jugs containing each not more than 1 quart and more than 1 pint, or twenty-four bottles or jugs containing each not more than 1 pint, $1.25 per case, and any excess beyond these quantities found in such bottles or jugs shall be subject to a duty of 4 cents per pint or fractional part thereof, but no separate or additional duty shall be assessed upon the bottles or jugs.

"Paintings in oil or water colors, pastels, pen and ink drawings, and statuary, 15 per cent ad valorem.

"The President shall have power, and it shall be his duty, whenever he shall be satisfied that any such agreement in this section mentioned is not being executed by the government with which it shall have been made, to revoke such suspension and notify such government thereof.

"And it is further provided that with a view to secure reciprocal trade with countries producing the following articles, whenever and so often as the President shall be satisfied that the government of any country, or colony of such government, producing and exporting directly or indirectly to the United States coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, or any of such articles, imposes duties or other exactions upon the agricultural, manufactured, or other products of the United States, which, in view of the introduction of such coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, into the United States, as in this act hereinbefore provided for, he may deem to be reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend, by proclamation to that effect, the provisions of this act relating to the free introduction of such coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, of the products of such country or colony, for such time as he shall deem just; and in such case and during such suspension duties shall be levied, collected, and paid upon coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, the products or exports, direct or indirect, from such designated country, as follows:

"On coffee, 3 cents per pound.

"On tea, 10 cents per pound.

"On tonquin, tonqua, or tonka beans, 50 cents per pound; vanilla beans, $2 per pound; vanilla beans, commercially known as cuts, $1 per pound.

"SEC. 4. That whenever the President of the United States, by and with the advice and consent of the Senate, with a view to secure reciprocal trade with foreign countries, shall, within the period of two years from and after the passage of this act, enter into commercial treaty or treaties with any other country or countries concerning the admission into any such country or countries of the goods, wares, and merchandise of the United States and their use and disposition therein, deemed to be for the interests of the United States, and in such treaty or treaties, in consideration of the advantages accruing to the United States therefrom, shall provide for the reduction during a specified period, not exceeding five years, of the duties imposed by this act, to the extent of not more than 20 per cent thereof, upon such goods, wares, or merchandise as may be designated therein of the country or countries with which such treaty or treaties shall be made as in this section provided for; or shall provide for the transfer during such period from the dutiable list of this act to the free list thereof of such goods, wares, and merchandise, being the natural products of such foreign country or countries and not of the United States; or shall provide for the retention upon the free list of this act during a specified period, not exceeding five years, of such goods, wares, and merchandise now included in said free list as may be designated therein; and when any such treaty shall have been duly ratified by the Senate and approved by Congress, and public proclamation made accordingly, then and thereafter the duties which shall be collected by the United States upon any of the designated goods, wares, and merchandise from the foreign country with which such treaty has been made shall, during the period provided for, be the duties specified and provided for in such treaty, and none other."

And the Senate agree to the same.

Amendment numbered 852: That the House recede from its disagreement to the amendment of the Senate numbered 852, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment, after the word "words," insert the words "in a conspicuous place;" and the Senate agree to the same.

Amendment numbered 855: That the House recede from its disagreement to the amendment of the Senate numbered 855, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 10. That section 3394 of the Revised Statutes of the United States, as amended, be, and the same is hereby, further amended; so as to read as follows:

"'Upon cigars which shall be manufactured and sold, or removed for consumption or sale, there shall be assessed and collected the following taxes, to be paid by the manufacturer thereof: On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, $3 per thousand; on cigars, made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, $1 per thousand; on cigarettes, made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, $3 per thousand; on cigarettes, made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, $1 per thousand: *Provided*, That all rolls of tobacco, or any substitute therefor, wrapped with tobacco, shall be classed as cigars, and all rolls of tobacco, or any substitute therefor, wrapped in paper or any substance other than tobacco, shall be classed as cigarettes.

"'And the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall provide dies and adhesive stamps for cigars weighing not more than 3 pounds per thousand: *Provided*, That such stamps shall be in denominations of 10, 20, 50, and 100, and the laws and regulations governing the packing and removal for sale of cigarettes, and the affixing and canceling of the stamps on the packages thereof, shall apply to cigars weighing not more than 3 pounds per thousand.

"'None of the packages of smoking tobacco and fine-cut chewing tobacco and cigarettes prescribed by law shall be permitted to have packed in, or attached to, or connected with, them, any article or thing whatsoever, other than the manufacturers' wrappers and labels, the internal-revenue stamp, and the tobacco or cigarettes, respectively, put up therein, on which tax is required to be paid under the internal-revenue laws; nor shall there be affixed to, or branded, stamped, marked, written, or printed upon, said packages, or their contents, any promise or offer of, or any order or certificate for, any gift, prize, premium, payment, or reward.'"

And the Senate agree to the same.

Amendment numbered 859: That the House recede from its disagreement to the amendment of the Senate numbered 859, and agree to the same with an amendment as follows: After the word "warehouses," in lines 8 and 9 of the matter inserted by said amendment, insert the words "and bonded manufacturing warehouses;" and the Senate agree to the same.

Amendment numbered 864: That the House recede from its disagreement to the amendment of the Senate numbered 864, and agree to the same with an amendment as follows: Strike out the amended section and insert in lieu thereof the following:

"SEC. 22. That a discriminating duty of 10 per cent ad valorem, in addition to the duties imposed by law, shall be levied, collected, and paid on all goods, wares, or merchandise which shall be imported in vessels not of the United States, or which being the production or manufacture of any foreign country not contiguous to the United States shall come into the United States from such contiguous country; but this discriminating duty shall not apply to goods, wares, or merchandise which shall be imported in vessels not of the United States, entitled at the time of such importation by treaty or convention to be entered in the ports of the United States on payment of the same duties as shall then be payable on goods, wares, and merchandise imported in vessels of the United States, nor to such foreign products or manufactures as shall be imported from such contiguous countries in the usual course of strictly retail trade."

And the Senate agree to the same.

Amendment numbered 866: That the House recede from its disagreement to the amendment of the Senate numbered 866, and agree to the same with an amendment as follows: On page 164 of the bill, after the word "consumption" in lines 21 and 22, insert the following: ", and the exportation of the 90 per cent of metals hereinbefore provided for shall entitle the ores and metals imported under the provisions of this section to admission without payment of the duties thereon;" and the Senate agree to the same.

Amendment numbered 868: That the House recede from its disagreement to the amendment of the Senate numbered 868, and agree to the same with an amendment as follows: In line 26 of the matter inserted by said amendment strike out the words "by more than 5 per cent;" in line 49 strike out the word "appraiser" and insert in lieu thereof the word "appraisal;" in line 69, after the word "be," insert the word "otherwise;" and in line 79 strike out the word "twenty" and insert in lieu thereof the word "fifty;" and the Senate agree to the same.

Amendment numbered 869: That the House recede from its disagreement to the amendment of the Senate numbered 869, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 33. That on and after the day when this act shall go into effect all goods, wares, and merchandise previously imported, for which no entry has been made, and all goods, wares, and merchandise previously entered without payment of duty and under bond for warehousing, transportation, or any other purpose, for which no permit of delivery to the importer or his agent has been issued, shall be subjected to the duties imposed by this act and to no other duty, upon the entry or the withdrawal thereof: *Provided*, That when duties are based upon the weight of merchandise deposited in any public or private bonded warehouse, said duties shall be levied and collected upon the weight of such merchandise at the time of its entry."

And the Senate agree to the same.

Amendment numbered 870: That the House recede from its disagreement to the amendment of the Senate numbered 870, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "on and after the passage of this act;" and the Senate agree to the same.

That in the enrollment of the bill the sections and paragraphs thereof be numbered in consecutive order.

NELSON DINGLEY, JR.,
SERENO E. PAYNE,
JOHN DALZELL,
A. J. HOPKINS,
C. H. GROSVENOR,
Managers on the part of the House.

W. B. ALLISON,
NELSON W. ALDRICH,
O. H. PLATT,
JULIUS C. BURROWS,
JNO. P. JONES,
Managers on the part of the Senate.

The SPEAKER. The Clerk will now read the statement of the House conferees.

The statement of the House conferees was read, as follows:

The managers on the part of the House submit the following statement showing the effect of the agreement reached by the conferees on the disagreeing amendments of the two Houses to the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

CHEMICAL SCHEDULE.

Amendments Nos. 11 and 43 restore argols and chicle to the dutiable list at the rates provided by the House.

Amendment 12 places bleaching powders on the dutiable list at the rate of one-fifth of 1 cent per pound, as provided by the Senate.

Amendment 104 increases the duty on soda ash from one-fourth of 1 cent, as provided by the House bill, to three-eighths of 1 cent, as provided by the Senate amendment.

No. 97 reduces the duty on cyanide of potassium to 12½ per cent ad valorem, as provided by the Senate.

No. 108 restores crude sulphur to the free list.

No. 110 leaves tonka beans and vanilla beans on the free list.

Nos. 3 and 14 raise the duties on the borates, as provided by the Senate.

The several amendments on lead paints adjust the rates to the increased duty on lead. The other amendments in the chemical schedule concur with the Senate in slight reductions of rates on many chemicals and other articles, including linseed, olive oil, and coal-tar dyes, and an increase of the rates on camphor and ground drugs.

EARTHS, EARTHENWARE, AND GLASSWARE.

Crockery ware is restored to the duties provided by the bill as it passed the House, which are substantially the duties of the act of 1890.

Glassware is left in the main at the rates provided by the House bill, the reductions being in paragraphs relating to bottles, molded and pressed glassware, and cylinder and crown glass.

Cement (116 and 117) is left at the duty provided by the House, instead of having the duty increased as proposed by the Senate.

The duty of $1 per ton on gypsum rock (No. 118) proposed by the Senate is reduced to 50 cents, and the duty on ground and calcined plaster raised to $2.25 per ton.

China clay (No. 127) is left at $2 per ton, as provided by the House.

The duty on fuller's earth (134) is slightly increased, but left at a lower rate than proposed by the Senate.

Marble (190) is placed at the increased rates proposed by the Senate.

METALS, AND MANUFACTURES OF.

The reductions of duties on some forms of iron and steel proposed by the Senate are accepted in part as proposed, and several new paragraphs are introduced not heretofore specifically provided for.

Cotton ties, which were placed on the free list by the Senate, are restored to the dutiable list at a reduced duty of five-tenths of 1 cent.

Tin plates are placed at the rate of duty provided in the bill as it passed the House.

Structural iron is reduced one-tenth of 1 cent.

The Senate amendment (270) on pocketknives, which is substantially the

same as the paragraph passed by the House, is agreed to, and compromise rates adopted on guns.

The House agrees to Senate amendment 316, increasing the duty on lead ore to 1¼ cents, and the duty on pig lead (321) is placed at 2½ cents.

Nickel ore and nickel matte are left on the free list, as provided by the House.

WOOD, AND MANUFACTURES OF WOOD.

All sawed lumber, except sawed timber exceeding 8 inches square, is left at the rate of $2 per thousand, as provided by the House. Planed lumber is also placed at the House rates.

SUGAR AND MOLASSES.

The House differential between raw and refined sugars and the general features of the House schedule are preserved, and the Senate amendments increasing the differential to one-fifth and providing for a reduction of one-tenth of the duty on raw sugars not above 87 degrees, which would have given a duty of 1.39 on 88-degree sugar and only 1.26 on 87-degree sugar, are not adopted. In deference to the wishes of those interested in beet-sugar production, that the Senate rate of 1.95 on refined sugar might be retained as an increased encouragement to this industry, the duty on raw sugars is increased seven and one-half hundredths, so as to make the increase on them the same as the increase on refined sugar, and thus leave the differential between raw sugar and refined the same as in the House bill.

And to meet the objection which has been urged that the House rates on low-grade raw sugar show a higher ad valorem than those on the higher grades, the duty on 75-degree sugar is reduced five hundredths of 1 cent, and then the duty per degree increased regularly from three hundredths (as proposed in House bill) to three and a half hundredths, in order to raise the duty on raw sugars the same as on refined.

By this arrangement the duty on raw sugars of 100 degrees purity is raised from 1.75 (as proposed originally by the House) to 1.82½, and the duty on refined sugar is raised from 1.87½ (as proposed originally by the House) to 1.95, thus giving the same differential of twelve and a half hundredths between raw and refined sugar at this point as was originally given by the House.

As this arrangement will increase the revenue over $2,000,000, and at the same time give additional encouragement to the production of sugar in this country, it is thought to be a desirable consummation.

TOBACCO, AND MANUFACTURES OF.

Amendment 365, as agreed to by the conferees, places the duty on wrapper tobacco at $1.85 per pound, a compromise between the House rate of $2 and the Senate rate of $1.75, and accepts the Senate reduction on filler tobacco.

AGRICULTURAL PRODUCTS.

A compromise between the House and the Senate rates on cattle (371) is agreed to.

In general, the duties proposed on agricultural products are the same as those in the act of 1890.

Oranges and lemons are raised from the House rate of three-fourths of 1 cent per pound to the Senate rate of 1 cent.

Fish are placed at rates a little higher than those which were provided by the act of 1890, and a little lower than the House rates.

SPIRITS, WINES, ETC.

The Senate rates on spirits, wines, etc., are adopted in the main.

COTTON AND COTTON GOODS.

The duty of 20 per cent on imported cotton, as proposed by the Senate, is not agreed to, for the reason that the only cotton imported is Egyptian cotton, which is a quality between our uplands and sea island, and not produced here. The cotton schedule, as a whole, remains substantially the same as in the bill as it passed the House. The changes are mainly in the high grades of cotton underwear, with some modifications of hosiery.

FLAX, HEMP, AND JUTE, AND MANUFACTURES.

The Senate changes in flax and hemp are adopted. Compromise rates on manufactures of jute, flax, etc., are agreed to, the object being to develop the industry in this country.

The Senate amendments to place burlaps, bags, cotton bagging, and straw mattings on the free list are disagreed to, and these manufactures placed on the dutiable list at reduced rates.

WOOL AND WOOLENS.

The House rates on wool of 11 cents on class 1 and 12 cents on class 2 are adopted, and the Senate specific rates on carpet wools agreed to with a modification raising the dividing line so as to place a duty of 4 cents per pound on such wools valued at 12 cents and less, and 7 cents on such wools valued at more than 12 cents. The duties on manufactures of wool are placed at substantially the same rates as in the act of 1890.

SILKS.

The duties on silks remain at substantially the same rates as provided by the House.

PAPER AND PULP.

The duties on wood pulp for paper and on paper are converted into specific form at substantially the present ad valorem rate, with a proviso added for an additional duty as against any country that imposes an export duty on pulp or woods. The duties on manufactures of paper are substantially as they passed the House.

SUNDRIES.

This schedule remains substantially as it passed the House.

Coal, however, is reduced to 67 cents per ton, and coal slack or culm to 15 cents per ton, as proposed by Senate amendment 674.

A duty of 15 per cent is placed on hides of cattle, which were placed on the free list by the House. The Senate amendment (698) proposed a duty of 20 per cent, but this has been reduced to 15 per cent. A proviso is added for a full drawback of the duty paid on hides subsequently exported as leather.

Paintings and statuary for private use are made dutiable as provided by the House, but at 20 per cent.

THE FREE LIST.

The free list as it passed the House is in the main adopted, except that bolting cloths and several kinds of essential oils have been added.

The House provision applying a remedy to the wholesale introduction of goods into this country free of duty by Americans visiting Europe is substantially adopted.

RECIPROCITY PROVISIONS.

The House and the Senate reciprocity plans are united and adopted with modifications. In the Senate plan any commercial treaty must be approved by Congress before it goes into effect, and in the House plan chicle, silk laces, sugar, mineral waters, and hides have been stricken out, and tonka and vanilla beans added.

The Senate provision imposing an equivalent countervailing duty on imports from foreign countries which have been paid an export duty is adopted.

INTERNAL-REVENUE PROVISIONS.

The Senate provision increasing the internal-revenue tax on cigarettes is agreed to, with an amendment covering cigarettes wrapped in tobacco, and provisions to enforce the collection of the tax.

The Senate provision changing the law so as to allow no rebate on the tax on beer is agreed to.

The Senate provision for a stamp tax on the issue and transfer of stock and on bonds issued by corporations is omitted from the bill.

The administrative sections added to the bill by the Senate are substantially the same as those passed by the House in the Fifty-fourth Congress, and are agreed to with slight amendments.

NELSON DINGLEY, JR.,
S. E. PAYNE,
JOHN DALZELL,
C. H. GROSVENOR,
Managers on the part of the House.

Mr. DINGLEY. Mr. Speaker, it has been suggested that it would be desirable that the conference report be printed not only in the RECORD, but printed separately as a document, in order that gentlemen who desire to do so may have all of the separate reports and propositions bound together if they please, and separate them from the RECORD. I ask unanimous consent, therefore, that the conference report be printed as a separate document, together with the statement of the House conferees.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HUNTER. Mr. Speaker, I would like to ask the gentleman from Maine if that request includes what may be called a comparative statement of the effect of this bill as compared with the present law?

Mr. DINGLEY. It would include precisely what is in the bill as reported by the conference committee.

Mr. HUNTER. I understand that——

Mr. DINGLEY. There has been no comparative statement of the bill as yet, the time for preparing it being entirely too short; but a provision will undoubtedly be made authorizing the clerks to prepare such a statement.

Mr. Speaker, the statement which has just been read gives, in a comprehensive way, the effect of the several modifications and amendments agreed to by the conference committee as contained in the report. I may briefly review some of these important provisions in order that the House may clearly comprehend the condition of the bill now submitted for its action.

But before proceeding to a more detailed statement, it has been suggested that some arrangement might possibly be made with reference to the length of debate on the report. I desire to hear the suggestions of the gentleman from Texas [Mr. BAILEY] in behalf of the minority, as to his views in this regard.

Mr. BAILEY. I was just about to suggest to the gentleman that before he proceeds we try to reach some agreement.

The minority have believed that three days was not more than a reasonable time for the discussion of a bill of such importance, but upon a conference with the gentleman from Maine and his associates I have become satisfied that the suggestion would not be acceded to, and that it was their desire to fix upon a shorter time.

I would suggest, and I think that is practically the understanding, that the debate proceed through to-day and to-morrow, and that we take a vote upon the conference report before the adjournment of the House to-morrow afternoon. That would enable the bill to reach the Senate by Wednesday for its action. And that is about as early as it would reach the Senate even if we continued in session and voted upon it to-day.

Mr. DINGLEY. Mr. Speaker, it was the earnest wish of the majority of the conferees, if possible, that the bill should be completed before the adjournment of the House to-night. [Applause on the Republican side.] There can be an evening session for debate, to continue to any reasonable hour in the evening, and which will give practically all of the time for debate that could possibly be given during the three days as suggested by the gentleman from Texas. The gentleman from Texas must be aware also of the fact that talk now is very expensive, involving as it does a loss to the Government of over $100,000 a day——

Mr. BAILEY. But not so expensive as during the ten days that you have been trying to satisfy the greed of the sugar trust. [Applause on the Democratic side.]

Mr. DINGLEY. But the gentleman from Texas must be aware of the fact that never has a conference committee upon a tariff bill been enabled to complete their labors in so short a time as this. [Applause on the Republican side.] In 1890 two weeks were consumed. In 1894 our friends on the other side took six weeks and got no conclusion. [Applause on the Republican side.] In ten days the conference committee on the present bill have been able to reach an agreement, notwithstanding the fact that the items in dispute were larger in number and more important than with reference to any previous tariff bill.

Mr. BAILEY. I grant that. I grant that you have completed it with considerable haste; because your work was well laid out for you before you begun. [Applause on the Democratic side.]

You knew almost exactly what you were to do before you went into the conference room.

Mr. DINGLEY. If my friends on the other side had been as well prepared in 1894, they would not have succeeded in making such a fiasco as they did. [Applause on the Republican side.]

Mr. BAILEY. Ah! Our trouble then was that we were trying to run the Democratic party with a lot of Mugwumps at the head of it.

After the Republicans of the two Houses have spent ten days in adjusting Republican differences on this bill, certainly it is not an unreasonable request to ask that the Democrats be allowed two days in which to point out to the country what they conceive to be its defects. It was not the differences between the two Houses, but it was the differences of the Republicans of the two Houses, because the Democrats in neither House were permitted to participate in the deliberations of the conference committee, and I take it that if ten days was a proper time in which you might agree, surely there ought to be two days' debate in the House.

Mr. DINGLEY. Mr. Speaker, perhaps the debate had better go on, and as we proceed it perhaps will be shown that to-day is sufficient time.

Mr. BAILEY. Mr. Speaker, I want to say to the gentleman from Maine, not by way of intimating a threat, for this is no place to indulge in that, that he will make haste in the enactment of this bill by treating the minority fairly. There is at least one department of this Government where the minority can be fully heard, and although our friends in the Senate have no desire to waste time, they do insist that this bill be fairly considered.

I believe that we might now agree that debate shall run to-day and to-morrow. I will agree that the vote shall be taken to-morrow, so that you can get your bill to the Senate by the time it convenes on Wednesday. If the gentleman were to complete it to-night, it would be almost impossible to get it to the Senate to-morrow, because we could not complete it until late in the night, and it would be almost impossible to get it in the Senate until Wednesday for action.

Mr. DINGLEY. We could get it in the Senate by 12 o'clock to-morrow if it were completed to-night.

Mr. BAILEY. I hardly think that could be done.

Mr. DINGLEY. But perhaps after this debate has proceeded for a time we can understand better whether it is worth $100,000 a day to the country than we can now.

Mr. BAILEY. Mr. Speaker, I hope the gentleman from Maine will let the House understand now what it may expect.

Mr. DINGLEY. Mr. Speaker, I have simply to say that it is my earnest desire, and I think the earnest desire of the great body of the members of this House on both sides——

Mr. BAILEY. That is true.

Mr. DINGLEY (continuing). That we shall reach a vote at the earliest possible moment.

Mr. BAILEY. Not the earliest possible moment.

Mr. DINGLEY. I shall ask that leave be given to all who desire to do so to print speeches on the subject.

Mr. BAILEY. The earliest possible moment is this moment. Surely the gentleman from Maine does not mean that. [Cries of "Vote!" on the Republican side.] I suggest that you wait, and let the sugar trust put up its stock a little more. It has gone up 7 points since the agreement on this schedule. [Applause on the Democratic side and jeers on the Republican side.]

Mr. BOUTELLE. How many days of this kind of debate do you suppose the country wants?

Mr. BAILEY. They only went to putting this up on the knowledge of what you have done. After it is exposed, they may want to put it down.

Mr. BOUTELLE. How many days of that kind of debate do you suppose the country should have?

Mr. BAILEY. We have had so many from the gentleman from Maine that I am sure the House is tired of it.

Mr. JOHNSON of Indiana. I hope the gentleman from Texas will not lessen what opportunities he has to get an extension of the debate over two days on this bill by degenerating into personalities. I think the request of the gentleman from Texas is reasonable that to-day and to-morrow should be given for debate. I think that is none too great a time in which to have a discussion of this bill. [Applause on the Democratic side.]

Mr. DINGLEY. Mr. Speaker, I think there will be no trouble about the matter as we progress in debate.

Mr. BAILEY. Does the gentleman from Maine decline to settle it now?

Mr. DINGLEY. My opinion is that long before the close of this day we shall have discovered that there is nothing new to be said, and nothing but a repetition of old fulminations; and if it were not so expensive, I should be perfectly willing to hear them.

Mr. BAILEY. Mr. Speaker, of course we understand that nothing that will be said here will result in securing any changes. The Republicans in conference told us that we would not be permitted to change a line in the bill; but there is an appeal to the people, and it is to them that we desire to make the appeal.

Mr. DINGLEY. I will make a request at this time. I ask unanimous consent that gentlemen be permitted to print remarks upon this bill for ten days after to-morrow.

The SPEAKER. The gentleman from Maine asks unanimous consent that gentlemen be permitted to print remarks upon the matter now before the House for ten days after to-morrow. Is there objection? [After a pause.] The Chair hears none.

Mr. BAILEY. Now, does the gentleman from Maine decline to make any agreement about the time for debate?

Mr. DINGLEY. At the present I am in hopes that we shall be able to go on with the consideration of this bill to-day, and if at a later time there seems to be any necessity we can talk about making an agreement; but for the present I think there is less to be said than gentlemen imagine.

Mr. BAILEY. Well, possibly it may be that less will be said than ought to be said; but I know that it is desired to say more than enough to occupy to-day and to-morrow; and I hope the gentleman from Maine [Mr. DINGLEY], in order that the House may understand exactly what it is going to do, will now agree as to the time.

Mr. PAYNE. Mr. Speaker, I should like to suggest to the gentleman from Maine that the House has not been busy very recently, and we might possibly afford to put two days into one to-day. It is now a quarter to 1 o'clock, and I think that we can hear all the debate the country needs on this subject during the day, and take a vote, say, at 11 or 12 o'clock to-night.

Mr. DALZELL. Or 10 o'clock to-morrow morning.

Mr. DINGLEY. I suggest to the gentleman that a vote be taken at 11 o'clock to-night. I believe we owe it to the country to have this matter closed up.

Mr. BAILEY. Why, the gentleman from Maine [Mr. DINGLEY] knows as well as I do that if the House were to resort to that, it would not expedite the final passage of the bill.

Mr. DALZELL. Why not?

Mr. BAILEY. The gentleman knows we have not tried to delay it. He heard the chairman of the Finance Committee of the Senate to-day bear testimony to the fact that the Democrats had not misspent an hour in its consideration; and that being true, and as we ask only two days in which to debate a bill that carries $270,000,000 of taxation, it seems to me unreasonable to refuse so moderate a request.

Mr. DINGLEY. Mr. Speaker, without taking more time in this matter——

Mr. BAILEY. Then the gentleman declines to make any agreement?

The SPEAKER. The gentleman from Maine has the floor.

Mr. BAILEY. The "gentleman from Texas" is trying to reach the agreement which the gentleman from Maine [Mr. DINGLEY] invited him to consider. [Applause on the Democratic side.]

Mr. DINGLEY. I was in hopes that an agreement could be made——

The SPEAKER. But it is a fact that the gentleman from Maine has the floor, and it is for him to say how long he will permit such a discussion; and the Chair——

Mr. BAILEY. When the gentleman from Maine invites a discussion on this subject, then he has no right to break it off.

The SPEAKER. The Chair understood that the gentleman from Maine desired to proceed, and therefore said that he had the floor. Now all this is going on by unanimous consent.

Mr. BAILEY. Not by unanimous consent at all. It was in the time of the gentleman from Maine, who had been recognized and who had invited me——

The SPEAKER. All such discussion about time is a question for unanimous consent. Any gentleman can interfere with it if he chooses.

Mr. BAILEY. The gentleman from Maine is entitled to employ his time as he sees fit, and he saw fit——

The SPEAKER. The Chair will not argue the matter, but will simply say that has been the custom of the House.

Mr. BAILEY. The gentleman from Maine saw fit to occupy a part of his time by inviting me——

The SPEAKER. The gentleman from Maine has the floor.

Mr. DINGLEY. I desire to proceed with my statement.

Mr. BAILEY. And you decline to agree——

Mr. DINGLEY. I will confer with the gentleman later. [Laughter on the Democratic side.]

The SPEAKER. The gentleman from Maine.

Mr. DINGLEY. Mr. Speaker, the statement which has been read presents in general terms the result of the action of the conferees on the disagreeing amendments to the tariff bill.

I now desire to call more specific attention to the changes made in the several schedules in the order in which those schedules appear in the bill.

The first is the chemical schedule. Two articles which were

placed on the dutiable list by the House for purposes of revenue—namely, argols and chicle—and which the Senate returned to the free list, have been restored to the dutiable list, leaving them as passed by the House.

A Senate amendment has been agreed to placing a duty of one-fifth of 1 cent per pound upon bleaching powder, heretofore on the free list. Another Senate amendment agreed to slightly increases the duty upon soda ash. The duty on cyanide of potassium, which was placed by the Senate at 12½ per cent, has been unwillingly left at that point by the House conferees. The House conferees believed that this article should have been left as it was in the House bill, with a duty which we regarded as protective; but the insistence of the Senate on this amendment has finally obliged the House conferees to surrender on that point and to accept simply the 12½ per cent provided by the Senate amendment.

Crude sulphur was placed on the free list in the House bill. The Senate transferred it to the dutiable list, but under the agreement of the conferees it has been restored to the free list.

Tonka beans and vanilla beans, which have heretofore been on the free list, were by the Senate placed on the dutiable list, but the Senate, in view of the situation which has been ascertained to exist with reference to those two articles, has receded, leaving the articles still upon the free list.

The Senate amendments raising the duty upon all the borates have been unwillingly accepted by the House conferees.

The duty on lead ore, which was placed by the House at 1 cent per pound, was raised by the Senate to 1½ cents per pound, and the House conferees, after considerable contention in reference to the matter, acceded to the Senate amendment; so that that duty is raised to 1½ cents per pound. I may add that this is the same as the duty in the act of 1890.

The duty on pig lead was placed by the House bill at 2 cents, but in consequence of the increase in the duty on lead ore the rate has been increased in conference to 2½ cents per pound, which was the best that could be obtained. The duties on white lead and other lead products have been adjusted to the duty on lead.

Most of the other amendments in the chemical schedule are slight reductions, so that the average ad valorem on that schedule is less than it was in the bill as it passed the House.

CROCKERY AND GLASS WARE, ETC.

The duties on earthen and crockery ware have been agreed upon as they stood in the House bill and as they stood in the tariff of 1890, and the provisions remain the same as in the bill which passed the House.

In glassware there have been a few reductions from the House schedule, but in the main the rates of the House schedule have been adopted. The reductions, reluctantly agreed to, are in the paragraphs relating to bottles, molded and pressed glassware, and cylinder and crown glass.

Cement was placed by the House at a duty of 8 cents per hundred pounds, and the Senate increased the rate to 11 cents per hundred pounds; but in conference the Senate receded and accepted the House rate of 8 cents per hundred pounds.

Gypsum rock was placed on the free list by the action of the House, but the Senate placed upon that article a duty of $1 per ton. In conference the duty has been reduced to 50 cents per ton, and the duty on crude and calcined plaster has been raised to $2.25 per ton to correspond with the duty thus laid upon gypsum rock.

The duty on china clay, which is a product used largely in the manufacture of paper, was placed in the House bill at $2 per ton and was increased by the Senate to $3 per ton. In conference the Senate receded from its amendment and accepted the House rate of $2 per ton.

The duty on fuller's earth, both in the crude and in the ground forms, has been slightly raised above the House rate and below the Senate rate.

The duty on marble has been slightly raised in accordance with the Senate amendments.

The duty on freestone and granite in the block has been raised from 10 to 12 cents per cubic foot, and that on dressed granite has been raised to 50 per cent, as proposed by the Senate.

IRON AND STEEL, AND MANUFACTURES OF.

In metals and manufactures of metals the duties remain in general as fixed in the House bill. The duty on tin plate is precisely the same as in the House bill. There has been, however, a reduction in the rates on structural iron of one-tenth of 1 cent per pound.

Cotton ties, which were placed on the dutiable list by the House at a rate consonant with the duty imposed upon hoop iron, were placed by the Senate upon the free list. In conference they have been restored to the dutiable list, but at the reduced rate of five-tenths of 1 cent per pound.

Mr. TERRY. What was the rate in the House bill?

Mr. DINGLEY. It was a compound duty of, I think, seven-tenths cent a pound. The rate has been reduced, therefore, from seven-tenths in the House bill to five-tenths, a rate less than the rate in the House bill. I may state that the judgment of the House conferees was that this reduction was altogether too large, and that it would endanger the industry in this country, but the Senate conferees were insistent that the duty should be reduced to the lowest possible figure, so it has been placed at one-half a cent per pound.

The Senate amendment on pocketknives, which is substantially the same as the paragraph passed by the House, is agreed to, and compromise rates have been adopted upon guns.

Nickel ore and nickel matte were placed on the free list by the House. The Senate placed both on the dutiable list, but in conference both have been restored to the free list.

WOOD, AND MANUFACTURES OF.

In general the schedule of wood and manufactures of wood has been left almost exactly as it passed the House. All sawed lumber, except timber exceeding 8 inches square and a few kinds of cheap lumber, is placed at $2 per thousand, and the reduction which the Senate made in the rates on dressed lumber has been receded from and the House rates in every case adopted.

SUGAR.

The House differential between raw and refined sugar and the general features of the House schedule have been preserved, and the Senate amendment increasing the differential to one-fifth and reducing the duties one-tenth on sugars of 87 degrees and below (which would have made a difference of thirteen-hundredths between 88-degree and 87-degree sugar) have been rejected in conference. In deference to the wishes of those interested in beet-sugar production, the Senate rate of 1.95 on refined sugar has been retained as an encouragement to that industry, but the duty on raw sugar has been increased seven and a half one-hundredths, precisely the same as the increase on the refined, so as to leave the differential between the raw and refined at the initial point of 100 degrees the same as in the House bill, and secure so much additional revenue.

To meet the objection that the House bill provided for larger equivalent ad valorem duties on the lower than on the higher grades of sugar, the conference agreement commences with 75 degrees at ninety-five one-hundredths of a cent instead of 1 cent, and then raises the duty on each degree of raw sugar from three one-hundredths to three and a half one-hundredths, so that when the one hundredth degree is reached the duty will be 1.82½ and the duty on refined 1.95, leaving the 12½ differential between raw and refined sugars of 100 degrees test, as it stood in the schedule which passed the House.

Under the bill as it passed the House the duty on raw sugar of 100 degrees purity would be 1.75, and the duty on refined 1.87½, leaving twelve and a half hundredths differential at this point. Under the conference schedule the duty on raw sugar of 100 degrees purity would be 1.82½, and the duty upon refined sugar 1.95, leaving the differential at this point precisely the same, 12½ cents per hundred, in both schedules.

By this arrangement the revenue will be increased about two and a half million dollars on the sugar schedule, because the increased duty has been placed not simply on refined sugar (as proposed by the Senate), but also upon raw sugars, the point where revenue will be received; and those who are endeavoring to develop the production of beet sugar in this country will have seven and a half hundredths greater protection than they would have had under the bill as it passed the House, but the differential as between refined and raw sugars will remain precisely the same at the 100-degree point.

It must be borne in mind that the countervailing duty applies only to export-bounty-paying countries like Germany, and not to nonbounty-paying countries like Holland, and therefore plays no part in the protection of the refining industry against the competition of nonbounty-paying countries. Moreover, it must be remembered that this countervailing duty as against refined sugar from export-bounty-paying countries is not the entire bounty on refined sugar, but the difference between the export bounty on refined sugar and the export bounty on the amount of raw sugar required to make 100 pounds refined, and this difference is only 9 cents per hundred pounds.

Inasmuch as it is contended for partisan purposes that the proposed sugar schedule increases the "differential," that is, the difference between the duty on sufficient raw sugar below 100 degrees test to make 100 pounds of refined sugar and the duty on 100 pounds refined sugar, above that of the Wilson tariff of 1894, I desire to point out the falsity of this claim; and I will select sugars of 92 degrees test for this purpose, as that was the average test of the importations of raw sugar last year, and is the point chosen for assault.

Let it be borne in mind, in the first place, that while the initial point for estimating the differential is 100 degrees raw and 100 degrees refined sugar—where, as I have already stated, this differential is 12½ cents per hundred pounds, or one-eighth of 1 cent per pound, yet in all tariff bills this differential necessarily increases as sugars of a less polariscopic test are selected, for the reason that the percentage of hard sugar obtainable in the process of refining diminishes and the percentage of less valuable soft sugars

and cost of refining increases faster than the polariscopic test goes down. But this increase of differential is adjusted to the basis of 12½ cents per hundred fixed for sugars of 100 degrees test, so that in effect the differential is equal to only the 12½ cents on such basis.

Thus, according to the official figures of the Treasury Department, the differential between the duty on refined and the duty on 107.47 pounds raw sugars of 96 degrees test required by the Treasury drawback regulations to make 100 pounds refined, is, under the present Wilson tariff, 19.82, taking the average of 96-degree sugar (2.12), or 21.02 if St. Croix 96-degree sugar (valued at 2.10) is taken as the basis, and 13.91 under the proposed schedule. This compares with German fine: but compared with Dutch refined, which is the only sugar imported anywhere near the equal of American refined (Dutch costing 13 cents per hundred pounds more than German fine), the differential would be 25.2 per hundred under the present tariff and only 13.91 under the proposed tariff.

It will be seen that the computations vary under the tariff of 1894 according to the kind of raw sugar and refined sugar selected, because the duties under the present law are ad valorem, while under the proposed schedule they are specific.

But I started to make the comparison on the basis of 92-degree sugar, which gives a larger differential because of the increased labor of refining and the lower proportionate yield of hard sugars.

The average dutiable value of St. Croix 92-degree sugar, which is the medium sugar of 92 degrees, was 1.85 in the first four months of the present year. The duty (40 per cent) on 1 pound of this sugar is, therefore, .74, and the duty on 114.94 pounds of such sugar required, according to the Treasury drawback regulations, to make 100 pounds refined, is therefore 85 cents.

Dutch refined sugar, the quality which comes near our American refined, was valued at 2.60 in the same period, and German fine, which sells for nearly half a cent less in our markets than our refined because of its inferior quality, was valued at 2.47. The duty (40 per cent plus 12½ cents) on 100 pounds Dutch refined under the present tariff is, therefore, $1.16½, and on 100 pounds German fine $1.113. Deducting 85 cents, and the differential under the present tariff as against Dutch refined sugar is 32 cents per hundred pounds, and against German fine 26.24 cents; or if the average value of all 96-degree sugar (1.95) imported is taken as the basis, then each differential is reduced a little over five-tenths of 1 cent.

Inasmuch as the duty on 92-degree sugar in the proposed tariff is 1.54½ per pound, or $1.77½ on the 114.94 pounds of 92-degree sugar required to make 100 pounds refined, and the duty on both Dutch and German refined $1.95, the differential in the proposed tariff is not quite 17½ cents on both kinds of refined, which is more than 40 per cent less than the differential under the present or any prior tariff—a fact which our friends on the other side who support the tariff of 1894, and who are denouncing, for partisan purposes, the proposed differential on refined sugar as a surrender to the sugar trust (which refines 70 per cent of our product as against 30 per cent by independent refiners), should keep in mind as a check on their new-born zeal against trusts. Let me repeat, *at every point the differential on refined sugar is from 25 to 50 per cent less than the differential given by the tariff of 1894.*

I will print as an appendix to my speech the official comparison made by Hon. George G. Tichenor, of the United States Board of Appraisers, which puts this point of controversy beyond question.

It should be borne in mind that the general increase of duty on sugar made in the proposed tariff has been made not only to increase the revenue, but also to further encourage the production of beet sugar in this country and furnish a new crop for our farmers, who are being sorely pressed as to our large wheat surplus by Russian and South American competition. I believe that the time has come when the production of our own sugar from the beet ought to be and can be successfully entered upon, and thus the seventy-five millions—soon to be one hundred millions—sent abroad for the purchase of our sugar ultimately distributed here to our own farmers. Already, indeed, it has been demonstrated that we can successfully produce beet sugar here, and the proposed duty placed on that article will gradually bring this about, while for the time being affording increased revenue.

Certainly nothing can be done to so successfully clip the wings of the sugar trust as to develop our beet-sugar industry. Sugar-beet factories turn out their product in a refined form, and thus become the efficient competitors of other refiners. The successful establishment of the sugar-beet industry in even half of the twenty-six States which can and will successfully grow sugar beets under the proposed tariff would speedily end any sugar trust, and would at the same time confer immense benefits on our farmers and all of our people.

TOBACCO.

On wrapper tobacco the House fixed a duty of $2 per pound—the same as in the tariff of 1890—which the Senate amendment reduced to $1.75 per pound, the rate in the present tariff being $1.50. After more or less contention in the conference, a compromise agreement was reached placing the duty on wrapper tobacco at $1.85 per pound, which seemed to adjust the disagreeing views that existed not only among the conferees, but among Senators and others who had placed particular stress on this provision.

The duty on filler tobacco has been agreed to at the Senate rate of 35 cents per pound instead of the House rate of 65 cents per pound.

AGRICULTURAL PRODUCTS AND FISH.

On agricultural products in general the duties of the act of 1890 have been restored. The main change has been in oranges and lemons, on which the rate as fixed by the House was three-fourths of 1 cent per pound. The Senate fixed the duty at 1 cent per pound, and the House conferees have receded and agreed to the Senate amendment. In general, the duties on citrus fruits, raisins, and other products competing especially with California fruit products have been raised.

Fish are placed at rates a little higher than those which were provided by the act of 1890, but a little lower than those provided in the House schedule. The conferees on the part of the House insisted as strenuously as possible on the House schedule, regarding the rates as fixed by the House as reasonable and fair, but the Senate conferees were insistent on the point; and with a compromise upon one paragraph, the Senate rates on fish were agreed to.

The duty of 20 per cent on imported cotton, as proposed by the Senate, has been receded from by the Senate conferees, leaving cotton upon the free list. With reference to this I desire to say that careful investigation by the conferees made it clear that a duty upon cotton would be simply a duty upon Egyptian cotton, and would merely obstruct our cotton manufacturing interests and benefit no one, because Egyptian cotton is of a grade between our uplands and sea island cotton, and has certain qualities possessed by no other cotton. If a duty should be placed on this cotton, the effect would be to transfer abroad the manufacture of goods made from Egyptian cotton, without benefiting any one.

It seemed, therefore, to the House conferees to be wise to leave this matter as it had been left in all previous tariffs. If a duty had been placed upon cotton, as the cotton goods imported are mainly manufactured from Egyptian cotton, it would have been necessary to raise the cotton schedule all along the line. It was not thought wise to do this. It was not believed that a duty upon Egyptian cotton under those circumstances could be of any possible benefit to anyone. Therefore cotton is left on the free list as heretofore.

The Senate rates on spirits, wines, etc., are adopted in the main.

TEXTILE MANUFACTURES.

Mr. TERRY. For information, I should like to ask the gentleman one question. After the Senate adopted the amendment placing cotton on the dutiable list, they provided a compensatory duty increasing the tariff tax on manufactured cotton goods——

Mr. DINGLEY. Yes; of 10 per cent.

Mr. TERRY. What have you done about that?

Mr. DINGLEY. The Senate receded on that amendment so as to leave the duty on cotton goods as fixed by the House. There have been reductions at one or two points; and on cotton hosiery there have been changes in the schedule, putting upon the very finest goods a slightly increased duty and reducing the duty at some other points.

The Senate changes in flax and hemp the House conferees have been compelled to adopt in consequence of the insistence of the conferees of that body. Compromise rates on manufactures of jute, flax, etc., have been adopted with the purpose of developing the growth of flax in this country for textile purposes and establishing here the linen manufacture, first by taking the lower grades and subsequently the higher grades, so that in the main this schedule as to manufactures has, with certain reductions, been preserved as passed by the House.

Cotton bagging, burlaps, bags, and straw matting, which the Senate placed on the free list, are restored to the dutiable list at reduced rates.

WOOL AND WOOLENS.

The House rates on wool of classes 1 and 2 (which comprise the clothing wools), 11 cents upon the great body of that wool and 12 cents upon the small amount of combing wool that there may be, have been agreed to, so that in this respect the bill stands precisely as it left the House and precisely as provided in the tariff of 1890.

The Senate increased the duties on carpet wools by first placing specific duties on them—duties of 4 cents on wools ranging in value up to 10 cents and 7 cents on those valued above 10 cents—the effect of which was to increase the duties on carpet wool to a considerable extent. In the conference the Senate has receded from a large part of this increase by fixing the dividing line at 12 cents instead of 10 cents; so that while there is a slight increase on carpet wools, yet it is much less than was proposed by the Senate. The House provision transferring six kinds of wool from class 3 (carpet wools) to clothing wools has been agreed to. This

removes the irritation which was caused by the use of these so-called carpet wools for clothing purposes.

The Senate rates on manufactures of wool have been in the main adopted, and they are substantially the same as in the tariff act of 1890. The House, it will be remembered, provided a specific schedule on manufactures of wool. The House conferees endeavored to preserve that specific schedule; but the Senate conferees have objected, for reasons that seemed proper to them. The House has receded, and with slight amendments to the Senate schedule, have adopted it as it passed the Senate.

It is believed that the transfer of wool from the free list, where it was placed by the tariff of 1894, to the dutiable list, with the rates of the tariff of 1890 as to clothing wool, will make wool-growing again profitable to our farmers and stop the destruction of our flocks.

The duties on silk—Schedule L—remain substantially at the same rate as provided by the House bill, and are increased from 5 to 10 per cent above the present law. The only material difference is in reference to a paragraph relating to what is known as Jacquard silk, or silk made on Jacquard looms. With reference to these, a rate of 50 per cent ad valorem is fixed instead of the specific rate provided by the House bill on all piece silks. In other respects the silk schedule is the same as adopted by the House.

PAPER AND SUNDRIES.

The duties on wood pulp are left precisely as they were in the bill that passed the House. The Senate reduced the rate on mechanically ground pulp a little, but the Senate conferees receded from the amendment on presentation of the facts.

The duty on printing paper was fixed by the House at 15 per cent ad valorem. The Senate adopted the same provision, with a provision looking to specific duties, which placed the matter in conference, and the conferees have succeeded in arranging a specific schedule for printing paper at the same equivalent ad valorem rate that passed the House, and the same rate as in previous tariffs, the only difference being that the rate has been made specific instead of ad valorem. A proviso was added, both as to wood pulp and paper, providing for a slight increase in duty in case of paper or pulp coming from any country which imposes an export duty upon pulp wood.

The sundries schedule is slightly changed from the form adopted by the House. In one particular—that is, in reference to coal—there has been a change. The House provided for a duty of 75 cents per ton on bituminous coal. The Senate has fixed that duty at 67 cents, which is the Canadian duty, the object being to make our duty correspond with theirs, for purposes that will be generally understood upon the floor; and further have reduced the duty on culm to 15 cents per ton. A provision was inserted which is intended to apply to coal commercially designated as anthracite coal, coming in on the Pacific Coast, but approximating the condition of bituminous coal. Such anthracite coal as is produced in this country is left on the free list.

The House placed hides of cattle on the free list, where they have been in previous tariffs since 1873, but the Senate placed them on the dutiable list with a duty of 20 per cent. The difference between the two Houses was adjusted by reducing the duty to 15 per cent, with a proviso allowing a drawback of the entire duty paid on hides used in tanning leather actually exported.

Paintings and statuary for private use were placed on the dutiable list at 20 per cent, and those for public exhibition were left on the free list.

THE FREE LIST.

The free list which passed the House has been agreed to in conference with very slight changes. Bolting cloths and some of the essential oils have been added to the list. The provision of the House relating to the bringing in of wearing apparel and personal effects by tourists was agreed to. This provision is inserted to break up the abuses arising from the practice of tourists returning from Europe bringing with them wearing apparel in large quantities, clothing, and other articles of personal property which are dutiable under our laws.

This abuse has grown to such an extent that a recent investigation by the Treasury Department disclosed the fact that about $40,000,000 of dutiable goods, classified as wearing apparel and personal effects, escaped duty during the past year under the operation of existing statutes. It is estimated by Treasury officials that this will add at least $10,000,000 to the revenues of the Government, and will be just to dealers in this country, who pay duties on the articles they import for sale to our own people.

Mr. CUMMINGS. Will the gentleman allow me to ask him a question?

Mr. DINGLEY. Certainly.

Mr. CUMMINGS. What is the limit now fixed in the bill?

Mr. DINGLEY. There is $100 exemption, and all amounts brought in above that are dutiable.

The Senate provision imposing an equivalent countervailing duty on imports to foreign countries which have paid an export duty is adopted. This is the provision which, in the House bill, applied solely to sugar and fish; but it was extended by the Senate to cover any article from foreign countries under similar circumstances. That has been agreed to.

Mr. CUMMINGS. Will the gentleman from Maine allow me to ask him a question? What was done with the duty on precious stones? I refer particularly to diamonds.

Mr. DINGLEY. The duty is placed at 10 per cent.

Mr. CUMMINGS. The House rate was 15 per cent?

Mr. DINGLEY. Yes.

Mr. CUMMINGS. Under the Wilson bill they were taxed 25 per cent?

Mr. DINGLEY. I will say that the question as to the duty on diamonds was investigated carefully. We had the opinion of all the administrative officers. I should have been very glad, for myself, to have put even a very much heavier duty on articles of that kind; but it was the unanimous opinion of all the present administrative officers, as it was the opinion of the administrative officers under the last Administration, that whenever the duty on diamonds is placed above 10 per cent ad valorem, then they are smuggled, and instead of obtaining revenue from them we fail to obtain revenue. The officers presented statistics clearly establishing the fact that the largest revenue from diamonds had been obtained when the duty was placed at 10 per cent; that this was not the smuggling point; but that when it went above that, then smuggling went on by wholesale.

Mr. CUMMINGS. But you have never tried 15 per cent.

Mr. DINGLEY. Higher rates than 10 per cent have been tried.

Mr. CUMMINGS. It has never been 15 per cent in any tariff bill. It has been 25 per cent.

Mr. DINGLEY. For the reason I have stated, we have reluctantly acceded to the contention of the Senate and of the administrative officers.

Mr. McMILLIN. Before the gentleman departs from the specific items, will he permit a question?

Mr. DINGLEY. Certainly.

Mr. McMILLIN. What was done with the provision inserting a duty on tourists' clothing?

Mr. DINGLEY. The House provision was adopted, as I have previously stated.

RECIPROCITY.

I am reminded, Mr. Speaker, that I have omitted to give a statement of the reciprocity features of the bill as agreed to, which I had intended. In substance, the agreement of the conferees combines the reciprocity clause of the House and that incorporated in the bill by the Senate, with certain amendments, which substantially unite the two plans, so that both may be made available if desired. One of the amendments which has been adopted is vital in its effect.

The Senate provided that the President might enter into commercial treaties with foreign countries, and when ratified by the Senate they should become binding on the country. The House conferees insisted upon an amendment that they should not become binding until ratified by Congress. In other words, the House conferees maintained that the House should approve as well as the Senate before any such commercial treaties should take effect, and the Senate conferees conceded the point. [Applause.] Otherwise, in general, the Senate as well as House plans have been adopted with certain modifications, so that both plans if desirable may be used in securing acceptable commercial arrangements.

Mr. OVERSTREET. How does this compare with the provision of the law of 1890?

Mr. DINGLEY. The provision of the law of 1890 covered sugar and hides, which have been omitted because they have been made dutiable. We have added to coffee and tea, tonka beans and vanilla beans, which are on the free list, as articles to be used by the President under the provision of the act of 1890, and we have included certain dutiable articles that may be used. Under the Senate provision there would be the delay of obtaining the two-thirds vote of the Senate after the President had made the arrangement, and then the delay in securing the approval of the House of Representatives; and it was thought desirable that the House provision, which put in the President's hands the important powers of using certain articles without going to Congress, should also be adopted. The conferees of both the House and Senate have unanimously agreed on the joint plans, which combine all that appears to be practicable in both provisions.

Mr. OVERSTREET. Is it regarded as a broader measure than that of 1890?

Mr. DINGLEY. Oh, very much broader.

INTERNAL-REVENUE PROVISIONS.

Mr. Speaker, I come now to the internal-revenue features of the bill which the Senate has added. The Senate increased the internal-revenue tax on cigarettes, and this has been agreed to by the House with an amendment covering cigarettes wrapped in tobacco, and amendments to facilitate the collection of the tax. The Senate

provision changing the law so as to allow no rebate on the tax on beer has been agreed to. Under the present law, as gentlemen know, a rebate of over 7 cents is permitted, so that the tax of $1 provided by law amounts only to about 92 cents. The amendment fixes the tax at a full dollar, and will add about $2,000,000 to the revenue of the Government from this source.

The Senate provision for a stamp tax upon the issue and transfer of stock certificates, bonds, etc., is omitted from the bill, for the reason that on careful investigation it has been found that the class of persons whom it was originally supposed we should be able to reach can not be reached, and therefore whatever small amount of revenue might be received as the result of this tax would be collected from men who are doing legitimate business upon a small scale.

Mr. BAILEY. Will the gentleman from Maine permit me to ask him a question?

Mr. DINGLEY. Certainly.

Mr. BAILEY. Will the gentleman be good enough to explain to the House why the men at whom the amendment was originally aimed could not be reached?

Mr. DINGLEY. The reason seems to be that the transactions in Wall street and transactions in many other places that it was designed to reach are verbal transactions, and it is almost impossible to find any means by which they can be reached.

Mr. BAILEY. The difficulty, I apprehend, was really where the actual transfer was not made; but that could have been reached by taxing transfers and agreements to transfer. Those agreements are made upon stock exchanges and must be recorded, and they could have been taxed.

Mr. DINGLEY. It was found that it would be almost impossible to execute the law so far as it endeavored to reach such persons. Then, again, it was found not only that it would be very difficult of enforcement, but that the amount of revenue to be obtained from it would be exceedingly small, and it was thought, at least in the present tariff bill, without opportunity to examine thoroughly in reference to legislation of that character, that it would be unwise to hastily enter upon it without careful investigation under all the circumstances. There was also some question as to the constitutionality of certain provisions in the scheme.

The administrative sections which were added to the bill by the Senate, and which have been agreed to with certain amendments by the House conferees, are almost exactly the same as two sections that were in the administrative bill passed by the House in the Fifty-fourth Congress, which the House therefore had previously accepted.

THE RETROSPECTIVE CLAUSE.

Mr. TERRY. What became of the retroactive clause of the bill?

Mr. DINGLEY. I regret to say that the Senate declined to concur in that, and made this decision known within a few weeks after the bill passed the House in March. I think it was exceedingly unfortunate that the action of the House with reference to that retrospective clause was not concurred in; or at least, if not concurred in finally, that it was not left to stand until the present time. If that had been done, it would have saved more than $25,000,000 of revenue to the country.

The wisdom of the action of the House in that matter seems to me to have been clearly established by subsequent events. Since the 1st of March there have been imported into this country, in anticipation of an increase of duty on articles on which we have raised revenue, goods which, if they had been imported as required for consumption during the fiscal year upon which we have just entered, would have yielded not far from $40,000,000 of revenue. Of course there are no means of avoiding these difficulties, unless by some such retroactive provision as was contained in the bill as it passed the House.

Mr. Speaker, I have just had placed in my hands a telegram from Philadelphia, to which I ask the attention of the House. It is dated 1 o'clock to-day, and is in the following words:

Two thousand five hundred bales of wool were bought on Saturday for the American market, and will be shipped on Monday.

Do you think it advisable to continue this debate several days, in order that this wool may be brought to this country, and thus deprive the Treasury of the duty?

Mr. JOHNSON of Indiana. How long will it take for that wool to get here?

Mr. DINGLEY. Probably seven or eight days.

Mr. JOHNSON of Indiana. Full debate on the bill could be completed before that time.

Mr. DINGLEY. It must be remembered that debate will also be had in the Senate.

Mr. OLMSTED. Will the gentleman from Maine allow me to ask him a question?

Mr. DINGLEY. Certainly.

Mr. OLMSTED. I would like to ask, with reference to the action of conferees on the bill with regard to rails made wholly or in part from imported iron, whether any provision is made for a drawback?

Mr. DINGLEY. The old provision with reference to drawback continues in force. There is no modification. In other words, the administrative officers can not see a method of determining whether the exported article is made of an imported product or not except under existing regulations, and a drawback provision of the character desired by some is, in the opinion of these officers, susceptible of very great fraud. I may state to the gentleman from Pennsylvania, however, that this matter was not in conference at all.

Mr. LEWIS of Washington. Will the gentleman allow me to ask him a question?

Mr. DINGLEY. Certainly.

Mr. LEWIS of Washington. Mr. Speaker, if the gentleman from Maine will permit me here at the outset, I desire to admit that I defer to his superior knowledge on any question with reference to the tariff on sugar. I wish to ask, first, What is the difference in rates upon raw or crude sugar as embodied in the Wilson bill and that which is scheduled in the bill that bears his title?

Mr. DINGLEY. I have already stated this.

Mr. LEWIS of Washington. It was my misfortune not to hear the gentleman, but I desire to predicate a question on that statement.

Mr. DINGLEY (continuing). Mr. Speaker, when I was interrupted I was about to comment on the revenue-producing qualities of the proposed tariff bill.

Mr. LEWIS of Washington. Will the gentleman allow me to ask him a question for information?

Mr. DINGLEY. I think, if the gentleman will excuse me, I shall have to decline, as I am occupying too much time.

Mr. LEWIS of Washington. Of course if the gentleman does not yield, I will not insist.

THE REVENUE QUESTION.

Mr. DINGLEY. I wish now to briefly refer to the revenue-producing qualities of this bill. While it is not difficult to tell what the revenue-producing qualities of the bill would be after we have passed over the effects of anticipatory importations, it is somewhat difficult to tell what will be the revenue-producing qualities for this fiscal year which commenced on the 1st of July.

Mr. LEWIS of Washington. That is the question I was about to ask the gentleman from Maine.

Mr. DINGLEY. Setting aside the effect of anticipatory importations, there is no doubt that the bill as agreed to by the conferees will yield not less than two hundred and twenty-five millions per annum, an increase of at least $75,000,000 above the present law. The present law in the fiscal year 1896 yielded $160,000,000 of revenue, but that revenue was increased abnormally by large importations of manufactures of wool. In the previous year the present tariff had yielded a revenue of about $152,000,000. In the last fiscal year, ended the 30th of June, if it had not been for the fact that a new tariff, imposing to a certain extent higher duties, was under consideration, the revenue under the present law would not have exceeded $140,000,000.

As it is, the revenue from customs under the present law in the last fiscal year was about $174,000,000. But $32,000,000 of that at least was caused by anticipatory importations and withdrawals from bond; for if the revenue from customs had continued for the last four months of the last fiscal year as it had continued during the eight months previous, the revenue would not have exceeded $140,000,000. This makes the average annual revenue-producing quality of the present Wilson tariff about $150,000,000.

Mr. LEWIS of Washington. Does not the gentleman from Maine omit from his calculations the fact that we lose revenues from importations of sugar since the beginning of the consideration of this measure——

The SPEAKER. The time of the gentleman from Maine has expired.

Mr. BAILEY. I ask unanimous consent that the time of the gentleman from Maine be extended until he concludes his remarks.

The SPEAKER. Is there objection to allowing the gentleman to conclude his remarks?

There was no objection.

Mr. LEWIS of Washington. Now, I should like to ask the gentleman from Maine a question.

Mr. DINGLEY. Is it on the point I am discussing?

Mr. LEWIS of Washington. Yes.

Mr. DINGLEY. I will listen to the gentleman.

Mr. LEWIS of Washington. The gentleman from Maine kindly yields to me for a question. Now, the question which I propound is this: In the calculation which the gentleman gives to the House as to the amount of revenue to be derived each year from the bill does he not admit, or does he include the fact that we lose $112,486,300 that would have come from the sugar which has been imported, known as raw or crude, since the introduction of this bill, and likewise $30,200,000 on wool?

Mr. DINGLEY. There has been no such loss of revenue as that from anticipatory importations. I have already stated that the loss from this cause has been about forty millions.

Mr. LEWIS of Washington. I ask the gentleman from Maine, does he include those figures or omit them?

Mr. DINGLEY. I trust the gentleman will not interrupt me. I will endeavor to cover the ground before I conclude my remarks.

Mr. LEWIS of Washington. Well, the question I ask merely is, Does the gentleman include those figures or omit them?

The SPEAKER. The gentleman declines to be interrupted.

Mr. DINGLEY. I must decline to be further interrupted. As I stated, the average revenue-producing qualities of the present tariff are about $150,000,000 per annum from customs. There can be no doubt that the law now under consideration, after the effect of anticipatory importations has been overcome, will yield a revenue in excess of $225,000,000 per annum. There is no doubt that it will do this in the second year that it remains on the statute books.

Now, having a bill that unquestionably will yield abundant revenue to meet all the expenses of the Government and leave a surplus after the first year, or after the effect of the anticipatory importations is overcome, the only question presented to us is, What will be the probable receipts for the present fiscal year, in view of the large anticipatory importations?

As I have already stated, it is probable that the Treasury has lost by anticipatory importations of wool, sugar, manufactures of wool, and certain other articles on which the duty has been increased, at least $40,000,000. Now, this $40,000,000 must be deducted from this $225,000,000 which this bill will yield. That leaves $185,000,000. So that this bill, including the internal-revenue provision, notwithstanding the loss of $40,000,000 by anticipatory importations, is estimated by the members of the Senate Finance Committee as likely to yield $185,000,000 during the current fiscal year. The Treasury officials, however, put the revenue from the proposed tariff for the present year at one hundred and seventy-seven millions—eight millions less. It must be borne in mind also that thirty-two millions paid into the Treasury in the last four months on anticipatory importations and withdrawals, and credited to the last fiscal year, really belong to the revenue for the present fiscal year.

Now, it is estimated that the revenue from all other sources—ordinary internal-revenue tax and miscellaneous sources outside of postal revenue—will be in the neighborhood of $180,000,000, probably $185,000,000. Now, these two estimates give us a revenue in the neighborhood of $370,000,000, or, accepting the Treasury estimate, $362,000,000. The expenditures of the Government during the last fiscal year, aside from the postal expenditures paid by postal revenues, were $365,000,000. But there were undoubtedly some expenditures paid after the 1st of July that belong to the last fiscal year. So that the expenditures may be placed at $370,000,000 per annum.

Now, if the Senate Finance Committee have correctly estimated the anticipatory importations at $40,000,000 loss only, then there would be enough revenue, notwithstanding the loss of $40,000,000 during the current fiscal year, to meet the expenditures. But if from any cause the effect of these anticipatory importations shall prove to be greater than estimated, then unquestionably there can be taken with safety from the cash in the Treasury, obtained by the issue of bonds under the last Administration, at least $30,000,000; so that, with the cash in the Treasury and with the revenue that will come from this bill, there is no doubt that the expenditures of the Government for the current fiscal year will be fully met. And after this fiscal year, when this bill shall have become law, the revenue will be increased to that point where every expenditure will be met, and there will be a surplus left [applause on the Republican side] with which can be resumed the reduction of the principal of the public debt. [Loud applause on the Republican side.]

MISCELLANEOUS.

Mr. LACEY. I should like to ask the gentleman a question in reference to sugar. I notice the compromise increases the rate on low grades of sugar.

Mr. DINGLEY. The lowest grades are less than in the original House bill up to 84 degrees. Eighty-five-degree sugar is the same, and from that point the new rates are more—at 96 degrees, five and a half hundredths more; and at 100 degrees, seven and a half hundredths more; and on refined sugar, seven and a half hundredths more.

Mr. LACEY. What quantity—how many millions of pounds or how many tons—have been imported?

Mr. DINGLEY. If you refer to low grades of sugar, below 84 degrees, then there is scarcely 2 per cent of such sugar imported into this country; certainly not over 4 per cent under 84 degrees test.

Mr. LACEY. Then this change does not give any premium to those who have imported this kind of sugar pending the contest between the two Houses?

Mr. DINGLEY. Not at all. As a matter of fact, these low grades of sugar can not be used in making hard sugars, and the importations of them are very small.

Mr. LIVINGSTON. Will the gentleman allow me to ask him a question for information?

Mr. DINGLEY. Certainly.

Mr. LIVINGSTON. On page 250 I find a "discriminating duty of 10 per cent ad valorem, in addition to the duties imposed by law, shall be levied, collected, and paid on all goods, wares, and merchandise that shall be imported in vessels not of the United States"——

Mr. DINGLEY. That is an old provision, and has been the law for fifty years; yes, a hundred years.

Mr. LIVINGSTON. May I ask why that has been put in there?

Mr. DINGLEY. It was simply put in because it was in the early tariff bills, and it has followed on down in every tariff bill ever since; and it is also in the tariff bill of 1894.

Mr. LIVINGSTON. We have only four or five such vessels doing business, and I do not see the object of this provision.

Mr. DINGLEY. We have many vessels in the foreign trade. But this discrimination applies only to countries with which we have no commercial treaties. We have commercial treaties with all the commercial nations of the world with two exceptions, and the vessels from these countries are by treaty entitled to enter our ports and transport our merchandise on precisely the same terms as American vessels; and hence it is inoperative as to them. But if any of our commercial treaties are evaded or avoided by any nation with which these treaties have been entered into, then this provision would become effective.

Mr. LIVINGSTON. Will Germany or England come under this 10 per cent discriminating duty?

Mr. DINGLEY. No; because we have commercial treaties with them.

Mr. TODD. May I ask the gentleman a question?

Mr. DINGLEY. Certainly.

Mr. TODD. You have said that the Senate amendment was receded from because you found it impossible to regulate the collection of revenues on stock and bond transactions. You admit, then, that the laws of the United States are inoperative against the stock gamblers of Wall street, and that they can not be enforced.

Mr. DINGLEY. I admit nothing of the sort. I say this: There must be a record of these transactions for it to be effective, and there appears to be no record in such cases, and they can be easily avoided.

Mr. TODD. But Congress has the power to make legislation which will bring out these records.

Mr. DINGLEY. Oh, the great trouble is there is no record.

Mr. TODD. It would be as easy to perfect machinery for that purpose as it is the custom-house regulations.

Mr. COOPER of Wisconsin. I should like to ask the gentleman what the net result is as to sugar. Does the rate agreed upon by the conferees lessen or increase the rate of protection, the amount of protection given to the sugar trust by the original House bill?

Mr. DINGLEY. The differential as between raw and refined sugars is precisely the same in this bill on 100-degree sugar as when it passed the House. Under the bill as it passed the House a duty of 1 cent was placed upon sugar polarizing 75 degrees, and an increase in duty of three one-hundredths of a cent for each degree running up to 100. Now, that left a duty of 1.75 on raw sugar of full purity——

Mr. COOPER of Wisconsin. What do you mean by that—100 degrees?

Mr. DINGLEY. One hundred degrees is full purity, which is, of course, what refined sugar is. That left a duty on raw sugars of full purity, of 100 degrees, of one and seventy-five one-hundredths of a cent.

Mr. JOHNSON of Indiana. But the duty on raw sugar in this conference report is higher than in the bill as it left the House?

Mr. DINGLEY. Certainly. It has been raised from 84 degrees up, so that the increase at 100 degrees amounts to seven and one-half one-hundredths of 1 cent per pound in order to give that additional encouragement to beet-sugar production.

Mr. JOHNSON of Indiana. And in the meantime there have been enormous importations of raw sugars, in anticipation of the increase of duty?

Mr. DINGLEY. Yes; but of course that could not be avoided.

Mr. JOHNSON of Indiana. So that the importers will get the benefit of the difference in duty?

Mr. DINGLEY. Where the duty upon any article is proposed to be raised and there are anticipatory importations, no matter what your law is, those who import will of course get the benefit of the difference, and you can not prevent it. We tried to guard against it by the retrospective clause which we inserted in the House bill, but it was decided by the Senate that that could not be done, and therefore the clause was not retained. We have to meet this difficulty every time any duty is increased. The same difficulty arose under the act of 1894. Previous to that act sugar

was free. Then a duty of 40 per cent was placed upon all sugars. Whoever had imported sugar in the meantime, while it was on the free list, of course got the benefit of that duty on stocks on hand, and that could not be avoided.

Mr. JOHNSON of Indiana. What is the duty placed upon refined sugar in this bill as compared with the existing rate?

Mr. DINGLEY. The duty on refined sugar is 40 per cent on both raw and refined, with one-eighth of 1 cent additional on refined in the present Wilson tariff, which amounts to 1.113 cents per hundred pounds, and the duty on raw sugar of 100 degrees purity is 89, leaving a differential of 22.30. And in this bill the duty is 1.95 on refined sugar and 1.82½ on raw sugar of 100 degrees test, making a differential of 12½ cents per hundred at that point, with a slight increase as the polariscopic test goes down to cover the increased cost of refining and the loss.

Mr. JOHNSON of Indiana. Therefore there is a marked reduction in duty on refined sugars.

Mr. DINGLEY. Certainly; an average of 40 per cent.

Mr. RIDGELY. Have your committee arranged for any internal tax on stocks of sugar imported under the existing law and now on hand?

Mr. DINGLEY. No. That subject was not in conference, and if it had been it is doubtful whether any provision could have been devised that would not injure innocent persons.

Mr. RIDGELY. Would it not be well that we should at once levy an internal-revenue tax upon stocks on hand equal to the duty which is proposed by this bill?

Mr. DINGLEY. That matter was considered by the Senate committee, but the difficulties that arise are these: If the men who imported sugar, or any other article, in anticipation of the increased duty were the men who will refine it, they might be reached. The suggestion was to levy the amount of increase of duty upon the manufacturers or refiners; but the difficulty about that lies in the fact that a great many persons have imported sugar who are not refiners of sugar, just as many persons have imported wool who are not manufacturers of woolen goods. Under any such legislation as the gentleman suggests the innocent might be made to suffer while the guilty would escape, if I may be permitted to use the words "innocent" and "guilty" in speaking on this subject.

Mr. RIDGELY. But the people have to pay the difference, and it goes into the pockets of the speculators, and now it appears that we are powerless to prevent it.

Mr. DINGLEY. Whenever a duty is proposed to be raised, if any citizen imports goods under the existing less rates of duty, and pays the duty upon them, I know of no way by which he can be reached except by such legislation as was contained in the retroactive clause which was put on this bill by the House, against the opposition of the other side, but was thrown out by the Senate.

Mr. SIMPSON of Kansas. I desire to ask the gentleman a question. While this conference agreement does not increase the duty on refined sugar, does it not have the effect of decreasing the duty on low-grade raw sugars, thus giving the manufacturers cheaper raw material?

Mr. DINGLEY. Not at all. Hard sugar, that is, granulated sugar, can not be made from those low-grade sugars. In fact, I may say with reference to that question that careful investigation has shown clearly that the rate we fix, making a slight reduction on these few lower grades, gives an almost exact equivalent ad valorem duty to that placed on the higher grades.

Mr. SIMPSON of Kansas. But what I want to get at is this: Will not this open up opportunity to take sugar which is nearly pure, put some foreign coloring matter in it, and thereby reduce its grade, so that what is really pure sugar shall practically come in free of duty?

Mr. DINGLEY. Of course, if that could be done, the objection would have applied to all past tariffs.

Mr. SIMPSON of Kansas. But can not that be done under the provision now agreed upon?

Mr. DINGLEY. No; under the mode of administration provided it can not be done.

Mr. HENDERSON. Will the gentleman from Maine allow me one suggestion? The difficult matter for those of us who have not made a study of the sugar question is to get clearly in our minds these distinctions about the "saccharine strength" and "the Dutch standard," and all these percentages. Will it not be possible for the gentleman to incorporate in his remarks an illustration by the hundred pounds of what the duty would be under the present law, what it would be under the House bill, what under the Senate amendment, and what under the conference report?

Mr. DINGLEY. I will do that so far as the time will permit.

Mr. HENDERSON. I shall be glad if the gentleman will do that for the information of the House.

Mr. DINGLEY. In general, it may be said that the differential on refined sugar under the schedule which has been presented, which is but a slight modification of the original House schedule, except that it increases the duty on raw sugars, is exactly the same at the 100-degree point in the schedule here proposed as in the bill passed by the House. There is a small increase as the polariscopic test goes down for the reasons I have stated; but it is about 40 per cent less than the differential under the existing law at all points.

Mr. HENDERSON. What I desire is simply an application of these figures in such a way that a farmer like myself may understand them. [Laughter.]

Mr. DOCKERY. In view of the statement which the gentleman from Maine has just made, will he give us his opinion as to the cause of the rise in sugar stock?

Mr. DINGLEY. I do not know anything about the gambling transactions in Wall street.

Mr. DOCKERY. I am satisfied the gentleman has no personal knowledge of them——

Mr. DINGLEY. I have no other knowledge than from the newspapers.

Mr. DOCKERY. The statement is made that the bounty to the sugar trust has been reduced by this bill; and I sincerely hope that is an accurate statement.

Mr. DINGLEY. The differential on refined sugar is considerably less than under the present Wilson tariff.

Mr. DOCKERY. Then, as I understand, you claim that the bounty carried in this bill is less than under existing law?

Mr. DINGLEY. Certainly. The gentleman means the differential, I suppose?

Mr. DOCKERY. Yes, sir.

Mr. DINGLEY. The differential, as the gentleman knows, is the difference between the duty imposed on such a quantity of raw sugar as will make a pound of refined sugar and the duty imposed upon the refined sugar when imported.

Mr. DOCKERY. But discarding all technical terms and coming right down to "bed rock," this bill gives to the sugar trust a certain bounty——

Mr. DINGLEY. It gives to no sugar trust any bounty.

Mr. DOCKERY. Well, it gives them a certain measure of "protection."

Mr. DINGLEY. It gives to the refining industry of this country a protection that is 40 per cent less than that given by the Wilson bill of 1894. [Applause on the Republican side.]

Mr. DOCKERY. I so understood the gentleman's statement; and from my point of view that is a bounty. Now, in view of that statement, the protection being but about one-half that given by the present law, I desire to know whether the distinguished gentleman can explain the rise in sugar stock?

Mr. DINGLEY. Well, if I had information as to the methods of manipulating the stock boards in New York, perhaps I might answer the question.

Mr. DOCKERY. Like the gentleman from Maine, I have no knowledge of the manipulation of stock boards, and never indulge in speculation.

Mr. HENDERSON. If the gentleman from Missouri [Mr. DOCKERY] should be taken off the Committee on Appropriations, all stocks would fall. [Laughter.]

Mr. MOODY. I wish to ask the gentleman from Maine what has become of Senate amendment 850, on page 225, providing for an additional duty where an export bounty is paid by a foreign country?

Mr. DINGLEY. A general provision at the close of the bill covers that matter.

Mr. MOODY. There is nothing in the bill, so far as I can see, which indicates whether that provision has been retained or not.

Mr. DINGLEY. It was struck out in the Senate and a general countervailing-duty provision put in at the close of the bill, obviating the necessity for the other provision.

Mr. MOODY. But nothing in this printed bill indicates whether that general provision of the Senate has been retained or not.

Mr. DINGLEY. The way to ascertain that is to find the provision as agreed to in conference in the reciprocity section of the bill.

Mr. MOODY. There is nothing to indicate what action has been taken by the conference.

Mr. DINGLEY. If the gentleman will look at the beginning of the bill, he will notice the explanation of these various marks; and when he comes to examine further, I think he will see that the House recedes from its disagreement to that provision and agrees to the general provision of the Senate relating to countervailing duties where there is a bounty on exportation, thus practically accomplishing what was accomplished by the House amendment.

Mr. COX. Mr. Speaker, I ask for order, so that we may hear what the gentleman from Maine is saying.

The SPEAKER. Members must take their seats. The gentleman from Maine will suspend until order is restored.

THE INCREASE IN DUTIES.

Mr. DINGLEY. Mr. Speaker, I desire to call attention to the nature and extent of the increases in the rates of duty in the proposed tariff. The largest increase has been made in the duty on sugar, partly for revenue and partly for the purpose of encouraging the production of our own sugar. It is this increase which raises the average equivalent ad valorem apparently above that of the tariff of 1890, in which sugar was free. The changes which have been made in the bill in conference reduce the average equivalent ad valorem, estimated on the basis of the values of 1893, to about 50 per cent, including the duty on sugar. Excluding sugar, the average equivalent ad valorem, on the basis of the values of 1893, does not exceed 48 per cent, against 49½ per cent under the tariff of 1890 and 40 per cent under the tariff of 1894. But the difference between the 40 per cent of the present tariff and the 48 per cent (excluding sugar) proposed, properly distributed on protective lines, is the difference between life and death.

We have heard much reckless denunciation of the proposed tariff as "the highest ever known," but, as a matter of fact, the average ad valorem of the tariff of 1824 was 50½ per cent, and 61¾ per cent in 1830, 48½ per cent in 1867, and this, too, before undervaluation became a science.

PROTECTIVE DUTIES AND REVENUE.

Mr. Speaker, before considering the second object had in view in framing the proposed tariff measure—that of encouragement of our domestic industries—I desire to correct an impression which exists in some minds, that a tariff constructed on protective lines is antagonistic to revenue.

It would be a sufficient answer to such a contention to point to the fact that all our revenue tariffs since 1861 had been greater revenue producers than any tariffs for revenue only ever put into law in this country. The tariff of 1890, notwithstanding it surrendered from fifty to sixty millions of revenue by placing sugar on the free list, yielded nearly one hundred and seventy-seven and one-half millions of revenue from customs in the fiscal year beginning July 1, 1891, two hundred and three and one-third millions in the fiscal year beginning July 1, 1892, and would have undoubtedly yielded two hundred and twenty millions revenue in the fiscal year beginning July 1, 1893, if it had not been for the result of the November elections of 1892, which proclaimed the overthrow of our protective policy and disarranged our industries and impaired the consuming power of our people, and thus cut down revenue, while the present tariff, heralded as a revenue tariff, with 40 per cent duty on sugar, yielded only one hundred and fifty-two millions in the fiscal year ended June 30, 1895, and would not have yielded in the fiscal year just ended over one hundred and forty millions if it had not been for anticipatory importations to avoid the new duties.

To one who regards theories more conclusive than experience, it might seem as if duties on imports which can be produced or made here without natural disadvantage equal to the difference of cost of production or manufacture here and abroad, with the necessary result of encouraging production here of such articles because of the fact that such duties give our own people an equitable chance to compete for our own markets, would cause a falling off of revenue.

But this conclusion omits to take note of results which flow from such encouragement of production and manufacture here, and of certain habits of a portion of our people: First, the increased purchasing power and higher standard of living of the masses of our people, in consequence of which they buy and consume more imported luxuries, or articles in the nature of luxuries, than ever before, and, second, the presence of a large number of well-to-do citizens who regard it as "the thing" to use imported articles of foreign make, especially wearing apparel, and who are willing to pay high duties on them.

A striking illustration of the influence of these two facts is to be found in a comparison of the revenue-producing qualities of the wool and woolens schedule of the tariff of 1890, framed on protective lines, and the same schedule of the tariff of 1894, framed on nonprotective or supposed revenue lines. This schedule of the former tariff yielded under protection in the fiscal year 1893 a revenue of about $44,500,000 on an importation of about 40,000,000 pounds of clothing wool and the usual quantity of carpet wool, together with $36,000,000 worth of woolen goods, mainly fine goods, consumed by the well to do; and in the fiscal year 1896, under a tariff for revenue, yielded only $23,000,000 revenue under an increased importation of 127,000,000 pounds clothing wool and the usual quantity of carpet wool, together with nearly $60,000,000 of woolen goods.

In other words, a change from a protective to an antiprotective schedule diminished the annual revenue of the Government $21,000,000. And worse still, it took away from our farmers the opportunity to grow at least 80,000,000 pounds of wool, and by reducing the price of wool 10 cents per pound diminished their purchasing power at least $30,000,000 annually, which diminution of purchasing power on their part was felt by every class of our citizens. And besides this, it shut down nearly all the woolen machinery in this country and sent into the streets many thousands of operatives, who were obliged to cut down their purchases of the products of the farm, the loom, and the shop.

The fact is, that revenue from duties on imports rises and falls with the consuming power or prosperity of the masses of the people, and it is for this reason that a protective tariff so framed as to encourage domestic production and manufacture, and consequently so as to increase the earning and consuming power of the masses, always affords the largest revenue, because it encourages a higher standard of living and a larger consumption of imported luxuries or articles of voluntary use, from which the revenue under a protective tariff is largely derived.

INCREASED REVENUE FROM LUXURIES.

Mr. Speaker, I desire to call special attention to the fact that at least thirty millions of the additional revenue which the proposed tariff bill will yield after the effect of anticipatory importations has been overcome will come from the restoration in the main of the duties of the McKinley tariff on imported luxuries or articles in the nature of luxuries, duties which were unwisely reduced by the tariff of 1894 in the wild crusade of our free-trade friends against what they denounced as tariff taxation of the masses.

Some of the items which go to make up the thirty-five or forty millions of revenue from luxuries thrown away by the tariff of 1894 and restored by the pending tariff bill are as follows:

On liquors	$1,000,000
On Habana cigars and wrapper tobacco	1,000,000
On silk, linen, and cotton laces and embroideries	3,000,000
On silks and silk plushes and velvets	3,000,000
On kid gloves and jewelry	3,250,000
On ostrich feathers, downs, artificial flowers, etc	1,275,000
On trimmings of beads, glass, etc	400,000
On braids and plaits of straw, etc	400,000
On plate glass and china ware	890,000
On paintings and statuary	1,000,000
On personal effects (mainly luxuries) of American tourists returning from Europe	10,000,000

Here are over $25,000,000 revenue from luxuries thrown away by the so-called "revenue tariff" of 1894 and restored by the pending bill.

If the object of our so-called tariff-reform friends in throwing away this revenue—as gentlemen on the other side declared—was to remove the burdens of the masses—assuming, as our friends assert, that a duty is always added to the price—what rejoicing there must have been among the toiling people when three millions of burden was removed from them by a reduction of the duty on laces and embroideries! And what hallelujahs of praise must have gone up when a burden of three and a quarter millions was lifted from their bills for kid gloves!

No wonder gentlemen on the other side grow red in the face in their bursts of indignation at the proposition embodied in this bill to save $25,000,000 revenue by placing higher duties on these luxuries, and thus render it no longer necessary to issue and sell interest-bearing bonds to meet the expenditures of Government in time of peace.

But these are by no means the only imported luxuries or articles of voluntary use (on which statesmen have heretofore thought it wise to impose the heaviest duties) on which duties were reduced and revenue thrown away by the tariff of 1894, and which duties this bill restores.

It will be observed that of the $36,000,000 woolen goods imported in 1893 under the act of 1890, on which a revenue of about $34,000,000 was paid into the Treasury, more than three-fourths were composed of fine woolens used by the well to do, and especially by that class of our people who buy foreign goods because of the impression that it is more fashionable to do this, and who are willing to pay for the gratification of their "fad." Unquestionably three-fourths of the twelve millions of revenue on woolen goods surrendered by the act of 1894 and restored by this bill came from the well to do.

Then, undoubtedly, three-fourths of the three millions revenue on cottons surrendered by the tariff of 1894 came from fine goods, which were in the nature of luxuries. And the same remark may be made of many other schedules.

Unquestionably between thirty-five and forty millions of revenue from articles in the nature of luxuries were thrown away by the tariff of 1894. The proposed tariff is framed to recover this revenue.

PROTECTION AND EXPORT TRADE.

Mr. Speaker, I desire in passing to briefly notice the claim, which is being studiously pressed, that the present tariff has increased our exports of manufactured goods. It is true that our

exports of manufactured articles have been increased—largely, however, in such articles as mineral oils and specialties, in which tariff legislation bears no part; but to whatever extent there has been an increase of exports of ordinary manufactures, it is due to the fact that our own consumption has so far fallen off as to force manufacturers to sell wherever they could for less than cost, a result which emphasizes our distress rather than illustrates our prosperity.

It was the boast of the framers of the tariff of 1894 that it would at once largely increase our exports of woolen goods by placing the farmers' wool on the free list and thus giving our manufacturers free wool. Yet there has been no increase of our exports of woolen goods, but such a destruction of the purchasing power of our farmers that our woolen manufacturers have seen the home demand for their goods largely decline, and foreign wool manufacturers have been able to take possession of our markets to an extent never before known.

Experience has shown that our foreign trade is largest under the protective policy, for the reason that our imports and consumption of luxuries and of such other goods as we do not make rise with the prosperity of our people, and our ability to compete in foreign markets is increased as American inventive genius is stimulated by a brisk demand for products in our domestic markets.

THE PROTECTIVE POLICY.

Mr. Speaker, the title of the tariff bill under consideration sets forth the two ends which have been steadily kept in view: "To provide revenue for the Government and to encourage the industries of the United States." It is noteworthy that the preamble of the first tariff bill under the Constitution, framed by Madison and approved by Washington—a bill passed on the 4th of July, 1789, a day sacred to every American patriot—declared that that tariff bill was "for the support of Government, for the discharge of debts of the United States, and for the protection and encouragement of manufactures."

The proposed tariff bill has been framed not only to secure adequate revenue, but also on protective lines with a view of encouraging American industries.

I do not propose at this time to enter into any elaborate argument to demonstrate the wisdom of the protective policy in tariff legislation. The almost uninterrupted prosperity experienced by this country under the protective policy from 1861 to 1893—a prosperity unexampled from 1879, when our currency was placed on a sound basis, up to the close of 1892, when a majority of our people, misled by the assaults and glittering promises of the free-trade Democracy, declared for the overthrow of protection, contrasted with the sad experience of the country during the past four years under first anticipated and then partially realized free trade or tariff for revenue only, is a more potent and convincing argument in favor of a return to the protective policy than anything I can say here.

The object of the protective policy is to enlarge the opportunities for labor and to maintain a high standard of wages, and its yokefellow, a high standard of living for the masses. It rests on the assumption that that country is the most prosperous in which the standards of wages and of living are the highest. It assumes that the standard of living or purchasing power of the masses, which creates the demand for products and sets in motion the intricate machinery of production and distribution in modern civilized society, is dependent on the opportunities to use their labor at good wages, and that these opportunities widen and wages rise as diversified domestic industries multiply and the production of whatever we want which can be made or produced here without natural disadvantage goes on at home rather than abroad. An economic policy which tends to destroy home industries in which no more labor is required for production here than abroad, or to reduce wages under the plea that the products of such industries can be purchased at a lower price abroad simply because our labor is paid higher wages, is destructive to prosperity, for the reason that nothing is cheap which deprives our own people of opportunities for employment of their labor and reduces the wages paid to labor.

The advocates of protection hold—and experience shows the correctness of their contention—that when a duty equivalent to the difference of cost of production is imposed on an article which can be produced or made here without natural disadvantage, the ultimate effect is not to increase the price of the article (as assumed by the advocates of free trade, who constantly speak of such duty as a tax), but to reduce this price. This result is brought about by the fair field which is opened to American inventive genius and enterprise by requiring foreign competitors to first pay to our treasury as a duty the amount which they withheld from their labor, and which our producers and manufacturers pay to our labor, which places competition in our markets on an equal basis, and that the basis of American rather than European wages. With such equality competition here always brings down prices ultimately below what they were before the protective duty was imposed; in other words, while a duty imposed on an article which can not be produced or made here without natural disadvantage, like coffee and tea, yet a duty imposed on an article which can be so produced or made here is not a tax which ultimately increases the burdens of the consumer, but on the contrary a protection which not only reduces the cost in labor or service of whatever article it is applied to, and ultimately a reduction even in the price estimated in money.

Under the plea of Democratic free traders, or friends of tariff for revenue only, that protective duties, i. e., duties equivalent to the difference of cost of production and distribution here and abroad, arising mainly from our higher wages, are a tax that increases the burdens of our people, a majority of the voters of this country in November, 1892, voted the Democratic party into power, with a commission to overthrow our protective policy. As soon as the result was definitely settled and weighed, the industries of this country began to prepare for the anticipated revolutionary change in the basis of competition with foreign manufacturers. It was believed—and believed with good reason—that the admission of foreign competitive goods into our markets at rates lower than the difference of cost of production here and abroad would necessarily compel a reduction of wages to meet the new competition, and that, for the time at least, the foreigner would inevitably deprive our industries of part of their market here.

What took place in 1893 and 1894 in consequence first of anticipated and subsequently partially realized tariff reductions? First, every industry began to shorten sail and stop machinery, and then to reduce wages. Second, the workingmen, discharged or reduced in wages, began to buy and consume less of the products of the farm, the shop, and the mills. And third, the falling off of consumption resulted in gorged markets and unremunerative prices under the inevitable law that prices fall when there are two sellers to one buyer, producing, with other causes, that dislocated condition of production, distribution, and consumption which has continued nearly four years, and which is denominated industrial and business depression or "hard times." We have had the free trader's paradise of "cheap" goods, but the cheapness has been secured at a fearful cost. I venture to say that, notwithstanding the apparently cheap prices of the past four years, the masses of this country have not for many years paid so much in labor—with which all products are ultimately bought—as they have paid during this period.

Our people have been attending a free-trade kindergarten, in which we have learned lessons that will not be forgotten for some time. The tuition has come high, but the experience will make it difficult for gentlemen on the other side to again mislead voters by assaults on protective duties as "robbery" or as the "levying of new burdens," when their object is simply to place competition here on the basis of our high wages rather than on the basis of the low wages of Europe.

The end aimed at in the protective policy is not the benefit of the producer or manufacturer as such, for as such either is as well off under free trade with European wages as under protection with American wages, barring the advantage which flows from the increased market caused by the high purchasing power of the masses. The object in view, I repeat, is to enlarge the opportunities of labor through the diversification and growth of domestic industries, to elevate the standard of wages and the standard of living, and thus promote the prosperity of all classes.

Now, Mr. Speaker, the majority of the committee who have framed this proposed tariff bill believe that any economic measure whose effect is to transfer to Europe or other countries the making of articles which can be produced here without natural disadvantage can never produce anything but ruin to any country. [Loud applause.] We believe that when the protective principle is applied of imposing duties equivalent to the difference of the cost of production and distribution arising from our higher wages of labor, as proposed in the pending bill, and thus increased opportunities are offered to American labor, giving the masses a purchasing power which they have lost under the conditions of the past four years—a purchasing power which enables them to buy more of the farmer, more of the merchant, more of the manufacturer, and more of every producer in the land—then confidence will begin to return, prices will begin to rise to a paying point, and prosperity begin to set in upon the land. [Loud applause on the Republican side.]

Mr. Speaker, it is not my purpose to enlarge upon this view at the present time. I feel that it is due to this House and it is due to the people of this country that we should promptly pass this measure, framed so as to secure adequate revenue for carrying on the Government and at the same time with duties so adjusted as to open up new opportunities for our own labor, which will be the beginning of that prosperity that was dispelled in 1892, after thirty years' continuance. I feel that it is not desirable now that a longer time should be given to a further explanation and defense of the principles which have controlled the committee in framing this measure. Our duty is to act. Our duty is to relieve the

people of the country from the uncertainty which exists, and to set the wheels of business in motion. [Loud applause on the Republican side.]

APPENDIX.

*Sugar differential under Wilson tariff and proposed tariff.**

[Prepared by Hon. George G. Tichenor, Board of United States Appraisers.]

Degrees.	Average entered value 100 pounds.	Duty on amount necessary to make 100 pounds refined.		Differential per 100 pounds.	
		Wilson tariff.	Proposed tariff.	Wilson tariff.	Proposed tariff.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*
87	153.75	76.43	170.25	34.87	24.75
88	160	78.34	171.99	32.96	23.01
89	166.25	80.16	173.58	31.14	21.42
90	172.5	81.88	175.04	29.42	19.96
91	178.75	83.52	176.38	27.78	18.62
92	185	85.06	177.58	26.24	17.42
93	191.25	86.50	178.65	24.80	16.35
94	197.5	87.55	179.59	23.45	15.41
95	203.75	89.11	180.41	22.19	14.59
96	210	90.28	181.09	21.02	13.91
97	213.125	90.02	181.63	21.28	13.37
98	216.125	89.68	182.46	22.62	13.54
99	219.375	88.88	182.35	22.42	12.65
100	222.5	89	182.50	22.30	12.50

* Based on St. Croix raw sugar, which represents about the medium raw sugars imported in the first four months of the present year, and on German fine refined sugar, whose entered value was 2.47. Duty on 100 pounds German fine under Wilson tariff (40 per cent plus 12½ cents), $1.113; under proposed tariff, $1.95. Dutch refined sugar was valued at 2.60, and therefore the differential as against this refined sugar would be 5.2 cents higher per hundred pounds under the Wilson tariff than is stated above, and would be the same as stated under the proposed tariff. Granulated or hard sugars can not be made of sugars below 87 degrees, and therefore the differential on the low grades is immaterial.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. PLATT, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13) making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1897, and for prior years, and for other purposes.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to an enrolled bill of the following title:

A bill (H. R. 13) making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1897, and for prior years, and for other purposes.

COMMITTEE ON ENROLLED BILLS.

The SPEAKER announced the appointment of the Committee on Enrolled Bills, as follows:

Mr. HAGER, Mr. ACHESON, Mr. DORR, Mr. BAKER of Maryland, Mr. LATIMER, Mr. LLOYD, and Mr. BREWER.

[Mr. WHEELER of Alabama addressed the House. See Appendix.]

Mr. SWANSON. Mr. Speaker, I will endeavor not to detain the House very long this afternoon. I hope to be able to complete my remarks in less time than the hour to which I am entitled. I desire to discuss only the sugar schedule contained in this conference report. The most important schedule of the proposed bill is the sugar schedule.

This bill proposes to collect in revenue, by an imposition of duties upon sugar, about $55,000,000 a year. This constitutes more than one-fourth of the entire revenue proposed to be collected by the pending bill. Thus it is properly a subject of investigation to ascertain the effect produced and the influences which directed the imposition of so great a burden upon one of the necessities of life.

The tax upon sugar imposed by this bill is about double what the tax is under the existing law.

I desire to show what the effects of a tax upon sugar are by the testimony of a distinguished gentleman on the other side of the House, and to that end I ask the Clerk to read the passage which I have marked in the RECORD which I send to the desk. It is an extract from the speech of Mr. PAYNE of New York, who there fully, completely, and eloquently discloses the effect of a tax upon sugar.

Mr. RICHARDSON. When did he say it?

Mr. SWANSON. He said it when the Wilson bill was under consideration, the tariff bill by which it was proposed to put a duty of 40 per cent on sugar. The duty in this bill is about double what it was in the Wilson bill.

Mr. SMITH of Kentucky. Is the Mr. PAYNE that you refer to the same Mr. PAYNE who is now a Republican member of the Ways and Means Committee? [Laughter.]

Mr. SWANSON. He is. He is the same gentleman who is now earnestly in favor of the sugar tax in the pending bill.

The Clerk read the extract, as follows:

Mr. PAYNE. Mr. Chairman, I oppose the restoration of the duty upon sugar, because it is putting a tax upon every man's breakfast table of at least a dollar a year for each person who sits down to that table. We took the duty off in 1890 and reduced the price of sugar because we produced but 10 per cent of the sugar we used and imported 90 per cent, and I hope that fact will get to the understanding some time of my friend from Kansas [Mr. SIMPSON].

A vote for the restoration of a duty on sugar is a vote of $5,000,000 a year to the gentlemen who own the sugar plantations in the Hawaiian Islands; it is a vote of $10,000,000 a year to those who own the sugar plantations in Louisiana and other plantations in the South and West; and therefore I am opposed to voting that tariff upon sugar. I am opposed to the scheme contained in the present bill of the majority of the Committee on Ways and Means, because it is simply voting a gratuity to the producers of sugar without any prospect of a public benefit.

No man is sanguine enough to hope, or dare express the hope, that the effect of this bounty in this bill will benefit the sugar industry or establish it upon a permanent basis. On the other hand, it will destroy the industry, and that very quickly and simply. The people of the United States are called upon to expend $35,000,000 for a class comprising a few individuals, a small class—legislation for a few people in the United States.

Mr. SWANSON. Mr. Speaker, my Republican friend from New York [Mr. PAYNE], when there was a tax of 40 per cent about to be placed on sugar, said that it was a tax upon every man's breakfast table of at least $1 a year for each person who sits down at that table. This bill proposes double that duty, so it will levy a tax of $2 upon the breakfast table of each person who sits down to it. The gentleman stated that the duty under the Wilson bill, laying a tax of 40 per cent, would give an aggregate of $5,000,000 to the few gentlemen who own the sugar plantations in the Hawaiian Islands. This bill imposes double that duty, so it makes a present of $10,000,000 to this same class.

The gentleman stated that a tax of 40 per cent in the Wilson bill meant a present of $10,000,000 to the sugar planters of Louisiana. If that was true at that time, then this bill means a present of $20,000,000 to the sugar planters of Louisiana. He said that the duty in the Wilson bill of 40 per cent amounted to $35,000,000 imposed upon the people of the United States for the benefit of a few. If that was true then, this bill means to extort from the masses of our people $70,000,000 for the benefit of this few.

Thus, Mr. Speaker, we have the clear and explicit testimony of our learned friend upon the other side, who aided in the preparation of this bill, to the glaring iniquities and gross injustices which the sugar schedule will perpetrate upon the masses of the people.

As the gentleman's past utterances give unmistakable evidence that the passage of this bill will result in extorting $70,000,000 from the people who consume sugar for the benefit of a few individuals, it would be well for us to ascertain who these few individuals are. It is well to know who the few individuals are who have been so potential as to acquire legislation distributing so vast a sum to themselves.

It is almost unnecessary to name the chief beneficiary of this schedule and of this bill. The telegraphic dispatches which have been received here to-day of the remarkable advance of $11 a share in the stock of the sugar trust and of the wild scenes enacted by the brokers in Wall street, endeavoring to purchase and possess themselves of the stock of this trust, furnish proof that this vast trust will be the favored recipient of the vast sum of money to be distributed by the imposition of the sugar tax.

I only participate in this discussion this afternoon to disclose the bounties, gratuities, and benefits which this conference report and proposed bill will bestow upon this iniquitous trust.

Before I conclude my remarks I shall present clearly and completely the provisions of this bill by which it is proposed to enrich this greedy trust and to give it an absolute monopoly in furnishing all the sugar to the people of this country. I believe that if this bill becomes law, there will not be a pound of sugar that goes into consumption that will not be furnished and the prices fixed by the sugar trust.

Let us examine and see what are the conditions to-day in this country in reference to sugar. This country annually consumes about 2,000,000 tons, of 2,240 pounds each, of sugar. All of this is imported from abroad except about 285,000 tons, which is of domestic production. Last year, of the vast amount of sugar imported, as previously stated, only 65,000 tons were refined or granulated sugar, or above 16 Dutch standard in color. Now, no sugar is suitable for consumption or goes into consumption unless it is above 16 Dutch standard in color. The business of the sugar trust consists in purchasing raw sugar and refining it so as to make it suitable for consumption.

The statistics of our Treasury Department disclose that all sugar consumed in this country, except the 65,000 tons of imported refined sugar, as previously stated, is furnished by the refiners of the United States, who have organized themselves into a notorious combination popularly known as the sugar trust. Thus, undisputed facts show that the sugar trust to-day furnishes to consumers of this country all of their sugar except less than 1 pound in 30. Thus, under the present law, the trust has no competition except to the very small extent of 1 pound in 30.

This small competition has only existed since the passage of the Wilson bill. The McKinley law, giving the trust a protection and clear differential of one-half a cent per pound, almost absolutely prohibited the importation of white or refined sugar. In 1892 there were imported into this country only 7,000 tons of refined sugar. Thus, before the passage of the Wilson bill, the trust had a competition of about 1 pound in 270.

In the discussion of this sugar schedule in both the House and the Senate the friends and defenders of the trust have talked of the wonderfully increased importation of refined sugar in recent years. It is true that the importation of refined sugar and consequent competition with the sugar trust is nearly ten times as much under the Wilson law as it was under the McKinley law. This furnishes clear proof that the Wilson Act was far less favorable to the trust than the McKinley Act. Yet this wonderful increase, which seems to disturb the anxious minds of the friends of the trust, up to this time, as I have stated, has only attained the very small proportion of 1 pound in 30.

I do not suppose that there is a business industry or enterprise in the country, except the sugar trust, that would not be perfectly satisfied if they were shielded from all competition to the extent of this trust. I suppose that there is not a seller of any commodity in this country, except the sugar trust, that would not be perfectly satisfied to sell to his customers all the goods that they purchase except 3½ per cent.

Under present conditions the sugar trust already furnishes to the consuming public 96⅝ per cent of the sugar used, yet this greedy trust is dissatisfied with this monopoly and legal protection from competition, and has come to this Congress clamoring to have a law enacted which will enable them to sell the 3⅜ per cent now sold by German refiners, and thus destroy all competition and have the privilege alone to furnish sugar to the American people.

Mr. Speaker, with such a state of facts, which can not be disputed and which our governmental statistics disclose, it would be expected that a Congress holding a commission from the people and sent here to legislate in their interest and for their benefit, instead of passing legislation to increase this outrageous monopoly of the sugar trust, would enact legislation which would destroy it and give to the people a free opportunity to purchase their sugar without paying the exactions of this sugar trust.

But, sir, instead of lessening this monopoly, this bill will increase it. If it becomes law, the sugar trust will cease to have any competition whatever, but will have absolute control of the United States market, and will furnish and fix the price of every pound of sugar consumed.

It is a valued privilege that the sugar trust is contending for. It is a prize well worth struggling for. It is contending for the legalized privilege of furnishing the 75,000,000 people in this country all of the sugar that they consume at its own prices. No king ever bestowed upon a favorite a monopoly so valuable and so profitable as this is and will be to the sugar trust. [Applause.] Its value consists in permitting the sugar trust to charge the people of this country more for their sugar than they can purchase it for elsewhere.

Let the question be clearly and distinctly understood. What the trust gains the people lose. No quibbling, no sophistry can deceive the people upon that clear proposition. So when our votes are recorded upon this bill and conference report to-day, we are compelled to decide either for the people or for the trust. If we vote for this bill, it is a vote for the trust. If we vote against it, it is a vote for the people.

I shall take this schedule and discuss it clearly, and prove beyond a possibility of contradiction that the sugar trust gets in this bill as agreed upon by the conference committee more than ever before given it by any act of legislation. I desire to do this because it has been heralded abroad all over this country that the sugar trust has received a severe blow at the hands of the Speaker of this House and of its conferees. I have been very much amused to-day at cartoons in daily newspapers portraying the distinguished Speaker of this House with a look of triumph upon his face standing with his feet planted upon the prostrate and bleeding form of the sugar trust.

This was prepared to indicate the great victory that it was supposed the Speaker has won over the sugar trust. Yet after this much heralded and pictured victory, we have the astounding fact that the stock has advanced to-day from $133.50 a share to $144.87½ a share, more than $11 a share increase in value. [Applause.]

If the Speaker and his conferees should deal the sugar trust another such severe blow and win another such great victory, I have no doubt that the stock would readily increase in value to about $200 a share. [Renewed applause on the Democratic side.] I have no doubt that the trust will daily invite such victories over it as this at the hands of the Speaker and his brave conferees. [Laughter.]

They seem to have the faculty of making vastly more valuable and desirable that which they pretend to be striving to destroy. When the conferees of the House had circulated the report that they had won a great victory over the Senate, Senator ALDRICH, the chairman of the conferees on the part of the Senate, made some remarks appertaining to that subject which are very interesting. I read from the Washington Post of Sunday the following:

You will discover—

Says Senator ALDRICH, in discussing the matter among his colleagues—

that the Senate saved something after all, and that it is not a complete surrender on our part.

Senator ALDRICH stated a fact which can not be controverted, for instead of the House conferees upon the sugar schedule winning a victory, the Senate conferees won a decisive victory over the House. The chairman of the Ways and Means Committee [Mr. DINGLEY] has endeavored to impress this House with the idea that this sugar schedule as agreed upon is precisely the same as the House bill so far as the differential to the trust is concerned.

Now, an examination of the two schedules will disclose clearly that this is not correct. The Senate schedule imposed a uniform duty of 1.95 cents per pound on all refined sugar. The House bill imposed a duty of 1.875 cents per pound on all refined sugar. In all other respects the House and Senate schedules were similar. Each imposed a duty of 1 cent per pound on sugar testing 75 degrees by the polariscope, and three one-hundredths of a cent per pound for every additional degree.

In this connection, I desire to explain what is the polariscope. The polariscope is an instrument used for the purpose of testing the amount of saccharine strength in sugar. When it is said that sugar tests 75 degrees, it is meant that it contains 75 pounds of pure sugar and 25 pounds of other matter, mostly water, as shown by the polariscope. When it is said that sugar tests 95 degrees, it is meant that it contains 95 pounds of pure sugar and 5 pounds of other substances, mostly water, in every 100 pounds.

In this conference report the committee abandons the House rate of 1.875 cents per pound on refined sugar and adopts the Senate rate on refined sugar, which is, as I have just stated, 1.95 cents per pound. Thus the Senate gets its rate upon refined sugar and the House increases its rate 7½ cents per 100 pounds to the Senate rate on refined sugar. Now, when we come to raw sugar, the House having agreed to raise the duty on refined sugar 7½ cents per hundred pounds, the only way to prevent an increased differential on refined sugar would be to proportionately increase the duty imposed on raw sugar.

This is plain, and can not be disputed; yet with the necessity of increasing the duty on raw sugar to prevent an increased differential, we have the remarkable fact of the conference decreasing the duty on 75-degree raw sugar, where the schedule commences to operate, from 1 cent per pound, as imposed in both the House and the Senate bills, to ninety-five one-hundredths of a cent per pound.

Thus it only requires a reading of the two schedules to see that the conferees have increased the duty on refined sugar 7½ cents per hundred pounds and have decreased the duty on raw sugar testing 75 degrees 5 cents per hundred pounds, which makes an increased differential between refined sugar and raw sugar testing 75 degrees of 12½ cents per hundred pounds over the House schedule. Gentlemen on the other side can not and will not controvert this proposition as to sugar testing 75 degrees, for it is a matter of mathematical demonstration.

Now, to enable the House conferees to make a plausible argument that there has been no increased differential in favor of refined sugar between the agreed schedule of the report and the House schedule, they arranged a schedule which adds on three and one-half hundredths of a cent per pound on each additional degree by the polariscope, instead of three one-hundredths of a cent, as contained in the House bill. By this means the duty on raw sugar at 100 degrees test is increased 7½ cents per 100 pounds, which is equal to the increase on 100 pounds of refined sugar.

I will later show how increasing the duty on each degree of sugar as it advances will result in an increased benefit to the trust. By increasing, as I have stated, the duty on raw sugar three and one-half hundredths for every additional degree above 75, it enabled the gentleman from Maine [Mr. DINGLEY] to truthfully say, as he did in his remarks just preceding mine:

If you will take the duty on raw sugar at 100 degrees test and take it from the duty on refined sugar, as agreed upon, it will give one-eighth of a cent per pound differential, precisely the same as was contained in the House bill.

Gentlemen, you will notice that the distinguished gentleman from Maine [Mr. DINGLEY] confined his declaration to sugar testing 100 degrees. He has not stated and he will not state that sugar testing any other degrees than 100 will not have an increased differential in this conference report over the House bill. The differential increases for every degree as it descends. I defy the gentleman from Maine [Mr. DINGLEY] to take sugar testing any other number of degrees than 100 and show that the differential is not greater on every degree as you go down.

The gentleman's assertion that there is no increased differential over the House bill is limited to a comparison entirely of 100-degree raw sugar with refined sugar. Now, there is no raw sugar testing 100 degrees, for that would be absolutely pure sugar. The very best refined sugar tests only 100 degrees. No raw sugar tests higher than 96 degrees. Thus the gentleman from Maine [Mr. DINGLEY], when he made the assertion that there was no increased differential, limiting his comparison to 100-degree test raw sugar, made the statement upon a supposed assumption of facts which only exists in his imagination.

To ascertain whether there is an increased differential or not in the conference report over the House bill, the comparison should be made with raw sugar that exists in reality, and not with raw sugar that never existed and never will exist except in the imagination of gentlemen on the other side.

Now, I will make a fair test, and invite contradiction of it from gentlemen on the other side. Let us take the average of raw sugar imported last year, ascertain what the duty upon it would be under the House bill, under the Senate bill, and what it will be under this conference report, and subtract it from the duty imposed upon refined sugar in the House bill, Senate bill, and in the conference report, and this will give us the differential in each. We should take the average sugar because it will show us what the effects will be in practical operations. Any other comparison will not show the real and practical results which would accrue from the two schedules.

Now, the Treasury Department shows that all the raw sugar imported into this country last year tested 92 degrees by the polariscope. I do not suppose that this statement will be contradicted on the other side. Then let us see what the duty under the House bill on 100 pounds of raw sugar testing 92 degrees would be, what it would be under the Senate bill, and what it would be under this conference report. The House bill provided a duty of 1 cent per pound on all sugar testing 75 degrees by the polariscope and three one-hundredths of a cent for every additional degree. Thus under the House bill the duty on 100 pounds of raw sugar testing 92 degrees would be $1.51. We arrive at this amount in this way: Ninety-two degrees is 17 degrees above 75 degrees, so we multiply 17 by three one-hundredths and it will give fifty-one one-hundredths; add this to the 1-cent duty on 75-degree sugar and we have 1.51 cents duty on 1 pound of sugar testing 92 degrees, which makes it $1.51 per 100 pounds. The duty on raw sugar in the Senate bill was precisely the same as the House bill.

The duty on 100 pounds of raw sugar testing 92 degrees, as now proposed under the conference report, would amount to $1.54½. We obtain this sum in this way: This proposed schedule imposed a duty of ninety-five one-hundredths of a cent per pound on sugar testing 75 degrees, and three and one-half one-hundredths for every additional degree above 75; therefore, 92 degrees being 17 degrees above 75 degrees, we multiply 17 by three and one-half one-hundredths and add the result to ninety-five one-hundredths, which will make 1.545 cents per pound duty on 92-degree raw sugar, which makes it $1.54½ per 100 pounds.

Now, to obtain the differential or real benefit to the trust, we subtract these duties from the duties imposed in each schedule upon refined sugar. As I have previously stated, the House bill imposed $1.87½ per hundred pounds on refined sugar, and the Senate and this conference report each impose a duty of $1.95 per 100 pounds of refined sugar. Thus to get the differential in the House bill on 100 pounds of raw sugar and 100 pounds of refined sugar, we subtract $1.51 from $1.87½, and it leaves us 36½ cents. To obtain the differential on the same quantity of sugar under the Senate schedule, we deduct $1.51 from $1.95, and we have 44 cents. To obtain the differential on the same quantity of sugar under the proposed schedule in the conference report, we subtract $1.54½ from $1.95, and it leaves 40½ cents.

Thus the proposed schedule contained in this conference report upon 100 pounds of sugar gives 4 cents more than the House schedule and 3½ cents less than the Senate schedule. Thus it can not be disputed that in effecting a compromise upon the sugar schedule, the House surrendered more than the Senate did. Thus it is plain by mathematical demonstration that the victory is with the sugar trust and the Senate conferees and not with the Speaker and the House conferees. This makes us understand why, after the agreement between the House and Senate conferees, there has been such a wonderful advance of over $11 per share in the value of the stock of the sugar trust to-day on the New York stock market.

I see on the other side a gentleman on the Ways and Means Committee—the gentleman from New York [Mr. PAYNE]—who is an expert on sugar, and he knows that taking 92 degrees as an average importation in this country, which it was last year, and subtracting it from these figures, it leaves the differential as I have stated it.

Mr. PAYNE. The gentleman is assuming that 100 pounds of 92-degree sugar will produce 100 pounds of pure refined sugar.

Mr. SWANSON. I am assuming that it will not take any more pounds of raw sugar to make 100 pounds of refined sugar under the House schedule than under the schedule as agreed to by the conference committee. [Applause on the Democratic side.]

The remark of the gentleman from New York [Mr. PAYNE] illustrates the way they try to mystify this subject whenever comparisons are made between different bills and schedules. I repeat, and call upon the gentleman to deny the assertion, that it does not take a particle more raw sugar to make 100 pounds of refined sugar under the schedule of the conference report than it does under the original House bill. That is a matter that can not be affected by law, and hence is useless in this discussion, and is simply brought in to mystify the subject and to conceal the great benefits bestowed upon the trust.

Mr. LACEY. Will the gentleman allow me a moment? Of course we want to get at the facts in this matter. I wish to ask how many pounds of refined sugar will 100 pounds of 92 degrees test make?

Mr. SWANSON. I have not the precise figures; but it makes precisely the same quantity under this agreed schedule as under the House bill. I say, in making a comparison between the two bills, the same quantity is required under each bill, and the gentleman knows it. Gentlemen here are simply trying to mystify the people by their method of figuring.

Mr. LACEY. Is there no way in which we can get at the exact figures?

Mr. SWANSON. You can get at them from the Treasury Department, which takes them as furnished by the sugar trust.

Thus, sirs, the cartoons contained in the Republican papers this morning should be reversed. Instead of the House conferees being represented as attaining a great victory over the trust and the Senate conferees, they should be represented as making an abject surrender. No one who will examine the matter impartially and state the facts as they exist, and not as one's imagination would picture them, can deny that the Senate conferees and the sugar trust have won the victory in this contest.

Mr. SAYERS. Has there not been some "thimblerigging" in connection with this matter which gives the trust an additional advantage besides what you have already stated?

Mr. SWANSON. Yes. By raising the average duties in the agreed schedule over the House bill the sugar trust will make an additional profit of three or four millions of dollars in the duties it will save on raw sugar that it has already imported. There is also another great advantage which I will allude to later in this discussion.

But, Mr. Speaker, as it is evident that it is the intention of those who have prepared this bill to make the sugar schedule of this conference report law, it becomes important to determine whether its provisions are more favorable to the trust than the existing law. As I have previously stated, the sugar trust under the existing law sells all of the sugar consumed in this country except 3½ per cent. It is apparent that any additional protection to the trust will result in giving it absolutely the markets of this country.

Now, the distinguished gentleman from Maine [Mr. DINGLEY] has endeavored to impress this House with the idea that this proposed schedule gives less to the sugar trust than the Wilson law does.

The gentleman from Indiana [Mr. JOHNSON] has stated, in a colloquy with the gentleman from Maine [Mr. DINGLEY], that if this report increases the protection and the benefits given the sugar trust, he will vote against it. I invite his attention to some facts which I now propose to give on the subject, which I hope will convince him that this provision gives considerably more to the sugar trust than it has under the present law. Those who have endeavored to favor the sugar trust in procuring additional beneficial legislation have always sought to mystify this subject and make people think that it is so intricate and difficult that no one except an expert can comprehend it. Now, this is far from the truth.

Let us see what is the object that the trust has in view and what legislation it needs to attain this object. The trust wishes to obtain the privilege of supplying absolutely all the sugar consumed in this country at its own price and free from competition? Then any legislation which shields the trust from the small competition now existing, which, as I have already stated, is about 3½ per cent of the sugar consumed, is all that they desire.

The sugar trust wishes to buy raw sugar, take it to their refineries, make it suitable for consumption, and then sell it to the public at a great profit. So their aim is not to prohibit the importation of raw sugar, but only to prevent the importation of white or refined sugar that is in a condition to be used.

I will now show that the trust gets nearly three times as much protection under this conference report as under existing law. Now, the right way to make the comparison is to take 100 pounds of granulated or refined sugar, which competes with the trust, and estimate what duty that 100 pounds of granulated or refined sugar will pay under existing law and what duty it will pay if this bill becomes law. Then we will take 100 pounds of average raw sugar and estimate what duty it will pay under existing law and what

duty it will pay when this bill becomes law; then subtract the duty paid on 100 pounds of average raw sugar under present law from the duty paid on 100 pounds of refined sugar under the present law, and that will give the protection possessed by the sugar trust under the present law. Then if we will subtract what the duty on 100 pounds of average raw sugar would be under this bill from what the duty on 100 pounds of refined sugar would be under this bill, we will have the protection that this bill bestows upon the trust. A comparison of these two will then show whether the protection is decreased or increased by this bill.

This method will give the practical effects and results of the operations of this bill. This will show clearly and distinctly what will happen when the Treasury Department begins to execute this bill and to collect duties under it. This is what the people want to know. They wish to know what the bill will do in practical operation and not how it appears as figured out on a supposed state of facts that do not and, in the nature of things, can not exist. I will ask any gentleman if this is not a fair and just way to ascertain the protection bestowed upon the sugar trust? Could anything, in fact, be fairer? If it is not fair, I would like for some gentleman on the other side of the House to indicate any other method which can point out the benefits and protection to the trust with more certainty and exactness.

Now, what refined sugar shall we take to make this comparison with? I will take the refined sugar that the trust itself admits is the only sugar that competes with it in the markets of this country. I will also select the refined sugar which will make the most favorable comparison for the trust.

It is the sugar selected by Senator ALDRICH, who prepared the sugar schedule of this bill, and who is recognized as being especially friendly to the sugar-refining industry. Senator ALDRICH, in his speech of May 25 of this year, says:

> Now, it is well known by every one familiar with the facts that the only refined sugar which comes into serious competition with the American product is German granulated, the price of which, as I have already shown, in the month of March was 2.3 cents per pound. I have taken the March figures as a basis for all comparisons, as I believe that they fairly represent normal conditions.

Thus, having selected this granulated sugar, admitted by the patron of this sugar schedule to be the correct one, and certainly to the one that makes the comparisons the most favorable to the trust, we will also take raw sugar as designated by him. The average test of imported raw sugar, as stated by him and by the Treasury Department, is 92 degrees, which, as shown by the prices contained in Senator ALDRICH'S speech, averaged 2.13 cents per pound during March.

It should be noted that this average price of raw sugar for the month of March is the same as the average price last year for raw sugar, which shows that Senator ALDRICH was correct in saying that the prices for the month of March were normal and the best of recent months for making a fair and just comparison.

Thus, having selected the grades of sugar which the advocates of this schedule themselves claim to be the proper and just ones, we will proceed to estimate the duties upon them under existing law and what the duties will be under this bill, and to compare them.

Under the present Wilson law the duty on granulated sugar is 40 per cent ad valorem, with an additional duty of one-eighth of a cent per pound and an additional duty, called the countervailing duty, of one-tenth of a cent per pound upon all sugar coming from countries paying an export bounty.

Under this law let us estimate what would be the duty on 100 pounds of German granulated sugar worth 2.3 cents per pound, as stated by Senator ALDRICH.

The 40 per cent duty on this 100 pounds would be 92 cents; the one-eighth differential duty per pound would amount on the 100 pounds to 12½ cents; the countervailing duty of one-tenth of a cent per pound would amount to 10 cents on the 100 pounds, which would make the aggregate duty collected under the present law, on 100 pounds of German granulated sugar, $1.14½. The duty on raw sugar under the Wilson law is 40 per cent ad valorem. Thus the duty on 100 pounds of average raw sugar testing 92 degrees and worth 2.13 cents per pound would be 85.2 cents.

Thus, under the present law, there would be collected as duty, on 100 pounds of German granulated sugar, $1.14½; and on the average 100 pounds of raw sugar, 85.2 cents. Subtracting the duty on raw sugar from the duty on refined sugar, we get 29.3 cents, which is the protection given under the present law to the sugar trust on 100 pounds of granulated sugar.

Now, let us take this same 100 pounds of German granulated sugar and this same 100 pounds of average raw sugar and estimate what duty will be collected upon them if this bill should become law. This bill provides for a uniform duty of 1.95 cents per pound on all refined sugar. It also provides for an additional duty equal to the export bounty paid in the country from which the sugar is shipped.

Germany pays an export bounty of 37.8 cents upon every 100 pounds of refined sugar. Thus the duty that would have to be paid on every 100 pounds of German granulated sugar, the only sugar which competes with the trust, if this bill should become law, would be $1.95 plus 37.8 cents, which would aggregate $2.328. Under this bill the duty on raw sugar is ninety-five one-hundredths of a cent per pound on sugar testing 75 degrees by the polariscope, and three and one-half one-hundredths of a cent additional for every degree above 75 degrees. Thus the duty on 100 pounds of average raw sugar testing 92 degrees would be $1.54½.

I have previously stated the means by which this sum is obtained. Thus, under this bill the duty collected on the same hundred pounds of German granulated sugar would be 2.32\frac{8}{16}$, and the duty collected on the same 100 pounds of average raw sugar would be $1.54½. Subtracting the duty on the raw sugar from the duty on the refined sugar, we get a protection to the trust under the proposed bill of 78.3 cents per hundred pounds.

I have just shown that the protection to the trust on the same sugars under the present Wilson law is only 29.3 cents per 100 pounds. Thus this bill when it becomes a law will give to the trust 49 cents per 100 pounds more protection than it has under the existing law.

Mr. CLARK of Missouri. I wish the gentleman would state that over again, so that everybody can hear it, because it is the clearest statement of the matter which has been made.

Mr. FLEMING. Give the increase in this bill over the Wilson bill.

Mr. SWANSON. I say that I have taken the German granulated sugar, which Senator ALDRICH, in his speech of the 25th of May, said is the only competitor of the American sugar trust, and I have shown that the duty on German granulated sugar under the Wilson law is $1.14½ on the 100 pounds. I have shown that 100 pounds of the same German granulated sugar, if it should come into port at New York under the proposed schedule, would pay a duty of 2.32\frac{8}{16}$.

I have shown that the duty on 100 pounds of average raw sugar under the Wilson law, as shown by the Treasury Department, is 85.2 cents per 100 pounds, which taken from the duty on 100 pounds of German granulated, makes a difference of 29.2 cents per 100 pounds in favor of the trust under the Wilson law. Now, I have shown that the duty on 100 pounds of raw sugar under the proposed schedule is $1.54½ per 100 pounds, which taken from the 2.32\frac{8}{16}$ per 100 pounds for German granulated sugar, leaves a difference of 78.3 cents per 100 pounds under this bill, which is 49 cents per 100 pounds greater than is given under the Wilson law.

With this increased protection to the trust, amounting to about one-half cent a pound, it is evident that the very small competition, which I have heretofore alluded to as coming almost entirely from Germany and amounting to only 3½ per cent of the sugar consumed in this country, will be totally destroyed. When this bill becomes law the trust has completely won all that it has been striving for, which is the right to supply the 75,000,000 people of this country with all the sugar that they consume at the prices to be fixed by the trust.

Mr. TERRY. As I understand, the figures of the gentleman from Virginia demonstrate very clearly that the proposed bill gives a greater advantage to the trust than the Wilson bill did.

Mr. SWANSON. Why, of course. It is capable of mathematical demonstration.

Mr. TERRY. Then our Republican friends who cheered the gentleman from Maine [Mr. DINGLEY] when he said that it gives less than the Wilson bill ought to withdraw their applause. [Laughter on the Democratic side.]

Mr. SWANSON. I should think that their good judgment would induce them to do so if they are really desirous of giving less protection to the sugar trust.

Now, if you will notice, the gentleman from Maine [Mr. DINGLEY], as I have before said, limited his assertion of no increased differential to raw sugar testing 100 degrees. He did not and he will not state that this is true of sugar testing other degrees. His whole argument and figures are based upon a kind of raw sugar that only exists in his imagination. No raw sugar tests 100 degrees, which means pure sugar.

The very best granulated sugar tests only 100 degrees. No raw sugar tests higher than 96 degrees. The average raw sugar, testing 92 degrees, is the proper sugar with which to make comparisons. That is the test taken by myself. The figures which I have given are derived from the Treasury statistics and from sources that can not be disputed; hence my deductions are true and can not be controverted.

If the gentleman from Maine [Mr. DINGLEY] will take German granulated, which the author of this schedule says is, and as everybody knows is, the proper sugar, and the only competitor of the trust, and the average raw sugar, as I have done, his figures will agree entirely with mine. These figures can not be controverted.

Mr. DOCKERY. Will the gentleman allow me to interrupt him simply to express my thanks to him for the very clear statement he has made of this case. I can quite understand now the reason for the rise in the price of the sugar stock. I failed to get an explanation from the gentleman from Maine.

Mr. SWANSON. My friend from Missouri is correct. This increased protection to the trust must give greatly increased value to its stock. We might make some mistake about the meaning of this schedule, but the men who hold the certficates of stock, where this benefit goes, will never be mistaken. When the extraordinary session of Congress was called, and before it was known that the sugar trust could get increased protection, its stock was selling at $108 a share. That is all that it was worth under existing law, but since the conference report has been made to-day and it has become evident that this sugar schedule will become law, the stock, so I am told by a gentleman near me, is to-day selling for about $145 a share.

This stock has gone up about $37 a share since it has become evident that the Republican party in this Congress proposed to give this great gratuity and benefit to the holders of these certificates of stock. [Applause on the Democratic side.] This stock has increased over $4,000,000 in value in the last two days, since the Speaker and the House conferees won their so-called victory over the sugar trust. [Renewed applause from the Democratic side.]

This stock has increased in value over $15,000,000 since the assembling of this Congress. What has given this increased value? Certainly not an additional cent has been added to the capital stock or to the property of the trust. There has been no change in its conditions except in an anticipation of favorable legislation at the hands of the Republican party. This increased value of stock, amounting to over $15,000,000, measures the great value which the holders of the trust stock attach to the legislation contained in this bill for them.

It is proof that they attach 50 per cent more value to the privileges given them by this bill than they do to those they possess under the existing law. They know that when this bill passes it will enable them to sell every pound of sugar to the people of this country at their own price and with such profit as their greed dictates. The increased value in stock comes alone from the fact that this bill will enable the sugar trust to sell sugar to our people at a greater price and at a greater profit.

This increased value means the sum which this bill will enable this iniquitous trust to extort from the toiling masses of the people as long as it is a law. It is a shame, which the people will visit with their condemnation, that those who have been sent here as their representatives should so far ignore the high commission given them and turn over their own constituents to be fleeced by the exactions of this trust.

Let us examine and see the immense profits made by this trust on account of the beneficial legislation given it by Congress. One is amazed at the profits that the organizers of this trust have realized. Senator JONES of Arkansas told me that when the Wilson bill was under consideration he wrote to Bradstreet and to Dun to furnish him an estimate of the value of the property owned by the trust. They fixed its value at about $10,000,000.

The best evidence is that when organized not over $9,000,000 in cash was put into the trust. With this amount of original investment the company was capitalized at $37,500,000 of preferred stock and $37,500,000 of common stock. The preferred stock could be sold to-day at $115 per share, which would make it worth about $43,000,000. The common stock could be sold to-day at about $145 per share, which would make it worth about $55,000,000. Thus the trust to-day could dispose of its stock for about $98,000,000. Thus by a sale to-day they could pay about $9 for every $1 in cash put in. But this does not measure entirely the great profits received by its organizers.

It has paid a dividend of 7 per cent on its preferred stock and of of 12 per cent on its common stock annually, which would make an aggregate of $7,100,000 each year. Thus the company pays each year a dividend of about 70 per cent upon the real money invested. For the last seven years these dividends would aggregate more than $50,000,000, which, added to what could be received for the stock to-day, would make about $148,000,000. Thus those who contributed to the organization of this trust can to-day, after seven years, receive about $15 in value for every $1 put in.

There is scarcely anything in the annals of speculation or investment that can rival the profits made by these favorites of legislation. Then it must be remembered that these vast profits have been made during times of distress and of business depression, while merchants, manufacturers, farmers, and those engaged in other enterprises and industries have been depressed and many become bankrupt, yet this favored trust has been each year growing richer and making greater profits. While others have gone to wreck and ruin, this trust has attained unsurpassed prosperity. How has this come about? How has this trust been enabled to make these vast profits? It has been done alone by favors which Congress has bestowed upon it. Their opportunity has come alone from law.

Mr. JOHNSON of Indiana. The gentleman from Virginia did me the honor to designate me by name as one of those whose attention he invited to his remarks, and I have been following him as closely as I could. I should like to ask the gentleman a question. Does he believe that there should be any duty in this bill on either raw or granulated sugar?

Mr. SWANSON. I believe that with the present condition of the Treasury there should be a reasonable ad valorem duty on raw sugars, but not a cent for the benefit of the sugar trust, which is already too rich. [Applause.]

Mr. JOHNSON of Indiana. Does the gentleman think that the same condition of affairs with respect to the prosperity of the sugar trust existed at the time the Wilson bill was passed?

Mr. SWANSON. I think so; and I want to say to the gentleman——

Mr. JOHNSON of Indiana. Did the gentleman vote for the Wilson bill?

Mr. SWANSON. I voted for free sugar when that bill was in the House. I voted at that time against the differential, against giving anything at all to the sugar trust. Let me add that the Wilson bill gave far less than the McKinley bill—which was then law—had given to the trust.

Mr. JOHNSON of Indiana. The question I asked the gentleman was, Did he vote for the Wilson bill?

Mr. SWANSON. I did. I thought that there ought not to be any differential on refined sugar at all. But I want to say to the gentleman again that the advantage given the trust under the Wilson law was far less than what was given it under the McKinley law. Under the McKinley law the importation of refined sugar was only 7,000 tons. Under the Wilson law that was increased to 65,000. Under the McKinley law the stock of the sugar trust was worth 134⅛. Under the Wilson law, before this pending bill came up, it was worth only 108.

Mr. JOHNSON of Indiana. The gentleman's answer goes outside the question. I only wanted to get at the facts about which I asked him.

Mr. SWANSON. Very well. I have stated the fact. I do not care whether the Democratic party passes a tariff bill or whether the Republican party passes a tariff bill. As long as I am here I am going to vote and speak against giving a single cent in the form of a differential to the sugar trust.

Mr. JOHNSON of Indiana. The gentleman no doubt spoke in the same way when the Wilson bill was under consideration, but did not vote according to the sentiments which he now expresses.

Mr. SWANSON. I voted for a bill to decrease the advantage given to the trust when I found that I could not destroy it; and now I ask my friend from Indiana to join me in voting against this conference report, which increases the advantage to the trust.

Mr. JOHNSON of Indiana. I know that my friend can answer a direct question.

Mr. SWANSON. Yes, sir.

Mr. JOHNSON of Indiana. Did the gentleman vote against the Wilson bill?

Mr. SWANSON. I did not. I accepted a compromise, because it was better than the then existing law, the McKinley law.

Mr. JOHNSON of Indiana. The gentleman enlarges his answer beyond the scope of the question.

Mr. SWANSON. I am ready to answer any gentleman who wants to know about the amount of duty on sugars imposed in this bill.

Mr. JOHNSON of Indiana. What does the gentleman think should be the proper duty in this bill?

Mr. SWANSON. I will tell you what should be done. Strike out entirely the provision which gives $1.95 on refined sugar, and then the trust will not get any benefit.

Mr. JOHNSON of Indiana. That would simply leave the duty on raw sugar.

Mr. SWANSON. Yes, sir; it would leave a duty on raw sugar according to its value by the polariscopic test. I would not put as high a duty on raw sugar as this bill imposes. I think this duty is entirely too high considering it is a necessary of life.

Mr. LACEY. Let me ask the gentleman how much the stock of the sugar trust went up while the Wilson bill was pending?

Mr. SWANSON. When the House first passed the Wilson bill, giving to the country free sugar and destroying entirely the differential to the trust, I think that the stock went down to about $75 per share. This shows that the value of the stock is dependent upon favorable legislation by Congress.

Mr. LACEY. From what figure?

Mr. SWANSON. From $114.

Mr. LACEY. And when the House surrendered to the Senate, what did the stock go to?

Mr. SWANSON. The highest it was under the Wilson law was $121.

Mr. LACEY. Then it rose between 30 and 40 points under the Wilson law?

Mr. SWANSON. Of course, because the Wilson law gave them 29.3 cents benefit per 100 pounds.

Mr. LACEY. Now, is not this true? Did not that rise in the price of the sugar stock grow out of the fact that while the tariff bill was hanging in conference large imports were made, and the

profits of those imports went to the parties holding the stock? And does not the same condition prevail now, namely, that a large quantity of sugar has been imported while this bill has been pending, and does not the change in the rate inure to the benefit of the holders of the imported sugar, just as it did under the Wilson bill?

Mr. SWANSON. I will say to the gentleman that the trust does get great benefit on account of its large importations of sugar under the present law, the duty upon which is about half what it will be under this bill.

Your own Secretary of the Treasury, in an interview in the Washington Star, has said that there has been already about 800,000 tons of sugar imported by the trust. At a saving of 70 cents duty on the 100 pounds, it will give them a profit of about $15,000,000.

Now, I say that is enough without giving them any differential under this bill. If the position of the gentleman and his friends is correct, that the trust makes $15,000,000 on the increased value of their importations, then they are not entitled to any additional benefit from a differential. The fact that they get this benefit from the anticipatory importations ought to be an additional reason why you should strike down any additional benefit which they might obtain under this schedule.

Mr. LACEY. My question is whether there is any way by which you can prevent the increase of the value of articles imported in anticipation of an increase of duty from inuring to the benefit of the importers?

Mr. SWANSON. Yes, sir; do what your own Secretary of the Treasury says you ought to do, put an internal-revenue tax of 1 cent a pound upon all the sugar imported from the 1st of January up to the time when this bill goes into effect. In that way you will collect about $12,000,000 of revenue to help to make up this deficiency, and you will make the trust pay it.

That is a good thing for you to do. That is a good way to do it, is it not? Why do you not take that course? You put an increased tax here on other things, why not strike at the sugar trust, as Secretary Gage in a published interview said that your party ought to do, by putting an internal-revenue tax of 1 cent a pound on raw sugar imported since that time?

Mr. LACEY. I should like to ask one further question, because this is a very interesting point which my friend is discussing. The sugar stock went up very heavily after the passage of the Wilson bill; but after the trust had realized on the sugar that they had imported the stock fell back some 20 or 30 points, did it not?

Mr. SWANSON. It never declined much except during the panic.

Mr. NORTHWAY. Will the gentleman allow me a moment? I understand him to argue that because the stock has gone up 32 points, therefore the sugar trust is getting too much in this bill. Did the gentleman argue that way with reference to the Wilson bill?

Mr. SWANSON. Of course the stock went up upon the passage of the Wilson bill because of the differential given by the Senate, which the House had refused before to give.

Mr. NORTHWAY. Is the gentleman aware that sugar stock went up 3 points more after the passage of the Wilson bill than it has gone up since this bill was introduced?

Mr. SWANSON. Sugar stock rose after the passage of the Wilson bill because, in the first place, the House proposed to give to the country free sugar and to give to the trust not a cent. When it was feared by the sugar trust that they would not have the opportunity to tax the American people on their sugar, of course the stock fell.

Mr. NORTHWAY. The gentleman does not get my point. I say that upon the passage of the Wilson bill the stock rose 35 points, while it has risen only 32 points now.

Mr. SWANSON. I will tell the gentleman why. When the House had the courage to tell the sugar trust, "You shall not any longer control all of the sugar that goes into consumption in this country," the stock went down to $75 a share. But when by the Wilson bill, as amended in the Senate, the sugar trust acquired the privilege of largely controlling the whole sugar consumption of the country, of course the stock went up.

Mr. RICHARDSON. At what figure was the stock this time when it started to go up?

Mr. SWANSON. One hundred and eight dollars.

Mr. NORTHWAY. Let me call the attention of the gentleman to the fact that at the very time that sugar stock was $108 Lake Shore Railroad stock was $134. It is now $175. It has gone up 41 points. Is that rise on account of the advantage given the sugar trust in this bill?

Mr. SWANSON. I should like the gentleman to answer me a question.

Mr. NORTHWAY. I will if I can.

Mr. SWANSON. How is it that the stock has gone up 11 points to-day upon information that the bill is in its present shape? Under such circumstances, how can it be said that the House has, in this report, gained a vast victory?

Mr. NORTHWAY. How is it that the whole stock market has risen from 3 to 6 points to-day?

Mr. SWANSON. It has risen in sympathy with the sugar stock.

Mr. NORTHWAY. Not at all.

Mr. SWANSON. These various stocks always sympathize.

Mr. RICHARDSON. It must not be forgotten that while those other stocks have risen 3 points this stock has risen 12.

Mr. SWANSON. Mr. Speaker, this stock can not be otherwise than very valuable if this bill passes. If you give a single trust the right to sell at their own price every pound of sugar going into consumption in the United States, how can you help making those people rich? That is a perfectly plain proposition. And this bill will do that, because the trust has no competition to-day except as to 1 pound in 30, which I have clearly demonstrated this bill will destroy.

There is another feature of this bill to which I desire to call attention. It is one which can result in a loss of much revenue to the Government and be worked to the great profit and advantage of the sugar trust.

This schedule, imposing a small duty on low-grade sugars and a very high duty on high-grade sugars, will make it to the interest of the trust to import sugars of the lowest grade. This schedule is so arranged that it can be made to the interest of the sugar trust, in importing sugar, to put water in the sugar and thereby reduce its degrees and thus deprive the Government of a large amount of revenue.

This is a fact capable of clear demonstration. Thus, suppose an importer had 100 pounds of raw sugar testing 95 degrees—this means that it contains 95 pounds of sugar and 5 pounds of water or of other substances. The duty on this would be $1.65. Now, suppose we should add to this sugar 26⅔ pounds of water. We would then have 126⅔ pounds of material, composed of the same 95 pounds of sugar and 31⅔ pounds of water and other substances.

This would reduce the sugar to the 75-degree test. Now, the duty on 126⅔ pounds of sugar testing 75 degrees under this bill would be $1.20; this makes 45 cents less duty on the same amount of sugar per 100 pounds simply by adding water to it and reducing its test. Thus the sugar trust, in importing sugar under this bill, by adding simply water can save nearly half a cent a pound in duty, which would be about $12,000,000 a year on their importations if all were reduced.

I have been informed by a practical sugar man that it would not cost 10 cents per 100 pounds to extract the water thus added so as to save the duty. There can be no doubt that this schedule is especially designed to enable the trust to import low-grade sugars at a great profit. I believe that as long as this bill is law, it will each year result in an increased importation of low-grade sugars. Thus with this schedule the sugar trust, simply by adding water to its sugar, can save a vast amount of revenue, which will be diverted from the Treasury of the United States into the treasury of the sugar trust.

There is not a thing in this bill to prevent the perpetration of this fraud. The effects of this will be to enable the trust to import such large quantities of low-grade sugar that it will prevent the growth of the beet-sugar industry, as many have predicted. The beet-sugar industry can not compete with the low-grade sugars at the duty which this bill enables them, by the perpetration of this fraud, to be imported at. Thus this sugar schedule can not, as pretended, create beet-sugar factories to compete with the trust. The trust has carefully taken care of itself in this respect.

From whatever standpoint viewed, this sugar schedule is the most iniquitous ever proposed. I believe that experience under it will make it notorious in the annals of tariff legislation.

I desire to reply to another argument often used on the other side. Gentlemen on the other side have said—if I mistake not, that was one argument of the gentleman from New York—that by reason of the organization of the sugar trust the price of sugar has gone down. Now, I propose to controvert that proposition—to prove that the sugar trust, instead of aiding to reduce the price of sugar, has aided in increasing the price.

In what business is the sugar trust engaged? In simply taking raw sugar and making refined or granulated out of it. If, therefore, the sugar trust has been a benefit to the country, it ought to have put down the difference in price between raw sugar and granulated sugar. The operation of the trust can not affect the price of raw sugar at all; that is affected by the condition of the crop in Cuba, in Java, in Germany, and in the rest of the world. Now, as the only business of the sugar trust is the making of granulated or refined sugar from the raw sugar, then if the organization of this great trust has been a benefit to the country, the difference in price between raw sugar and granulated sugar ought to be less to-day than it was when the trust was organized.

I have here statistics furnished by Willett & Gray, Wall street brokers, who edit the Sugar Journal, which, according to a statement that I have seen, is the organ of the sugar trust, which shows that the difference is greater between granulated sugar and raw sugar to-day than it was before the organization of the trust. In

1885, before the trust was organized, the difference between raw sugar and refined sugar was 63 cents on the 100 pounds; in 1886 the difference was 68 cents; in 1888, after the trust was organized, the difference rose to $1.26; in 1889 it was $1.21, and to-day it is 91 cents. In other words, to-day the difference between raw sugar and refined sugar is nearly 30 cents on the 100 pounds greater than it was before the sugar trust was organized.

Thus, with greater and cheaper facilities for refining, the trust charges 30 cents more for refining 100 pounds of raw sugar than it did in 1885, and the reduced price of sugar to-day is a result of the low price of raw sugar, which the trust does not pretend to affect. But for this trust to-day refined sugar would be a great deal cheaper to the people. It is clear that with an increased difference of nearly 50 per cent between raw and refined sugar the action of the trust has been to increase and not to decrease the price of sugar. I shall publish with my remarks tables and figures containing my calculations.

Thus, Mr. Speaker, it can not be questioned that this trust and its work have been injurious to our country. Not only has it obtained a monopoly of one of the great necessities of life, but it has scandalized Congress and thrown a baleful influence over the politics of this country. It has almost become a proverb that no tariff bill can be passed except it makes ample and satisfactory provisions for this trust. The passage of this bill will mark another great triumph for this trust. It is the greatest triumph that it has yet achieved in the halls of legislation; but a day of reckoning will come to that and to all other combines which grow rich by the favoritism of legislation. The people of this country are determined to wage warfare against these vast trusts whose existence is alone made possible by the bounties bestowed upon them by Congress. [Applause.]

The sugar trust is only a parasite of legislation. Its profits are derived entirely from governmental favors. It seems to have become stronger than the very Government that has created it. It seems that the creature is becoming stronger than the creator. Mr. Speaker, naturalists tell us that in Cuba and in other tropical countries the giant cotton tree now and then throws out a little parasite. This parasite will grow and extend its roots down toward the earth, and as it does it branches out, and from these branches extend other branches, and soon the entire cotton tree is incased in this parasite. Its limbs wrap round and round each other, holding in their firm and destroying embrace the foster parent, and in a few years the cotton tree is destroyed and you have nothing there but this hideous, misshapen parasite to testify and give evidence of what was once a strong, vigorous, and beautiful tree. [Applause.]

That is but an illustration of what this class legislation will do. Congress threw out here years ago a little parasite of the Government known as the sugar trust; the Government nurtured it, gave it benefits, and it grew and has extended its roots until it is beginning to incase the Government, and unless we destroy this parasite it will destroy the Government.

I am here now to say that I am for striking out and destroying this and all other such favored creatures of legislation.

This Congress assembled to bring prosperity to this wretched country. This bill is the means by which the Republican party, to which power has been given, proposes to bring this prosperity, but this bill will fail to bring any relief to the masses of the people. Prosperity can never come from the places where the benefits of this bill are bestowed. Prosperity, when it comes, will not make its first appearance upon the stock exchanges of gamblers and speculators. Its first gleam of light will not glint the ill-gotten gains of trusts and of combines. Its earliest sunshine and inspiriting warmth will not be first felt in the great manufacturing and commercial centers. [Applause.]

Prosperity, when it comes, bringing its benefactions, will be first seen overspreading the waving wheat fields of the West. It will first whiten the cotton fields of the South. Its first march will be in the martial ranks of corn. It will first be seen growing in the green tobacco fields of Virginia, North Carolina, and Kentucky. [Applause.] Its first song of triumph will be heard on the lips of the farmer and of the mechanic. Prosperity of this kind, coming from beneath, will extend up, including all classes and all sections.

Prosperity of this kind, built upon a broad, substantial foundation, will be able to resist all temporary storms and panics. This is a different kind of prosperity from that which will be produced by this bill. The object of this bill is to make the rich richer and to trust that they will permit a little of their increased wealth to leak through on those beneath. But that is the prosperity of the few and not the prosperity of the people.

Prosperity that is permanent, prosperity that will stand, prosperity of the kind that we can build our hopes upon, is that which will make the farmers, the mechanics, and the laborers of this country rich and prosperous, and which will give them the benefits of honest and fair legislation. [Prolonged applause on the Democratic side.]

APPENDIX.

EXHIBIT A.

Difference between House bill, Senate bill, and conference report in their protection to the sugar trust.

HOUSE BILL.

Duty on 100 pounds refined sugar	$1.875
Duty on 100 pounds of 92-degree raw sugar	1.51
Protection to sugar trust on 100 pounds	.365

SENATE BILL.

Duty on 100 pounds refined sugar	$1.95
Duty on 100 pounds 92-degree raw sugar	1.51
Protection to sugar trust on 100 pounds	.44

CONFERENCE REPORT.

Duty on 100 pounds refined sugar	$1.950
Duty on 100 pounds 92-degree raw sugar	1.545
Protection to sugar trust on 100 pounds	.405

EXHIBIT B.

Duties under the Wilson law.

[100 pounds of German refined sugar at 2.3 cents a pound.]

40 per cent ad valorem duty on $2.30	$.920
One-eighth of a cent per pound differential on 100 pounds	.125
One-tenth of a cent a pound countervailing duty on 100 pounds	.10
Total duty on 100 pounds of German refined	1.145
Duty on 100 pounds average raw sugar, worth $2.13, at 40 per cent ad valorem	.852
Protection to sugar trust on 100 pounds under Wilson law	.293

Duties under conference report.

Duty on 100 pounds German refined sugar	1.950
Countervailing duty on 100 pounds	.378
Total duty on 100 pounds German refined	2.328
Duty on 100 pounds 92-degree raw sugar	1.545
Protection to trust on 100 pounds under conference report	.783
Protection to trust on 100 pounds under Wilson law	.293
Excess of protection under conference report over Wilson law per 100 pounds	.49

EXHIBIT C.

Average annual quotations in New York of granulated sugar and 96-degree centrifugal sugar for each calendar year, 1883 to 1896.

[Compiled from circulars of Messrs. Willett & Gray, sugar brokers, 91 Wall street, New York.]

	1883.	1884.	1885.	1886.	1887.	1888.	1889.
Granulated sugar	8.44	6.87	6.50	6.37	6.01	7.01	7.64
96-degree centrifugal sugar	7.50	6.19	5.87	5.69	5.24	5.75	6.43
Difference	.94	.68	.63	.68	.77	1.26	1.21

	1890.	1891.	1892.	1893.	1894.	1895.	1896.
Granulated sugar	6.17	4.64	4.35	4.81	4.12	4.15	4.53
96-degree centrifugal sugar	5.44	3.86	3.31	3.69	3.24	3.27	3.62
Difference	.73	.78	1.04	1.12	.88	.88	.91

It should be noted that these prices are duty-paid.

Mr. SWANSON. I yield the remainder of the time at my disposal to the gentleman from Texas [Mr. BALL].

The SPEAKER pro tempore. The gentleman has two minutes of his time remaining.

Mr. BAILEY. Mr. Speaker, the gentleman from Texas desires fifteen minutes. I ask unanimous consent that he may be permitted to occupy fifteen minutes.

There was no objection.

Mr. BALL. Mr. Speaker, President McKinley, when assuming the duties of the highest office in all the world, said:

> Economy is demanded in every branch of the Government at all times, but especially in periods, like the present, of depression in business and distress among the people.
>
> * * * * * * *
>
> The depressed condition of industry on the farm and in the mine and factory has lessened the ability of the people to meet the demands upon them. * * *

These patriotic sentiments had hardly died away from his lips when this Congress assembled. Under such conditions, with the Treasury full to overflowing, with an excess in our vaults of money sufficient, under the present law, to meet the difference between our receipts and expenditures during the whole term of this Administration, the country had a right to expect that the burdens now existing upon a tax-ridden people would not be added to and the expense of Government increased. We met, and $73,000,000 of the people's money was voted away, $53,000,000 of which went in forty minutes, or at the rate of over a million

dollars per minute. This bill was then presented with the complacent statement by the chairman of the Ways and Means Committee "that it was estimated to add thereby $113,000,000 per annum to our present revenue," which, under our indirect system of taxation, means an addition of more than $500,000,000 per annum of tribute laid upon a sorely oppressed people.

There is not a business man in all the land who would adopt such methods in the conduct of his own business. There is not a member of Congress who does not know that the present difference between receipts and expenditures could be met for a long time by using the money available in the Treasury for that purpose, without increasing the tax burdens of our people. There is not a member of Congress who does not know that the expenses of Government could be safely reduced, without impairment of the public service, to a point where receipts under present laws would largely exceed expenditures, without an additional dollar of taxation. But, Mr. Speaker, the publicans who went forth armed with a Roman commission to take taxes for Rome from oppressed Israel, and as much more for themselves as they pleased, were less merciless in their exactions than have been the contributors to the Republican campaign fund, who are the beneficiaries of this bill. Zaccheus at least was willing to restore. Not one of them is willing to forbear.

To say that I expected a different result in the event of Republican success in the last campaign would not be true. I have never known the time when any good thing could come from the Republican party. True, even out of Nazareth good came, but it was by a miraculous combination of divine and human agencies that the lowly Nazarene came forth to bless the world. That the Republican party is very human no man will deny; that any touch of divinity ever attends its pathway all good men question. The Republican party has entered the field with a new proposition in political economy; that is, that when distress has spread its bat-like wings over factory, store, mine, and farm, it is possible to restore prosperity by increased taxation. We may well be pardoned if we doubt the success of this experiment. If successful, to say the least, the problems of government will be greatly simplified. Although not a physician, if called upon to diagnose this plan, I should pronounce it an effort to cross the modern "faith cure" upon the ancient school of blood-letting surgery, which drafted upon the lifeblood of the patient for every ailment.

The short time accorded me will not permit a proper discussion of this measure. Suffice it to say, that it is the worst bill and the highest rate of taxation ever crystallized into law. There is not a trust existing, or an embryo one, that does not find ample field for its rapacity within its folds. Never yet have the powers of Government been so perverted, the interests of favored classes so advanced, and the rights of the masses of our people so trampled upon as by this outrageous and indefensible measure.

As a Democrat and a partisan, I might find it in my heart to urge on the Republican party in their wild orgie of robbery by taxation under the guise of law. Unlike the European brigands, who laid in wait for the rich and powerful and held only the noble and wealthy for ransom, sometimes even relieving the poor and weak, the Republican party in this bill have pressed hardest upon the great laboring and agricultural classes, who brave the rude blasts of winter and swelter under the summer's sun to poorly supply their families with even the necessaries of life.

Why, they have not even permitted the Bible to come in on the free list, that oppressed humanity might seek help from on high to bear their heavy cross with patience and resignation. Why, sir, this bill is a declaration of commercial war upon the nations of the earth. It will not open a single market for anything we make or produce; it will close many to various industries; it will not add a customer to our mills or factories from abroad, and domestic consumption can not be increased by raising the cost of our own wares to a people without money to buy their present output at existing prices.

Mr. Speaker, while I have no sort of sympathy with the idea that it is un-Democratic to raise a proper portion of revenue for support of Government by a tax on wool, hides, lumber, sugar, and other so-called raw materials, the product chiefly of the South and West, I have even less sympathy for those who, for the sake of a pitiful crumb from the Republican table, would add to the enormities of this bill, framed purely upon protective lines, taxes upon some product of their own immediate section and clamor for export bounties with the cry "that in the general game of grab all and steal all they want their section to have a fair share."

When powerful enough to prevail, such sentiments will destroy free government. If inspiration can not come from a higher purpose, let them know in such a game the South and West must go to the wall. Nature, in common with the industry and wants of man, has decreed that the products of the mines and factories of the sterile East are such as the world has for sale, while the products of the South and West are those which the world must buy. High tariff must therefore mean that the South and West shall buy in the highest and sell in the cheapest markets of the world.

But to my mind, Mr. Speaker, the most indefensible school of thought in either wing of the Capitol is that which professes to come here as the representatives of the people, and, after denouncing this bill as infamous in its provisions and a hotbed for trusts, yet fail to register their convictions, and sit in "grand, gloomy, and peculiar silence" when their names are called to vote. While I recognize the money question as the paramount one, I denounce a policy which, in order to emphasize that issue, will not vote for or against this infamous measure.

There is no man in Congress more absolutely devoted to the cause of bimetallism and the free coinage of both silver and gold at the present ratio than I, and yet I am persuaded that even with free coinage prosperity can not be restored so long as measures like this are permitted to become laws. They add year by year to the difficulties that confront us, caused by unequal conditions and unequal opportunities, created by vicious laws. An increase in the volume of money under such conditions would bring temporary relief, but so surely as we live when we continue the privilege of special interests to levy tribute upon the less-favored masses, in the end the few will gather the fruits of the toil of the many and billionaires take the place of the multimillionaires.

The Democratic party is a party of principles and not of issues, and is not willing to add to the burdens upon our people by passing this bill in the belief that in the hour of their distress the people will be willing to vote for silver in the hope of relief. Mr. Speaker, long after the silver question has been settled, long after bimetallism has become the established policy of the American people, so successful in its operation that its present opponents will be among its warmest defenders, the question of taxation will be here to plague us.

The Democratic party is great enough, and good enough, and broad enough, and big enough to shelter within its folds every lover of our country and every advocate of bimetallism. Based upon the corner stone of "equal and exact justice to all and special privileges to none," deeply imbued with the sentiments expressed by its immortal founder in the Declaration of Independence, it has, through victory and defeat, "through plague, pestilence, and famine, through battle, murder, and sudden death," survived all its past adversaries, and will live to bury its present foes. Willing to join hands with the friends of silver to restore the money of the Constitution, it can not afford to abandon any of its cardinal principles to make new converts.

According to every man the right to go the path wherein he thinks his duty lies, not desiring to offend any, let me say it is fundamental among the tenets of the Democratic party that tariff taxes can not be justly laid for other than revenue purposes, and that man who believes that this Government has the constitutional right "to lay and collect taxes" for any other purpose than the support of "Government honestly and economically administered," whatever else he may be, is not a Democrat. [Applause on the Democratic side.]

The Republican party seems anxious to pass this bill in spite of the fact that its Gold Democratic allies, who made the election of President McKinley possible, feel that they have been buncoed [laughter], and that a campaign pitched upon the lines of so-called "sound money" had the victory thus won converted into a feast of tariff debauchery.

Gold-standard tariff reformers will not be satisfied with protection robbery; opponents of trusts will find no comfort in this measure; organized labor has not yet realized upon Republican promises of more work at better wages; the business interests, which press for the passage of a bankruptcy bill, are not jubilant over the exploits of "our bimetallic rovers" or the belated message in favor of a farcical currency commission; delayed pension claimants will not glory in the invasion of Europe by General Miles; the striking miners will find no consolation in the Queen's jubilee or Whitelaw Reid's having slept in Windsor Castle [laughter]; lovers of liberty will not accept the acquisition of the Hawaiian lepers as an atonement for the betrayal of Cuban patriots. [Loud applause.] The days of the Republican party will be "few and full of trouble," and the wrath of an outraged people, which reached high-water mark in 1892, will come again and cover them in 1900, as the molten lava from Vesuvius did the ancient cities of Pompeii and Herculaneum. [Loud applause on the Democratic side.]

The SPEAKER. The question is on agreeing to the conference report.

Mr. BAILEY. Mr. Speaker, inasmuch as it appears that there is nobody on that side to defend, it must not be understood that there is nobody else on this side willing to attack it.

The SPEAKER. The Chair awaits the rising of some gentleman on either side.

Mr. BAILEY. The Chair will not have long to wait. I expected that my distinguished colleague from Tennessee [Mr. McMILLIN] would be next, perhaps; but he is not present, and I will ask the Chair to recognize my colleague from Texas [Mr. LANHAM] for thirty minutes.

Mr. LANHAM. Mr. Speaker, I know very well that nothing I can say in the thirty minutes allotted me, and nothing, how cogent or logical soever, that any Democrat can say, however long his time, in opposition to this bill, will have the slightest influence in preventing its passage. We are as powerless to impede its course as a feather is to stop a gale. No exposure of its deformities, no indictment of its schedules, no protest against its inequalities, can now avail. Its authors are impervious alike to reason and to remonstrance.

My first criticism against it is that it is an aggravated continuation of war taxes. It has been a long time, Mr. Speaker, since what was known and defended as the war tariff was enacted. The average lifetime of a generation has passed and gone since the end of that terrific struggle between the States which furnished its advocates an alleged justification for its imposition.

The great majority of the participants in that awful conflict have long since yielded to the ultimate appointment of their race and gone the way of all the earth. The shadows of the few of us who yet remain are lengthening in the sunset of our days. Our people once dissevered and our country once shattered are reunited and restored. The flag of the rehabilitated Union floats throughout the land. As was better expressed by the President in his recent felicitous speech at Nashville:

> Now, happily, there are no contending sides in any part of our common country. The men who opposed each other in dreadful battle a third of a century ago are once more and forever united together under one flag in a never-to-be-broken Union.

These are noble, generous words. Sectionalism on martial lines is a thing of the past, and Americanism has reasserted its rightful sway in the uttermost parts of our country. There is nowhere to be found a solitary American citizen disloyal to the Republic of the fathers. Peace and fraternity reign triumphant. We are now a homogeneous people, with a community of aspiration, mutually concerned in the well-being and happiness of all, and every honest heart prays for the preservation of our institutions.

What a pity it is, Mr. Speaker, that in this, the approaching sunrise of the twentieth century, there should yet be found any of the remaining embers of that fearful strife of the sixties; and yet, those embers are being rekindled and the arrears of that mournful period are being revived and brought forward in "the barbarism of the war taxation," which saturates and defiles every schedule of the measure now under consideration. [Applause on the Democratic side.] Why these harsh exactions at this time? Why should we perpetuate this vestige of war? Why should we thus deface the picture of peace which patriotic hands have now for so many years been painting upon our national canvas? What is the animus, what the power, that permeates and characterizes this bill?

Sir, the answer is to be discovered in one word, and that word represents the prodigious evil of the times, and that word is "greed." With a pen of iron it is inditing our statutes and directing the unequal laws that afflict our people. By its harsh inhumanity it is causing "countless millions to mourn." It intrudes itself and stands in the way of well-defined party alignment. It makes common cause with all its subjects. It converts hostilities into friendships and mingles incompatibles; for the sensitive nerves of the purse quiver and tremble alike at the slightest shock, no matter who holds the strings. It has stolen the vernacular of faith and the livery of the court of conscience with which to disguise its hideous features and clothe its nefarious designs, and disports itself under the sacred name of "trust." And verily it would seem from recent developments that it knows in whom to put its trust. [Laughter and applause on the Democratic side.]

Mr. Speaker, restraining all rude invective, provoking no undue inflammation, suppressing all mere passionate utterance, it is a serious and alarming matter to all men who really love their country and desire the perpetuity of our Government in its proper vigor and according to its original design, who believe in the just conservation of every right of every citizen, when we reflect that the time has come when great combinations of wealth can so employ their power as to practically destroy competition and crush individual enterprise; that "moneyed might can weary out the right;" that "trusts" can "accumulate, while men decay."

It shocks the American conscience to realize that these great aggregations of capital can not only work their havoc upon the business affairs of others under existing conditions, but that they are potential to dictate legislation and continue their ability to oppress the people and to hold in the hollows of their hands the commercial life of individual tradesmen. Surely it is a matter of wisdom and patriotic duty that we should consider these things in the spirit of all soberness, that we should reason together and appreciate the gravity of the situation.

It would be impossible for me, and I think for any accountant, how expert soever he may be in ad valorems and specifics, to state with any degree of certainty the full effects of this bill when it shall become a law. What the importations and the extent of the revenues will be can not, I think, be accurately estimated.

Whatever may be the rates of duty, importations are not likely to be made for any considerable length of time in excess of what consumers are able to buy, and the ability to purchase will necessarily be affected by the means available with which the purchases are to be made. Scarcity of money must correspondingly limit the quantum of purchase. Traders will not import unless they can sell, and consumers can not buy unless they have the money with which to pay for the articles imported.

One conclusion, however, is obvious and irresistible, and that is, that wherever the tariff is increased the higher will be the prices required to be paid in the purchase of those things which may be bought under such increase; and this will be the case whether the purchase is made of the imported article or of a similar domestic product, the prices of foreign manufactures regulating, as they inevitably will, the amount to be paid for like things made at home.

After this bill is enacted, it may be that in certain localities and in given kinds of business a temporary and sporadic prosperity will ensue. Special interests may be promoted, but that the masses can be made prosperous through its provisions and operations is, to my mind, a logical impossibility. The expenses of living to the great body of the people will surely be increased. They will have to pay more for those things which they are obliged to have, while there is no probability that the fruits of their toil will be rendered more profitable.

I noticed some time since a very striking and apposite statement of the situation taken from a Minnesota newspaper, which declared that "With a high tariff to increase the price of everything he has to buy, and a gold standard to reduce the price of everything he has to sell, the American farmer is not in an enviable position." It will be a difficult task to convince the average plain citizen that he is benefited by the imposition of additional costs upon the arts and parts of his daily life while the rewards of his own toil are diminished. To him who is compelled to earn a livelihood and support his dependents by daily physical exertion, there are no signs of promise in the taxation here proposed. To him the outlook is gloomy indeed.

Mr. Speaker, is there any rational, substantial hope that the burdens of taxation will ever be equitably adjusted in our country; that wealth, built up and fostered by class legislation into colossal, phenomenal fortunes, will ever be required to contribute its proportionate amount to the support of the Federal Government, in keeping with the privilege and protection it enjoys? I am glad to say that the great political party of which I rejoice to be a member attempted, through an income tax, to accomplish this object, and recorded its purpose upon the statute books, but in a sad and evil hour its work was destroyed by a ruthless hand.

Is there any reasonable expectation that the needed relief will ever be made possible through our highest judicial tribunal—that by any prospective change of its personnel the time-honored stream of juridic opinion will resume its wonted course and flow smoothly on as once it did? I fear not. Suggestions have been made that a change of our organic law may be accomplished and the desired result thus obtained; but it seems to me that but little reflection is required to dissipate such a calculation and to reveal the utter futility of such an undertaking, for in my poor judgment, in this period of our national history, amendments to the Constitution of the United States can come only through the process of revolution.

Hedged in and surrounded as they are by that abatis which requires two-thirds of Congress to propose and three-fourths of the States to ratify, the forces of no economic contention can transcend the obstruction. Why, it is even impossible to provide a different method for the election of President or United States Senators or to change the time for the assembling of Congress. Our comparatively recent amendments are but the outgrowth of the most terrible and destructive war the world has ever known—a war in which eight thousand millions of dollars were expended and the souls of a million of men went from the field or the hospital to their final account.

Bayonet and bullet, saber stroke and shot and shell, and the harsh enginery of battle can alone work amendments to the Federal Constitution, and the record can only be written in the blood of men. Avarice, intrenched and defiant, will never consent to a peaceable change of the Constitution.

What, then, are we to say to a long-suffering, tax-emburdened, debt-incumbered, want-environed people? Toil on, ye men of brawn and brain,

> From weary chime to chime,
> Like prisoners work for crime.

Continue to strike two licks where you only struck one before to earn the same dollar. Make two efforts of body or mind to secure the same reward where only one was erst required. The springs of your endurance must be pressed down, down, down to the last receding point. Your lot is to labor, whether or not you shall "profit in that wherein you labor."

Mr. Speaker, the American people, our fellow-men, will not

tamely receive such a message nor furnish a patient hearing to such advice. Far be it from me to incite any estrangement between labor and capital, to widen the breach between the poor and the rich, or to play the rôle of the mere demagogue and agitator. I am no alarmist. I am no pessimist. I despise agrarianism in all its forms. I abhor the commune and the cormorant alike. I contemn all frantic, incendiary hortation, and have no toleration for nor sympathy with those methods which spread the doctrine of hate and disturb the peace of communities.

But as sure as we live—and I speak earnestly as an American citizen, and one who loves his country—something must be done, and that speedily, to abate the seething discontent, to lighten the burden, to soften the yoke, and restore the confidence of the people in the equality and integrity of legislation, or dreadful consequences may be apprehended. "The lion roars before he springs, the snake hisses before it stings," and the storm mutters before it breaks in all its fury. Let us heed the premonitions which are daily in evidence. I quote the language of the present Secretary of the Treasury, who, at a recent banquet, employed words which I think are applicable beyond the scope in which he intended them. In referring to Congress, he said:

> I make these remarks, not to defend a body for whom I hold no commission to speak, but to correct in one direction, if I may, the operation of an injurious sentiment, a sentiment which is sowing evil seeds in many directions. It is dividing classes, destroying unity, and breeding hatreds. The one word for that sentiment is "distrust." Faith and courage lead to conquest and victory. Distrust paralyzes and destroys.

We, the representatives of the people, will act wisely and well if by the virtue of our public conduct and the justness of our legislation we shall remove all the apparent causes of popular dissatisfaction and allay the distrust which is so widely entertained, and which, if its further prevalence be aggravated and intensified, may result in unspeakable calamities.

Under the miserable system of financial contraction which now obtains this bill is founded on the old and cruel policy of Pharaoh, which required the Israelites to make bricks without straw; and that is the reason, I imagine, why straw is taxed $1.50 per ton. [Applause.]

> Go therefore now, and work; for there shall no straw be given you, yet shall ye deliver the tale of bricks.
> * * * Ye shall not minish ought from your bricks of your daily task.

Thus spake the tyrant in the days of Moses, and so speaks this bill in this good year of our Lord. [Applause on the Democratic side.] Taxes are made higher, while the means with which to pay taxes are made more difficult to procure. Money is scarce. Its supply is obstructed; its purchasing power is abnormally increased, while all other values have shrunk, and the capacity to earn money is strained to double the exertion beyond what was ever before demanded.

Mr. Speaker, heavy taxation and scant money are incongruities and can not be made to blend in unison. [Applause.] In the mathematics of no economic philosophy can scarce money plus high taxes equal prosperity. [Renewed applause.] It is a paradox glaring and obvious, and its mere statement carries its own refutation.

Mr. Speaker, the time will come when the sovereign people of this great country will realize the full cruelty and shocking duplicity of unperformed preelection promises, when they will enforce legislative responses to campaign issues, when special sessions of Congress will be convoked, if at all, to execute the verdict rendered at the polls and not to suppress the contention uppermost in the public mind, to sidetrack essential controversies, and to divert attention from and prevent the consideration of those measures which inspire the popular heart.

Why was this extraordinary session of Congress convened? In my judgment there was method in it which has not as yet been fully exploited. It must have occurred to the ruling spirits of the party brought to power that the hard times would continue; that the demand for remedial financial legislation would constantly augment; that the clamor for relief would grow louder and louder unremittingly; that the necessity and urgency for a better monetary system were imperative, and that the insincerity of the assurance of a restoration of prosperity by a mere change of Administration would certainly become more manifest.

Something had to be done to distract notice from the burning actualities of the campaign and to restrain the absorbing concentration of public thought upon the money question. It was plainly indispensable to placate and solidify in support of the Administration the capitalistic classes and the beneficiaries of high taxes. Immediate benefits to them and the opportunities that would arise for the powerful agency of a press favorable to their interests, to disseminate the data and influence which are supposed to create public opinion would, as they doubtless imagined, operate a continuance of the case. Time and tide could be utilized to weaken the real cause of the people and impair the force of their organization. Well they knew what mighty auxiliaries they could enlist. What is impossible to the united metropolitan press, backed and fortified by associated capital and stimulated by a common purpose?

What cause can long withstand the continued arraignment of the great daily newspapers and other instrumentalities for the distribution of partisan literature? What public man, no matter what cause he advocates, can long endure the wearisome and reiterated censure of an adverse press? To him its suggestion is an assault and its silence is condemnation. It has the power, if it choose to exercise it, to give the very greatest credit where the least is deserved, and the very least, or none at all, where the greatest is merited. It can, if it wish, magnify a dullard and minify a statesman. It has for its own the shrewdest reportorial skill and the profoundest editorial acumen.

I have never seen but one man in the course of my public observation who could wring from its reluctant columns the unwilling tribute of the daily and accurate publication of his utterances and compel the current promulgation of the arguments it assiduously labored to refute. Whether actuated by mercantile motive, and the demand of an intelligent and reading public for the reproduction of the inspiring and eloquent words upon which the multitudes did hang, listening as never before in the history of political campaigns in the United States, or for whatever reason, it is a fact, and a glorious fact, that even a hostile, plutocratic press capitulated to the genius, the manhood, the power of that incomparable American citizen in whose hands the great Democratic party placed its standard at the last national convention. [Prolonged applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. BURKE. I ask unanimous consent that my colleague have five minutes longer.

The SPEAKER. The gentleman asks unanimous consent that the time of the gentleman from Texas be extended for five minutes. Is there objection?

There was no objection.

Mr. LANHAM. I thank my colleague and the House. I shall be constrained to pretermit much that I would like to say, and can only remark, in conclusion, that all deliberate compassings and preconcerted schemes and shallow pretenses which seek to subvert the popular will must ultimately fail; and for all these things their authors will be brought to judgment. The truth is mighty. Justice, though baffled and delayed, is strong.

The American people, when quickened and aroused, are powerful, and will yet prevail. Pass your bill, reeking as it does with blight and burden, carrying as it does disaster and distress, freighted as it is with woe and waste, filled as it is with injustice and oppression to your fellow-men; but it will but briefly blot and blur the statute books of this mighty nation, for it is against the genius of our institutions, the ethics of civilization, the proprieties of life, the equities of good government, and the conscience of a free people that Mammon shall be enthroned, and that Money shall rule man in this land, consecrated to liberty and to justice. [Applause on the Democratic side.]

Mr. DINGLEY. Mr. Speaker, I ask unanimous consent that the House take a recess at 5 o'clock, until half past 7.

Mr. BAILEY. Mr. Speaker, I ask the gentleman to make that 6 o'clock. There are a number of gentlemen on this side who desire to speak.

Mr. DINGLEY. Does the gentleman desire to make it from 6 o'clock until 7.30?

Mr. BAILEY. I believe it would be difficult for us to return here by 7.30.

Mr. DINGLEY. Do you prefer that the session should continue right along?

Mr. BAILEY. No; that we take a recess from 6 o'clock till 8. I suggest that.

Mr. DINGLEY. Then I modify my request, and ask consent that the House take a recess from 6 o'clock until 8.

The SPEAKER. The gentleman from Maine asks unanimous consent that the House take a recess from 6 o'clock until 8. Is there objection?

There was no objection.

Mr. BAILEY. Mr. Speaker, I yield ten minutes to the gentleman from Georgia [Mr. FLEMING].

The SPEAKER. Does the gentleman take the floor in his own right?

Mr. BAILEY. I wish to take the floor in the right of the gentleman from Louisiana [Mr. ROBERTSON], a member of the committee.

The SPEAKER. The Chair would say to the gentleman from Texas that while the Chair has no objection to his having control of the time, of course the gentleman can not take the floor in another man's right.

Mr. BAILEY. I was only seeking to control the hour, and I have no disposition to insist on that.

The SPEAKER. The Chair is only interested in having regularity of procedure.

Mr. BAILEY. Certainly; and I have no preference in the

matter. The gentleman from Louisiana [Mr. ROBERTSON] is a member of the Committee on Ways and Means, and I was simply parceling out his hour. I make no point on that. I ask the Chair to recognize the gentleman from Georgia [Mr. FLEMING] in his own right. The gentleman from Georgia will be entitled to an hour, and he can use it as he chooses.

Mr. DINGLEY. I desire to call attention to the fact that the members of the minority of the Ways and Means Committee have the first right to take the floor, and if they do not take it, but give it to members outside of the committee, they must not complain by and by that they have not had an opportunity to speak. They are entitled to be recognized in their own right first.

Mr. BAILEY. I shall not make any complaint whatever happens between this and the adjournment.

Mr. DINGLEY. I know that the gentleman from Texas [Mr. BAILEY] intends to speak, and I do not want him to place himself in a position where he may say that he has not had an opportunity to speak.

Mr. BAILEY. I thank the gentleman from Maine for his interest and solicitude. I had expected to undertake to speak within half an hour after the House reconvened at 8 o'clock.

Mr. DINGLEY. I simply desired to call attention to the fact and leave the gentleman to arrange the matter as he deems best.

Mr. CLARK of Missouri. Mr. Speaker, I would like to ask a question for information. Are all the Democrats expected to speak to-day, and then do the Republicans expect to speak to-morrow?

The SPEAKER. That, of course, the Chair does not know. [Laughter.]

Mr. CLARK of Missouri. I would like to see the thing mixed up some if we are to go on.

The SPEAKER. The Chair thinks the thing is in process of getting mixed. [Laughter.] The Chair will recognize any gentleman on the committee.

Mr. BAILEY. Mr. Speaker, the members of the committee are not ready to proceed, and the gentleman from Georgia is entitled to be recognized, having risen.

The SPEAKER. If no gentleman is ready on behalf of the committee, the Chair will recognize the gentleman from Georgia, he having risen.

Mr. FLEMING. Mr. Speaker, one needs some encouragement to venture upon the discussion of a subject so time worn as the tariff. I have found my encouragement in the o servation of a profound thinker, that "on all great subjects much remains to be said." Indeed, no man of independent mind need doubt that in studying the many phases of this intricate question he will work out something that will be helpful to himself and to others in an honest search after the truth.

The framers of our Federal Constitution gave to Congress full power to lay duties on imports for revenue purposes, but in express terms forbade the imposition of a duty on exports. I have wondered if the statesmen of that day supposed that this prohibition would prove an effectual safeguard to the export-producing industries of our country. The debates of the Constitutional Convention, 1787, so far as I have had opportunity to examine them, throw no light on this question. Indignation against the prohibitions which the mother country had placed on the exportation of certain articles from the colonies no doubt still rankled in the public breast.

Similar restrictions and consequent retaliations, which some of the States had practiced against one another under the Confederation, perhaps gave additional force to the sentiment in opposition to such a policy. These reasons, coupled with the vexatious annoyance necessarily attendant on the practical enforcement of an export duty, may account for the emphatic declaration of the Constitution that—

No tax or duty shall be laid on articles exported from any State.

Certain it is that if those Constitution builders believed that the prohibition of a duty on exports would give free exit for our surplus products to flow out into the markets of the world, while a tax on imports remained in force, they failed to thoroughly understand a principle of political economy which, however obscurely divined at that time, has long since been established by reason and experience.

That trade is an exchange of commodities or services; that each party thereto must give over to the other a commercial equivalent of what he receives; that the outgo must, in the relative estimation of the buyer or seller, balance off the income; that an importing nation must also be an exporting nation, are simple truths "worthy of all acceptation." But once grant these simple truths, and it must follow, as night the day, that a tax on imports is in effect a tax on exports. An import tax necessarily reduces the exchangeable value of exported articles. The precise extent of that reduction I shall not at present attempt to fix. But the fact of reduction is undeniable. Every obstacle placed in the incoming stream must lessen the flow of the outgoing stream.

Brushing aside the many incidental subtleties that may beget differences of opinion, we stand face to face with this plain truth, that a tariff tax on imports is a special burden on those industries which furnish the exports in exchange. This proposition does not express the whole truth. It might be made broader, because such a tax falls in some measure upon every consumer; but my present purpose is to bring out in bold relief the undeniable fact that the industries which furnish the exports bear a peculiar burden in consequence of the tax on imports.

I do not maintain that the exporting industries bear this import tax exclusively, but I do maintain that such a tax weighs more heavily on them than on other lines of industry. As consumers, those engaged in these industries bear their share of Government burdens along with other citizens, while as producers of export articles they bear a special burden besides. Whatever may be the effect of the tariff on men engaged in other pursuits, it is incontrovertibly true that those men whose labor produces the articles given in exchange for the articles imported pay extra tribute to somebody, and they pay it by reason of the tariff tax. There is no escape from that conclusion.

In the light of this truth let us advance a step farther. The three broad divisions of human effort, sufficiently exact for our present purposes, are agriculture, manufactures, and commerce. To secure the most perfect results they should be developed symmetrically. The more restricted the commercial intercourse among nations, the greater need for these three branches of industry to coexist in the same nation. The freer such intercourse, the greater opportunity for the development of the special advantages of each nation and the consequent saving of economic power and prevention of economic waste.

When the colonies had won their political freedom, constructed the Union, and taken their place among the nations of the world, they were strong in agriculture and weak in manufactures, while war threatened the young Republic from every quarter. The statesmen of that day, taking note of these adverse conditions and aiming at greater commercial independence, wisely sought to encourage manufactures by temporary assistance, referring to them, in the apt language of Hamilton, as "infant industries." With this patriotic purpose in view, import duties were levied primarily for revenue, but in such a manner as to encourage and protect home manufactures by a partial exclusion of foreign goods.

But such a tax always has to be paid in some way by some one. What is given to one class must, for the time being at least, be taken from another. In such matters there is an equation of give and take. What is bestowed on one as a bounty must be borne by another as a burden. The law can not make wealth, but the law can and does transfer wealth. Helpless to create, it is "powerful to plunder." Loss of productive power in attempting to overcome the law of diversity of natural advantages is not the only basic objection to a high protective system. Next in importance to production comes distribution. The nation considered as a whole may for a time maintain abundant production, and yet the distribution of the beneficial results among its citizens may be so unequal as to utterly condemn the system.

Witness the fact, as stated by reliable authorities, that in the United States to-day one-eighth of the people own seven-eighths of the wealth—a condition that could never have been brought about in a country like ours except through monopolies and trusts that thrive in restricted markets.

Now, I ask upon whose shoulders, from the first establishment of the Constitution, has chiefly rested the burden of supporting and building up our manufactures from their small beginnings to their present magnificent proportions? To answer that question it is only necessary to ask another: What industries have produced those articles of export which we have traded in exchange for our imports? This latter question may be easily answered by citing historical facts.

For the first thirty years of our national existence there were substantially no exports other than the products of agriculture. In 1820 agriculture furnished 81 per cent of our total exports; in 1830, 82 per cent; in 1840, 83 per cent; in 1850, 81 per cent; in 1860, 81.13 per cent; in 1870, 79.35 per cent; in 1880, 83.25 per cent. These figures furnish the answer to our question with absolute certainty.

Viewed from any standpoint, tested by any rule of reason, the truth comes home to us all, no matter from what section we hail or with what industries we are identified—the truth comes home to us all that agriculture for a century has been paying through our tariff tax a special tribute to manufactures. In their capacity as property owners and consumers farmers have paid their proportionate part of all the exactions of government, local, State, and national. In their capacity as producers of our chief articles of export they have paid far more than their proportionate share of the tariff tax that has built up our vast manufactures—for they are vast in extent, though in these later years employment is unsteady and profits are unsatisfactory.

At first the yoke was easy and the burden light. But now agriculture, though its back is as broad and as strong as the back of

Atlas, is staggering and sinking under the load, and when the burden-bearer cries out for relief, you pile on more weight.

Look at the figures. The rates of duties of the first tariff bill of 1789 averaged about 5 per cent; those of 1816 about 20 per cent; those of 1828 about 40 per cent. Then came a reaction in 1832 and 1833, reducing the rate till in 1842 it averaged about 24 per cent, and in 1846, under the Walker tariff, about 27 per cent, going in 1857 below 25 per cent. Then most unfortunately followed the war period, with the tariffs of 1861–62, averaging about 36 per cent; those of 1864–65, averaging about 47 per cent; and after some variations came the McKinley tariff of 1890, averaging 49 to 50 per cent, succeeded by the Wilson tariff, averaging about 37 per cent, and now we have the Dingley tariff, running up above 57 per cent. How encouragingly these figures do speak to an overtaxed people!

But not alone in the rate per cent does this tariff growth cause alarm. The number of articles embraced has been even more amazingly expanded. The tariff act of 1789 comprised only about 75 distinct items or classes. In 1868 this number had increased, by actual count, to 2,317, and in 1890 to about 4,000, while this last act of 1897 raises the number to at least 4,500. These marvelous figures represent the number of distinct rates or schedules, and are partly accounted for by the addition of subclasses; but there can be no doubt that the number of separate articles covered by the protecting duties has been amazingly increased.

As an American citizen, I am proud of the splendid development of our manufacturing industries, the boast of our own country and the envy of the world. I rejoice in the triumphs of the inventive genius of our people, their pluck and daring, their perseverance and industry. But let us never forget that the basis of these glorious achievements, the groundsill of the towering structure, has been the patient plodder of the fields. Others have worked and gained rich rewards; he has worked without his just reward. Others have served their country through their successes; he has served his country by his sacrifices. Others may wear the victor's wreath; to him belongs the martyr's crown.

Protectionists have ever been generous in welcoming recruits to their ranks. Each new industry enlisted under their banner gives them additional power in their fight for a continuance of tribute. For, be it observed, the problem with them is never one of dividing the tribute in hand, but of getting more tribute for the newcomers, if, indeed, they do not at the same time increase their own. No wonder they welcomed those who asked protection on raw cotton and lumber and wool, especially as these recruits came in part, not from noncombatants, but from former foes.

And just here let me state that even if I had the opportunity, which the rule of procedure denies me, of voting separately on each paragraph of this bill, I could not favor the tariff duties on cotton and lumber and wool as given therein, though these articles are produced in my own State. Let us examine into this matter a little. Take, first, the woolen schedule as an example. The argument for protecting raw wool is stated strongest about as follows: The revenue to be raised on the wool schedule is so many millions, putting the consequent price of the manufactured goods to the people at such and such figures. Now, it is argued, why give the manufacturer the benefit of all this tax? Why not divide the benefit between the man who grows the wool and the man who spins and weaves it?

I freely admit that argument is unanswerable, especially from the standpoint of modern protectionists, who seem to have abandoned the old scientific theory of encouraging weak industries, and to have put in its stead the new theory of high wages to labor. No argument ever formulated can prove that the laborer in a woolen mill has any more right to Government aid as such than the laborer on a sheep ranch. Each has to contend against the so-called pauper labor of foreign countries. The greater proportion of labor cost that enters into the manufactured article raises no issue of principle, but only one of equitable ratio of division. For, in strict terms, there are no such things in market as "raw materials." Labor, to some extent, is necessary to get them to market and make them salable.

As a question of justice, of course the Government's bounty, if any is to be given at all, ought to be divided in some equitable proportion among all those whose labor contributes to the finished product. I do not intend to discuss here the doctrine of free raw materials, which is destined to play a notable part in the near future in the further evolution of our tariff system. Suffice it now to say, that doctrine is based more on local necessity than on strict justice. If my vote could help to lessen any existing injustice between the grower and the manufacturer without doing additional injustice to anyone else, it would be promptly given to effect that purpose. But what have the framers of this bill done in that regard?

Have they taken any of the bounty away from the manufacturer and given it to the grower? On the contrary, they have bestowed a certain measure of protection on the grower and have then added on a compensatory or countervailing duty to the manufacturer, so as to give him the same advantage he previously had over his foreign competitor, thus increasing in exact proportion to the new duty the burden on the consumers, the masses of the people. In other words, they do not divide the plunder in hand, but seize more plunder.

The same policy was pursued in reference to lumber and cotton. A duty of $2 per thousand feet was put on rough pine lumber, but the rate on planed or finished lumber was also increased. An amendment was offered in the Senate placing a duty of 20 per cent on all raw cotton, though practically applying only to Egyptian long staple. The amendment was eagerly accepted by the protectionists, who followed it up promptly with a compensatory duty on the manufactured products into which long-staple cotton enters—an industry which has no existence in the cotton-producing States, though the people of those States are consumers of the finished articles, whose prices would have been increased by the new protective tax had it been accepted in conference.

If I had the opportunity to modify the sectionalism of a tariff bill by transferring a part of the duty on some article produced in a favored section, so as to place it on some article produced in a less favored section, in like daily use among the people, the total burden on the masses remaining the same, I would promptly seize such an opportunity. But no transfer or substitution, either total or partial, is proposed. No reduction is offered. No compensation is granted. No exchange is given. But a direct and positive addition is made to the burden already on the masses.

What benefit is it to the great body of the 2,000,000 people in my State to give $2 a thousand feet protective tax to a few hundred who own lumber? When a man goes to build himself a home and has to pay an increased price for his lumber, does he get under this bill any equivalent therefor? Will his door hinges cost less? No; the rate on door hinges has been raised. Will his paint cost less? No; the rate on paint has been raised. Will his carpets cost less? No; the rate on carpets has been raised, and so on throughout the list.

Classism is an inherent defect in every protective system; sectionalism is an incidental defect. Much as I would like to mitigate the sectionalism, I am not willing to do so by creating more classism, if the total burden must also be increased thereby. Now that slavery has been abolished and the Union solidified forever; now that the bitterness of war has passed and we all hail with equal pride a common flag, a broad-minded patriot, I apprehend, will find more to alarm him in classism than in sectionalism.

It is true the Chicago platform, to whose great principles I give unhesitating allegiance, says: "We hold that the tariff duties should be levied for the purposes of revenue, such duties to be so adjusted as to operate equally throughout the country and not discriminate between classes or sections." And this provision has been cited to show a command, or at least a justification, for Democrats to support the duties in this bill on lumber and cotton. But I do not so expound its meaning. I do not understand that it commissions us to correct the sectionalism of a tariff bill by increasing its classism and its burden.

I do not think it means that in order to equalize the sections of the country we are at liberty to put new burdens on the masses for the benefit of new classes. I interpret its meaning to be that we should force a more equitable division of the spoils in hand, rather than that we should go on a warfare after more spoils. It does not declare for additional burdens on the unfavored many, but for readjustment of existing benefits among the favored few.

Our early statesmen did not contemplate the possibility of the tariff impositions of to-day. Hamilton and his contemporaries deemed it necessary to encourage and strengthen manufactures as the weaker factor in our national economy, relying, of course, on the skill and energy of the manufacturing classes to take care of themselves when they should have passed from infancy to mature age. In his celebrated report of 1791 Hamilton says:

> The consumption of geneva, or gin, in this country is extensive. It is not long since distilleries of it have grown up among us to any importance. They are now becoming of consequence, but, being still in their infancy, they require protection.

Again, in the same report, he says:

> The continuance of bounties on manufactures long established must almost always be of questionable policy, because a presumption would arise in every such case that there were natural and inherent impediments to success.

And, lest some one should seek to break the force of this quotation from Hamilton by drawing a distinction in principle between a bounty and a protective tax, let me quote further from the same report, as follows:

> As often as a duty upon a foreign article makes an addition to its price, it causes an extra expense to the community for the benefit of the domestic manufacturer. A bounty can do no more.

In connection with the cry now going up from the sugar trust for aid to its infantile feebleness, the following statement of fact from this same report of Hamilton's, made over a century ago, sounds rather strange:

> Refined sugars and chocolate are among the number of extensive and prosperous domestic manufactures.

Extensive and prosperous a hundred years ago, but still calling for help!

President Madison, in his message of 1815, said:

Under circumstances giving powerful impulse to manufacturing industry—

Referring, evidently, to the war of 1812 and the restrictive measures attending and preceding—

it [manufacturing industry] has made among us a progress and exhibited an efficiency which justify the belief that with a protection not more than is due to the enterprising citizens whose interests are now at stake it will become at an early day not only safe against occasional competition from abroad, but a source of domestic wealth and even of external commerce.

Mr. Clay, in 1820, said in a report submitted to the House:

Sir, friendly as I am to the existence of domestic manufactures, I would not give them unreasonable encouragement by protecting duties. Their growth ought to be gradual but sure.

We will look in vain among the writings of the fathers of the Republic for any recognition of a policy of protection in favor of special classes that was to be fastened upon the masses in perpetuity at an increasing rate of exaction, such as we have had for the past thirty-five years, and which is becoming apparently more helpless the older it grows.

When President Washington was inaugurated he wore a suit made from wool grown and manufactured in America, and yet after a century of nursing, neither of these infant industries, of woolgrowing or wool manufacturing, seems able to take care of itself, but both are obliged to lean upon other industries for their support. And so with many others. But I ask, Is it really true that our protected manufacturing industries can not withstand the pressure of outside competition? Have we, indeed, after all our boasted achievements, simply forced into unnatural growth by artificial processes a lot of hothouse plants which have not the hardihood to withstand the heat of summer or the cold of winter?

If so, then we have made a costly blunder at some point in our national economic policy. Curtailment of production, shutting down of mills, closing of mines, thousands of idle workmen, are striking evidences of uneven, abnormal growth in some direction or of stunted growth in another direction. Better for capital and better for labor that our national development should be more symmetrical, even though less rapid.

It is well worth the serious efforts of our best minds to ascertain what is the efficient cause which so persistently forces up the protective limit of our tariff laws. Is it merely the growing greed of the men engaged in this game of grab, or does it lie deeper in the essential nature of the protective system itself? A leading thinker announced in 1832 the doctrine, as being founded in economic truth, that a constantly increasing general rate was a necessary result of protectionism. The truth is, doubtless, that both causes, namely, human greed and organic weakness, contribute to the alarming result.

But where will all this end is the question that forces itself on every thoughtful mind. Will the next tariff average 75 per cent, and the next 100 per cent? The increase is not for revenue, because in most of the schedules a lower rate would give larger revenues. There certainly must be a limit to the endurance of the people in a country where the proudest boast has ever been "Equality before the law," and where men have the ballot to peaceably redress their wrongs. The party responsible for this bill will hereafter need more than its accustomed wisdom and strategy to avoid conviction and punishment when summoned, as it will be, before the bar of public opinion.

The men who oppose the excesses of this bill (which in the extreme instance of the compounds of distilled spirits imposes on every $100 worth of the product an import duty of $1,206.34)—these men are not destructionists. They do not desire to break down a single legitimate industry of their fellow-countrymen. But they do desire more equality, more justice, more wisdom in the expenditure and direction of productive power. They do not wish to see capital spent and labor fixed in some line of unnatural expansion only to be put in jeopardy by every local change of conditions. They wish to see prosperity built up on a broader, firmer, more enduring foundation.

They are willing to yield much for the conservation of what the past has created and bequeathed to the present. Even the extreme men of South Carolina, in the stormy period of 1832, declared in their public address to the country:

As far as a moderate system founded on imports for revenue goes, we are willing to afford protection, though we clearly see that even under such a system the national revenue would be based on our labors and be paid by our industry.

To the scientific student of our political and economic history nothing could be more interesting and profitable than to examine into the environments and conditions out of which there has been evolved so abnormal a result as our present tariff system.

In the first place, he would be struck by the paradox of a nation taxing imports for the double purpose of raising its revenues and protecting its domestic industries. Imports are essential to revenue, and yet prohibition of imports, more or less complete, is essential to domestic protection.

Pushed to its logical protective conclusion, the system would work out its own destruction, for when domestic manufactures reach the point of supplying the home market, imports must cease and revenues drop to zero. Somewhere between free admission and total prohibition there must be the true revenue-producing point, but it seems harder for protectionist Congressmen to locate it than for navigators to find the North Pole.

Mr. Hamilton held, and Mr. Calhoun and other great thinkers agreed with him, that a bounty was a more scientific method for encouraging new industries than a tariff tax. But a bounty was never popular, because it was too open in its operations, while the tariff, though daily taking from one and giving to another, operates so stealthily that the victim is scarcely aware for the time being of his enforced contribution to his neighbor's wealth.

Another thing that would strike the thoughtful student of this subject is that under our tariff system the people are made to contribute taxes in proportion to consumption and not in proportion to wealth. They are taxed not according to their ability to pay, but according to their necessity to use. Of two men, one worth not a dollar beyond the immediate proceeds of his labor, and the other worth $10,000,000, but each consuming the same articles for food, clothing, shelter, etc., both pay the same amount to support the National Government. In no other civilized nation of the world does such an anomaly exist.

Again, the student of this interesting theme could not fail to single out slavery as one of the controlling causes of our strange tariff evolution. The inevitable antagonism between free labor and slave labor rendered almost impossible the calm, dispassionate consideration of economic laws. In vain did Mr. McDuffie, in 1832, with a cogency of reasoning and a splendor of diction that have seldom been equaled, contend on the floor of this House for the soundness of the economic principles enunciated by him as affecting his people and section. Those principles were disputed and combated in debate by the ablest minds of the opposition. But thanks to our changed conditions and a more liberal public sentiment, the honorable gentleman from Massachusetts [Mr. WALKER], in his speech on this bill March 31, 1897, said, referring to the tariff views of Mr. McDuffie from the standpoint of a slave owner:

McDuffie is correct. Protection in a tariff is worse than folly for a country that refuses to manufacture.

Such a frank and truthful admission, if it had been made by any leading man from Massachusetts at the time McDuffie spoke, would have simplified the difficult problem that then confronted the country, and would have prevented many excesses that followed in after years. I regard it even now as a distinct and patriotic advance toward the final realization of the truth.

But it is plain that the motive or cause for not manufacturing, whether that cause be refusal through obstinacy or failure through inefficiency of slave labor or anything else, has nothing to do with the wisdom or folly of protection. It is the fact of not manufacturing that constitutes the difference. A very moderate and safe deduction from the proposition so clearly announced by the honorable gentleman from Massachusetts is that protection is, to some extent at least, folly for classes or sections largely agricultural. Thus the hostile attitude of the great farming West and South toward this bill is in fact justified out of the mouth of one of its most conspicuous defenders.

The change in the South from slavery to freedom did not reverse the tariff conditions and transmute protection from a curse into a blessing. Let us analyze the situation. Profits are always divided in some ratio between capital and labor, as interest to the one and wages to the other. The slave being, economically speaking, a part of his owner's capital, a certain portion of the profits that formerly went as interest now goes as wages. But if the protective system limits the total profits of agriculture, it must necessarily oppress labor which depends upon those profits. And this oppression has less excuse to-day than before emancipation.

The former slaves are now laboring as free men. The tariff tax that once rested on their masters alone now rests in part on them. There is no class of people in the whole Union whose real interests are more injuriously affected by the Republican doctrine of protection than the cotton-producing negroes of the South, who for thirty years have proven their gratitude for their freedom by voting for the Republican party against their material interests.

If protection was folly for the South during slavery, it is folly still in but slightly less degree, if, indeed, in any less degree at all. Whatever progress the South and West may make in developing their vast natural resources for manufacturing, they will always be deeply interested in agriculture, and they can not afford to lend their influence to increasing the burdens on that industry, of which Andrew Jackson wisely says, in words now inscribed on the walls of the nation's library:

The agricultural industry is connected with every other, and superior in importance to them all.

Another potent cause in producing the abnormal result which we are considering was the war from 1860 to 1865. Financial emergencies called for an unusual increase of tax rates. Internal taxes were placed on domestic productions of raw material, and compensatory duties were added to protect home manufacturers against foreign competition. When the war ended, many of the internal taxes were repealed, but the increased compensatory duties given the manufacturers were in most instances conveniently left in force. One of the most unfortunate legacies of that fratricidal strife is the overgrown tariff system it helped to fasten on the country, with its injustice, its extravagance, and its corruption.

These and other causes that might be mentioned have brought about our present anomalous situation, under which, after a century of protection, and in a period of profound peace, we are presented with this last tariff bill, carrying a still higher bounty than any of its predecessors. And all this in a country with a free ballot box, where majorities are supposed to rule! All this in a country where official statistics show that only about 6 per cent of the population are engaged in industries that are really benefited by protection, while the other 94 per cent labor patiently on, and the nearly 50 per cent engaged in agriculture bear their special burden with varying degrees of composure! History affords no stronger illustration of the power of combination on the one hand and of the weakness of disorganization on the other.

Another interesting phase of this subject is found in the shifting of the arguments by which the advocates of high protection have sought to justify their position. The really scientific basis on which some of the statesmen of the earlier days and since rested their policy was that of encouragement to young industries, with the avowed purpose of reducing prices by increased domestic competition. But after nursing some of these infants through several generations the advocates of high protection began to realize that this argument was losing its vigor among thoughtful men, who could not but doubt its proper application after so great a lapse of time.

In that extremity it was proclaimed that high wages for labor was the justification for a high tariff. The advancement of the true interests of our laboring classes is indeed a noble object, worthy the best thought of our best minds. Here, at least, all parties can meet on a common platform of intention. This wages argument was popular, and has done effective service in many a campaign. But mark where it leads. What labor shall you protect? There is the rub.

Surely these philanthropic protectionists will not heed only the cry of labor in the mills and turn a deaf ear to the cry of labor in the fields. What excuse will they offer for discriminating against farm labor when it is already worse paid than mill labor, even after making large allowance for difference in skill? They say the mill operative competes with the "pauper" labor of England. Grant it. Does not the farm hand compete with the serf labor of Russia and Argentina and Egypt and all the rest of the world? Then why not protect agricultural labor with a bounty on exports, which is only another form of a tariff on imports? If, as some claim, agriculture gets ample collateral benefits, then why not reverse the process, and let manufactures enjoy those ample collateral benefits? The only advantage the farmer enjoys is the consolation of knowing that while legislation may keep him poorer than he ought to be, nature has made it impossible to starve him.

The truth is, that modern Republican protectionists who justify their position on the plea of high wages for labor can not successfully combat in the forum of reason the demand now made for a bounty on agricultural exports. When this system of equalizing benefits, not by more equally dividing out the taxes already laid, but by laying more taxes, and thus enriching everybody by taxing everybody for the benefit of everybody—when this chimerical scheme was seriously advocated in the other end of the Capitol, Republican protectionists dared not enter the arena of debate. They knew that discomfiture, defeat—the pillory awaited them. Against this new invention of a device for perpetual motion in the realm of economics they uttered no word of argument or ridicule. Like sheep before the shearers, they were dumb.

If reports be true, this movement to give a bounty on agricultural exports is meeting with high favor among the farmers of the West. Relatively to the whole body of the people, it is, of course, unjust and unwise; but relatively to those favored few who receive the tariff bounty of the Government under plea of high wages to labor, it is eminently just and fair. The protection orator who stands up before an audience of Western farmers and proclaims protection for labor in the mills, while refusing protection to labor in the fields, will have a most difficult task to hide from his hearers his want of sincerity or his want of consistency.

While regretting at all times to see the people or their leaders swerved away from correct economic doctrine, I yet recognize in this serious proposal of a bounty on agricultural exports a most hopeful sign that the great masses of the Western farmers are beginning to realize the truth of their situation and that they can not hereafter be held in subjection to the false doctrine of a high tariff. The object lesson thus presented will carry conviction to many a man who has hitherto toiled on with unquestioning acquiescence in a policy that was quietly but surely forging chains for his financial bondage.

The Western farmers seem to be reaching that acute stage of mental conviction which stirs to action. Let us hope that after this new plan has been fully discussed all parties interested will unite upon the simpler and wiser plan of securing equality for the farmer by reducing the tax impositions he already bears instead of taxing more money out of him and all others in order to put a small part back in his pocket.

Another argument advanced by the supporters of this and other high tariff bills is that based on the desirability of preserving the home market. But here again they encounter serious difficulties. "Enlarging" the home market is a patriotic work in which we can all engage with united hearts, but "preserving" the home market is quite a different thing. "Market" implies both buying and selling. For every sale there is a corresponding purchase. "Preserving the home market" for the seller is the economic equivalent of "impairing the home market" of the consumer.

It can not be denied that articles often cheapen under protection. Even when you keep the money standard stable and no contraction is going on, prices tend downward as a natural result of progress in the arts and especially in the application of machinery. But a relatively cheaper price does not meet the issue. The moral right of the buyer entitles him, not to get an article cheaper to-day than he got it ten years ago, but to get it at the cheapest price it can be bought anywhere at the time he needs it. The "now" is the crisis with him; not yesterday, nor to-morrow, but to-day. Restrictions on his right to buy are restrictions on his right to use his own property, and such restrictions ought never to be imposed except from public necessity and for the common good of all.

When the President called this Congress in extra session and sent in his first message, he imposed upon us an impossible task, illustrative of the fallacies we are now discussing. His injunction and advice were as follows:

> In raising revenues duties should be so levied upon foreign products as to preserve the home market, so far as possible, to our own producers: to revive and increase manufactures; to relieve and encourage agriculture; to increase our domestic and foreign commerce; to aid and develop mining and building, and to render to labor in every field of useful occupation the liberal wages and adequate rewards to which skill and industry are justly entitled.

The rhetorical perfection of that well-rounded, rolling sentence is only surpassed by its logical imperfection.

What a glittering array it makes of universal blessings to be obtained by increasing the taxes of the people! Observe the completeness of the plan, the harmonious consistency of all its parts. By the same tariff bill we are to preserve the home market and increase foreign commerce, though foreigners can not trade with us unless we trade with them. We are to increase the protection to manufactures and at the same time relieve and encourage agriculture, which chiefly pays for that protection. We are to give liberal wages to the labor of the mills and also to the labor of the fields, though the tariff tax to protect the former must come largely out of the sweat of the latter. Surely the Chief Magistrate has asked too much.

The country is sick and the doctor has prescribed. But if the patient shall enter upon early convalescence, for which we all devoutly pray, it will be due to the strength of his constitution and to the vis medicatrix naturæ, and not to the medicine administered in this bill.

Let us turn, however, to a more encouraging aspect of the situation. I hold it wisest to always face the truth, whether it point to hope or despair. But I would rather be an optimist than a pessimist, and there are signs of encouragement. Powerful forces are at work which may soon effect wholesome changes in our system of revenues, if only the country can be blessed with continued peace, in which natural laws may work out their normal results, for war is ever a disturber of symmetrical, economic development.

If the leading proposition which I have endeavored to establish is true, that a tax on imports is a tax on exports, and that therefore such a tax falls with peculiar weight on those industries which produce the exports given in exchange for the imports, then the Southern cotton producer, who in years gone by fought the losing battle almost alone, ought now to have some powerful allies in the great corn and wheat producers of the West. Cotton still heads the list of exports, but wheat and corn and other staples have risen far above the line of home retention and are flowing out to foreign markets over the obstruction of the tariff wall. For twenty years we have exported on an average more than $150,000,000 worth of breadstuffs per annum.

But not alone from these branches of agriculture should allies come. They should come from mining and manufactures, and the number should increase in the not distant future. American genius and energy can not be pent up in narrow bounds. Coal is

being exported, and Alabama is sending pig iron abroad. Massachusetts is sending shoes to Europe, and Pennsylvania is sending steel rails.

In my home city of Augusta, Ga., within the last few months the Perkins Manufacturing Company has made heavy shipments of finished doors and blinds to England. For many years the John P. King Manufacturing Company, of Augusta, Ga., has been selling cotton goods direct to a firm in Manchester, England. Shipments to foreign countries are a part of the daily business of Southern cotton mills, yet the tariff has never been of any substantial benefit to them. The exports of manufactured goods from the United States amounted, in 1860, to $40,000,000; in 1870, to $68,000,000; in 1880, to $102,000,000; in 1890, to $151,000,000, and in 1896 (under the Wilson Act, which this bill is to repeal), to $228,000,000.

Our manufacturers in many branches have clearly reached a point where they must arrest development and curtail production, or reach out for wider markets, having more than met the home demand, as evidenced by the remarkable fact that some American manufacturers sell their wares in foreign countries to strangers for less than they sell the same wares to their own countrymen at home.

Whenever the surplus products of a home industry, whether agricultural or manufacturing, become so large in quantity that the price of the total product is fixed, like cotton, in the markets of the world, then, if never before, it becomes the direct financial interest of that industry to aid in clearing out obstructions from the channels that lead to and from our ports, so that our ships of trade may not strand on a tariff bar, but float safely out into the great ocean beyond.

What the business of the country now needs most is a conservative tariff system, framed in a spirit of broad patriotism and based on revenue principles, and possessing above all else the element of stability. It is the continual change, as well as the unjust rate, that disturbs and injures trade. The foundation of a philosophic system of taxation was laid by the Wilson bill in 1894, to the extent at least that a tax on incomes was combined with a low tax on imports. The financial needs of the Government can never be absolutely fixed or stationary. But the tariff rate could be made a constant, and the income rate the variable, rising or falling as necessity required, and measuring with barometric precision the willingness or unwillingness of the wealth of the country to bear additional legislative appropriations, and thus insuring a stricter economy in the public expenditures. The Supreme Court justice who changed his opinion over night, as it were, and thus enabled that tribunal to overturn the established precedents of a century and declare the income tax unconstitutional, will doubtless never fully realize how great a wrong he did to himself and to his country.

But who will be so rash as to promise permanency for this bill? Does any observant man believe that the voters are going to submit for any length of time to its trust-breeding exactions and to the disturbances that must follow retaliations by other countries? Just so soon as the people have settled the money question one way or the other, for the gold standard or against it, they will surely come back to the tariff and call this bill to judgment with all its sins upon its head. Let not its framers and supporters delude themselves into the belief that because they have succeeded in forcing the protective rate up to a higher point than it has ever reached hitherto that therefore the protective system is more safely intrenched than ever before. Let them remember that the extremity of audacity often marks the crisis of a downfall.

Among a free people no system of taxation will ever be permanent that is not based on justice—modified only so far as pressing necessity compels. "Equal and exact justice to all men" is not merely a fine phrase for stump speakers to declaim. It is the embodiment of a great political truth. Thomas Jefferson, the broadest minded statesman of his day, makes it the foundation principle of his philosophy of human rights, and upon it Herbert Spencer, one of the most comprehensive intellects of this or any other age, erects his broader philosophy of ethics. Spencer states this to be the primary formula of human justice:

> Every man is free to do that which he wills, provided he infringes not the equal freedom of any other man.

But not alone by human lips has this eternal truth of equality and justice been proclaimed. The Master Himself gave it its profoundest and noblest expression when he declared the second great commandment to be, "Thou shalt love thy neighbor as thyself."

Here, then, is the ideal standard toward which we must progress onward and upward, though knowing full well we can never reach complete attainment. [Applause on the Democratic side.]

Mr. McMILLIN. Mr. Speaker, I yield twenty minutes to the gentleman from Delaware [Mr. HANDY], or twenty-five minutes, if he so desires.

Mr. HANDY. Mr. Speaker, I find myself unable to vote for this conference report. At every stage of the pending tariff legislation I have felt it my duty to vote against the progress of this bill, which will add enormously to the burdens of the people and do nothing to restore the prosperity for which we have been waiting and longing in vain.

Such legislation as has been agreed upon in the conference report now before us should never be attempted unless it has been distinctly ordered by the people. The people have not ordered a general revision of the tariff and a return to the high duties which they repudiated in the McKinley bill. It would be difficult for any gentleman to point to any action of the American people indicating that they have changed their minds since they overwhelmingly repudiated in the elections of 1890 and 1892 the system of excessively high tariff rates submitted to their judgment as the paramount issue of those campaigns.

I take, therefore, the position that the Republican majority in this House is acting without the warrant of popular approval in passing a tariff measure which imposes higher rates than those of the McKinley bill, and is filled with even more favors to the monopolies and trusts than that discredited and repudiated measure.

It is, of course, true that the people at the election last fall sent a Republican majority to this Chamber and a Republican President to the other end of the Avenue, but they did not do it with the expectation that such outrageous legislation as this would be enacted. Their purpose was far different. The Republican victory was won after a campaign which kept the tariff question in the background. The money question was in the forefront of the battle. It was a hard and doubtful fight, and the tide of battle was turned in favor of the Republicans by the ungrudging aid and assistance of forces which have never favored a high tariff and do not favor it now. Those forces, in fact, are intensely hostile to protection, and abhor the special privileges which this bill will give to the favored classes. Every man at all familiar with public affairs knows that the Democrats who left their party last fall because they believed in the single gold standard made Republican victory possible.

Differing from the Gold Democrats as widely as one man can differ from another in opinion on that subject, I am nevertheless compelled, in all candor, to recognize their sincerity. Their sincerity was proven by their sacrifices. It would be difficult to compute how much of sacrifice the Gold Democrats made in the fall of 1896 in order that William McKinley might become President of the United States and a Republican majority be returned to this House. Men of the greatest ability, men of the brightest prospects, men of the loftiest ambitions, came up to the altar of their convictions and laid upon it every political aspiration. They endured the bitterness which must always attend a revolt from a great political party.

Why did they make these sacrifices? Was it in order that the sugar trust might have a larger differential? Was it all done in order that the tariff beneficiaries might in a thousand different items mark up their exactions on the masses of the people to a higher figure than ever before? Sir, all men know better. The Gold Democrats are not high-tariff men. They are revenue reformers and free traders. From their support gentlemen of the other side of the Chamber get no right or title to do what they have been doing during this extra session and are now about to consummate.

They gave to you a million Democratic votes, four-fifths of them going directly to Mr. McKinley and the remaining fifth voting the so-called National Democratic ticket. When, in all political history, did a million new and valuable recruits ever receive so harsh a welcome from the party they elevated to power? Their opinions have been trampled upon, their purposes flouted, their confidence outraged. Who, sir, can believe that the Gold Democrats would have supported the Republican party if this conference report and the provisions of this new tariff bill had been foreseen before the election? The Gold Democrats trusted the Republican party not wisely, but far too well, and they are to-day betrayed. The Dingley bill is the bill of the great betrayal.

Is any gentleman so simple as to indulge the hope that this betrayal of their allies in the last campaign will not be visited upon the heads of the faith-breaking Republicans? By the vote soon to be recorded here that alliance will be forever severed. I have heard it said on this floor during the debate that the Gold Democrats have become protectionists, that they anticipated such a bill as this, and that they are willing now to the passage of this bill. That sort of talk will deceive nobody. Least of all will it deceive the Gold Democrats themselves. They know better. Their anger burns hot to-day. It is heated in proportion to the outrage that has been done to them. The great newspapers which took part in the revolt of the Gold Democrats and which now express their sentiments have denounced this bill in terms of the sternest severity.

What will these million Gold Democrats do? What are they forced to do? The situation of their political leaders is perplexing. How they will attempt to extricate themselves from the position in which Republican betrayal has left them I do not pretend to foresee. But it is plain enough that the bulk of the Democratic

voters who left us last fall will come back again to the party of their lifelong love. They will fall quietly in line and march with us to victory in 1900. When the time comes again to choose between William McKinley, whose heart is wrapped up in a tariff bill that robs the many to enrich the few, and William J. Bryan, who believes in justice to all and special privileges to none, hundreds of thousands of Democrats who voted against Mr. Bryan last year will vote for him. It was one thing to vote for McKinley the promiser. It will be another thing to vote for McKinley the performer.

No, Mr. Speaker, the victory of the Republican party last fall is no warrant from the people for such a bill as this. Moreover, the business interests of the people did not call for any general revision of the tariff. Doubtless a few thousand men were eager to write some line in a new tariff to enable them to tax their fellow-citizens, but the millions of business men in this country who are not expecting to be made rich by legislation did not desire a revision of the tariff. Why should they wish to have business conditions unsettled by the agitation and uncertainty inseparable from the framing of a general tariff law, affecting as it does duties which are collected on some 4,500 different articles of commerce?

The business interests of this country needed rest along tariff lines. Business men have learned by experience that stability is a desirable thing in tariff schedules. But the Republican majority in this Chamber is evidently unwilling that the tariff should be anything else than the football of politics. For this bill, which after four months of agitation and uncertainty you are about to pass, can not give any rest on the subject of the tariff. Every page of it is written full of future agitation.

Such schedules as these can not rest while there is a sentiment for justice in the human breast. While men have the spirit to resist burdens unjustly laid upon them, such a tariff bill as this will arouse agitation in this country. When the workingmen of the country begin to feel the effect of the schedules you are so gaily approving to-day; when they find that their wages are not increased and that employment is as hard to find as ever; when they note that the value of their little property continues to fall; when, under these unfavorable conditions, they find that because of the Dingley bill they must pay a little more for every necessary of life controlled by a trust, then, Mr. Speaker, the workingmen will speak out once more for a lower tariff, as they did in 1892.

When the farmer learns by further bitter experience how heavy are the burdens you lay on him and how futile the pretended protection for him in this bill, he will join the workingman in the demand for another campaign for tariff reform. You pass this bill to-day, but you must know full well that its reckless provisions are too grievous to be borne with patience. There can henceforth be no rest on the tariff question until this bill is repealed. Business interests need rest from tariff changes, and they can have that rest when a tariff is written to collect revenue for the Government and with an eye single to that purpose; but just so long as you use a tariff to collect revenue for the trusts and monopolies you will have agitation against the schedules you frame, and the changes will be frequent.

Justice is permanent and stable; injustice is temporary and sure to be overthrown. The law you pass to-day may remain in force four years, since the Democratic Congress which will be elected next year will have to reckon with the veto power of the amiable gentleman who now occupies the White House. But four years is the limit. By that time the White House will be occupied by a gallant young Democrat from Nebraska, than whom no more heroic soul is alive. [Applause on the Democratic side.] Under his administration we shall not only have the remonetization of silver, but also and surely a new tariff bill—one laid down on the lines of justice and equal rights.

Mr. Speaker, since the people have not ordered a general tariff revision, since the campaign of 1896 was not fought and won on a tariff issue, and since business interests really require peace, rest, and stability in the matter of the tariff, not uncertainty and change, why is it that we have been here more than four months engaged in framing a high-protective tariff? The reason most frequently and confidently given in debate is that we must raise more revenue to meet the expenses of the Government. I have listened to gentlemen declare, with well-assumed seriousness and a ring of earnest patriotism in their voices, that not a day was to be lost in providing revenue. The Government must have more money at once, and this tariff bill is to relieve the impecuniosity of our impoverished Treasury! Can such talk deceive the country? Our Treasury had in it at the close of the last fiscal year (June 30, 1897) over $240,000,000 of available cash balance. That is $140,000,000 over and above the traditional $100,000,000 in the gold reserve. It is true that the yearly revenue has been running behind our yearly expenditures—something like $18,000,000 during the fiscal year ending June 30, 1897, and $25,000,000 during the fiscal year ending June 30, 1896. But with such an enormous surplus now in the Treasury there is no need for any immediate increase in revenue.

In the way things have been going, there will be enough money in the Treasury for the whole of President McKinley's Administration without changing a line in our tax laws. It is not a desirable thing to lock up a vast surplus in the Treasury. The money should be out of the vaults in circulation among the people. It is needed in carrying on business. What harm could it do to use the money now lying idle in the vaults, instead of putting additional burdens of taxation upon our people who are suffering from hard times? What possible good can it do to pile up a larger surplus in the Treasury?

But if gentlemen are distressed by the fact that we are now taking in less money than we are paying out, it would be easy enough to collect more money without a general revision of the tariff. By amending a very few schedules of the tariff, the desired revenue can be obtained. The sugar schedule as it stands in this conference committee's report will yield over twenty millions of additional revenue. Why do the revenue hunters not content themselves therewith and let the rest of the tariff, remain as it is? Or the revenue our Republican friends claim to be hunting might be obtained by an additional tax on beer, without touching the tariff at all.

It seems to me, however, that there is a much better way to meet this deficiency than by any increase in the revenues. How would it do to cut down expenses? The expenses of our Government have grown until they are beyond all reason. The citizens of this country have been compelled to cut down their individual expenses. What could be more sensible or more patriotic than to cut down the expenses of Government? It can be done. It ought to be done. I heard President McKinley say in his inaugural address:

> Economy is demanded in every branch of the Government at all times, but especially in periods like the present, of depression in business and distress among the people.

I thought that was well said, but the representatives of his party in this House seem to treat it as so many idle words. Their cry is ever, "More revenue to meet expenses." Has not the time come to cut the breeches to fit the cloth?

I have endeavored to show that this tariff legislation was not ordered by the people, that it is not needed by the business interests of the country, and that it is not needed for revenue. Why, then, has it been framed? Why is it to be passed? The question forces itself forward, Is this legislation intended to subserve the public welfare, or has it rather been framed to promote private and corporate interests?

Sir, this is an extreme tariff measure. Its rates exceed anything that this country has ever known. Every trust, every monopoly, every great corporate interest has been taken care of in this bill. It is a perfect revelry of corporate power. I have naught against corporations per se. A corporation is simply a person created by the law for a specific and, usually, a beneficent purpose. It should be protected in every legitimate right. But this bill carries favors to corporations, at the expense of the consuming public, to such an extent that we are led to believe that the corporate interests have been allowed to fix customs duties to be levied on their products according to their own sweet will. The rates on the great majority of the items have been fixed without regard to the revenue to be obtained therefrom by the Government, but solely with regard to the revenue which some special interests are to receive.

This bill has been supported on the ground that it will restore prosperity to our country. If I believed it would bring about this end, so devoutly to be wished, I should put aside all other considerations and vote for the conference report. But there is good ground for suspicion that all of these promises of prosperity are empty and vain. We have heard too many of them. We were told last fall that the triumph of Mr. McKinley in the Presidential election would immediately start the country upon a triumphal march down the flowery paths of prosperity. It would restore confidence, and confidence was all that was needed.

I hear gentlemen declaring nowadays that they never thought the good times would be immediate; but the talk was different last fall, and the wonder now is what has become of the men who talked so loud about the good times coming as soon as Mr. Bryan and the threat of free silver were out of the way. Mr. McKinley was elected, but the good times came not.

Then they told us to wait until the 4th of March. You could not expect good times to begin until the advance agent got the reins of power into his own hands; but the McKinley boom would surely begin its booming when he pronounced the magic words of the official oath.

This promise of prosperity has also been broken to our hope. We have heard much about the Cleveland panic and the McKinley boom. After four and a half months of the McKinley boom I challenge any gentleman to tell us in what respect it differs from the Cleveland panic. A panic under Cleveland and a boom under McKinley seem to be one and the same thing. If this is McKinley's boom we have with us now, what will McKinley's panic be like when it comes along?

But, perchance, this extra session of Congress was called to

manufacture the long-delayed and much-promised prosperity. If so, the conference report before us is the finished product of the Republican prosperity factory. It is the sum total of all that we have done at this session of Congress. It must be all that is needed to restore prosperity to this distressed and poverty-pinched land. Surely it is an all-sufficient remedy for every evil that besets the land, for have we not seen the Republican majority in this House for four long months insisting that we should pass the Dingley bill and pass nothing else? I must not forget, however, that they also passed four extravagant appropriation bills carrying over $70,000,000. The statesmanship of this House has reduced all that is needed to produce prosperity to a very simple formula. It is something like this: "Waste the people's money in extravagant appropriations, increase the people's taxes to the highest point known in history, give the trusts and combines everything they ask, and thereafter adjourn three days at a time."

This Dingley bill is a magnificent and all-embracing piece of legislation, to be sure! It is the seek-no-further of statesmanship.

The greatest poet said:

> To gild refined gold, to paint the lily,
> To throw a perfume on the violet,
> To smooth the ice, or add another hue
> Unto the rainbow, or with taper-light
> To seek the beauteous eye of heaven to garnish,
> Is wasteful and ridiculous excess.

It is a great pity that William Shakespeare did not know this Dingley bill in his day, that he might have added one more to the things perfect of their kind. [Laughter.] To add another word to this perfect and all-sufficient legislation would be "wasteful and ridiculous excess." Nothing remains for statesmanship except to adjourn three days at a time. The Chaplain says his prayer, the Clerk reads his Journal, the gentleman from Maine [Mr. DINGLEY] moves to adjourn for three days, and the gentleman from Kansas [Mr. SIMPSON] enters his parliamentary objections. That constitutes a full day's work for the 356 members of this House. Thus the wisdom of the Dingley bill makes statesmanship easy.

In short, Mr. Speaker, the Republican party offers this bill to the country as the only and sufficient remedy for the business depression and financial disaster under which the country suffers. We join issue on the question of fact thus presented. We hold that this bill will tend to make times worse instead of better; that such prosperity as the country may have after this bill becomes a law will be in spite of it and not because of it. If the power belonged to us instead of them, we would reverse their policy. They make taxes higher and money scarcer. We would make taxes lower, government cheaper, and money more plentiful.

So far as this bill is a tax measure, it is evident that it can not add to the prosperity of the people. Everybody knows that you can not enrich a man by taking money out of his pocket and putting it in the public Treasury. The support of government is one of the expenses of citizens. When money is paid into the treasury, it is, from the standpoint of the government receiving it, revenue; but from the standpoint of the citizens paying it, that money must be considered under the head of expenditures. When you increase taxation you increase what citizens have to pay out of their earnings. It is self-evident that this does not add to their financial prosperity. If it is true that you can not enrich a man by taking money out of his pocket and putting it in the public Treasury, it is equally true that you can not enrich a man by taking money out of his pocket and putting it in some other fellow's pocket. It follows, therefore, that the protective features of this bill will do as little as its tax features to add to the prosperity of the people.

"But," say the protectionists, "this bill will cut off the flood of foreign-made goods which has come into our market under the Wilson bill. It will thereby give work to our own manufacturers and bring about prosperity." They argue from the assumption that the hard times have been brought about by an increase in our foreign imports. This assumption is exactly contrary to the fact. During the hard times imports to this country have, according to reliable and official figures, fallen off under the Wilson bill.

Instead of increasing and causing hard times, our imports have decreased because of the hard times. Our people have not been able to buy as many goods as they formerly bought. Accordingly, less of foreign goods and less of domestic goods both have been consumed. The trouble our manufacturers are facing is not that they have been cut out of the home market; it is that the home market has lost its purchasing power.

While it is certain that there is nothing for the people at large to get out of this bill in the way of financial relief, it is by no means certain that the tariff beneficiaries will get as much out of it as they anticipate. I doubt whether this bill will restore prosperity even to the special classes who receive special favors in it. The people are poor. They are not making a profit on their labor. The great masses of agriculturists, which constitute the basis of the home market, have exhausted their purchasing power, and it will not be possible under this bill for those who receive its favors to get the rich pickings they are expecting from the people. You can not get feathers from a goose that has already been completely plucked. This bill is intended to drive the American market, like a great goose, into a pen, where, cooped up, it is to be plucked by the trusts. But I fear the goose is already bare.

When prosperity comes again, it must come first of all to that great producing class, our farmers and miners. They go to the earth and produce something therefrom. All wealth comes from the land. Labor applied to land produces wealth. Right there is the starting point of subsistence and of all the material good things men enjoy. Destroy those who work on the land, and you destroy everything. Take away the profits of those who cultivate the fields and of those who dig up ores from the bowels of the earth, and you will in the last analysis take away the profits of all men.

When this country was first settled, it was by farmers. They cleared the forests, reduced the land to tillage, and lived on what they raised. Our cities grew up, our manufactories were established, our merchants spread out their goods, in order primarily to supply these farmers with what they needed. Of course the men of the cities became in turn customers of the farmers. The relation is in a large measure mutual. But the farm is primary; the city and town secondary. Did you ever hear of any country in which cities were first established, in which manufacturers started their enterprises, and in which the farmers came later, growing up around, in order to feed the people in the factories and the towns? The farmers come first, and then the others come to gratify their wants and supply their needs.

Our home market has broken down because its foundation has crumbled. Conditions on the farm are such that the farmer, after he has paid his taxes and the interest on his mortgage, has little left to buy the goods he would like to have for himself and family. He can no longer buy from the storekeeper, or, if he buys, he can not pay the bill. Since the storekeeper can not sell to his customers, he can not in turn buy from the jobber, and the jobber no longer orders from the manufacturer.

The farmer has been hard hit, and the blow delivered on the broad acres of the farm is felt with staggering force in every city and in every factory in the land. It is the policy of madmen for the factory owners, feeling in their business the effect of the blow the farmers have received, to seek relief by giving the farmers another blow. Yet if this bill means anything it means "Hit the farmer again." The workingmen of the cities and towns and the workingmen of the farms have a mutual interest, and you can not strike one without striking the other.

Mr. Speaker, this bill seems to me, and I say it without intending any personal disrespect to gentlemen on the other side of the Chamber, a cruel and unjust measure, the most outrageous tariff bill that American politics has ever known. It will bring oppression to those already oppressed. It will make unnecessary exactions from those unable to bear them. Knowing that the bill will soon be a law and that the correctness of our predictions will be put to immediate test, we do not hesitate to assert that it will bring misery, not prosperity, and that it will at the first opportunity be repudiated and repealed by the American people, just as the McKinley bill was repudiated and repealed.

In concluding these remarks, I wish to call the attention of the country to the fact that in this Chamber the men who have stood against this revolutionary and unpatriotic tariff are the men who were denounced last fall as anarchists and revolutionists, while the men who paraded last fall as the only men who favored honest dealings are the ones who have framed, and are now about to pass, this tariff to rob the people and to enrich the trusts. Is this bill to be taken as the measure and standard of their honesty? The lesson is that the Democratic party, true to its history, is still the great conservative and justice-loving party in this country. [Loud applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. MCMILLIN. I yield ten minutes more to the gentleman, if he desires it.

Mr. HANDY. I think we have the privilege of extending in the RECORD. If so, that will satisfy me just as well as taking the time, thanking the gentleman from Tennessee for his kindness. [Applause on the Democratic side.]

The SPEAKER. The Chair is in doubt as to whether the order would include leave to extend remarks; but if there be no objection, leave to extend will be granted to the gentleman.

Mr. DINGLEY. Mr. Speaker, in response to a suggestion which has been made as to the leave given to print remarks on this bill, I ask unanimous consent that the order already made be so modified as to give leave to print and also to extend remarks in the RECORD for twenty days, commencing to-morrow.

There was no objection, and it was so ordered.

Mr. MCMILLIN. Mr. Speaker, I yield five minutes to the gentleman from Virginia [Mr. SWANSON], who desires to ask a question of the gentleman from Maine.

Mr. SWANSON. Mr. Speaker, I desire to ask the gentleman from Maine what the conference did with that provision of the bill which authorized the President to enter into treaties in connection with the regie tobacco contracts?

Mr. DINGLEY. The Senate receded from the amendment,

with the understanding that the gentleman interested would introduce a joint resolution covering the same ground, which could be reported by the Ways and Means Committee and passed by the House. The only reason for excluding it from the tariff bill was that, it being a temporary provision, it was not deemed wise to put it into a permanent law.

Mr. SWANSON. But there will be no objection to reporting it by the committee?

Mr. DINGLEY. There will be no objection.

Mr. McMILLIN. Mr. Speaker, I yield ten minutes to the gentleman from South Dakota [Mr. KELLEY].

Mr. KELLEY. Mr. Speaker, I wish to call attention to certain provisions of this bill which I believe will work great injury to some of my constituents in South Dakota. It is well known that lead ore is very largely used in extracting the precious metals from the baser materials which accompany them. Hence any increase in the price of lead ore, either by means of a tariff or otherwise, anything that makes it more expensive to miners, necessarily reduces their wages in the same proportion. Now, I find that this bill places a duty of 1½ cents a pound upon lead ore, and I find that in extracting the lead from the ore there is a waste of about 10 per cent——

Mr. GROSVENOR. If the gentleman will pardon me, the provision is not a cent and a half a pound upon lead ore; it is a cent and a half a pound upon the lead in the ore—a very different thing.

Mr. KELLEY. Very well. The gentleman says it is upon the lead in the ore. Now, there is a loss of about 10 per cent in extracting it; it is unmanufactured, and you have got to put that lead ore through a manufacturing process before it becomes manufactured lead. Hence I insist that it is simply lead ore and nothing else——

Mr. TAWNEY. Will the gentleman yield for an interruption?

Mr. KELLEY. I can not yield any more out of my ten minutes unless my time can be extended.

Mr. TAWNEY. I simply wanted to correct an impression which the gentleman seems to have.

Mr. KELLEY. I think I have the correct impression. The duty is upon the lead in the ore, and you have got to extract the lead from the ore before you can use it. This bill places a duty of a cent and a half a pound upon lead ore, which in the markets of the world is worth about 1 cent a pound, making an ad valorem duty of 150 per cent.

Add to that the 10 per cent of waste in extracting and you have an ad valorem duty of 160 per cent. I find, further, that pig lead is placed under a duty of 2½ cents per pound, and pig lead in the markets of the world is worth about 2½ cents a pound. That makes an ad valorem rate of 85 per cent. I would like to know, Mr. Speaker, why the Republican party has reversed in this case its "time-honored policy" and placed a higher duty upon the raw material than on the manufactured article. Here is a difference of 70 per cent and a little more in favor of the raw material.

The only reason that I can find for this discrimination is that a certain gentleman claiming to be a resident of the United States, a Mr. Guggenheim, who owns large lead-refining mills in Mexico, demands to have it so, and he has got it. The capacity of the mills owned by Mr. Guggenheim in Mexico is said to be more than 12,000 tons daily. He imports large quantities of manufactured lead into the United States, and he demands a low duty upon that, and he has got a low duty. He desires a high duty on lead ore, to keep it out, and he has got it. Now, I say that the miners of the Black Hills and the miners of other sections, who are engaged in mining the precious metals——

Mr. TAWNEY. Will the gentleman yield for a question?

Mr. KELLEY. Yes, sir.

Mr. TAWNEY. I want to ask the gentleman if it is not a fact that this provision was put in the bill at the demand of the Senators from Montana and from Colorado, and if the Senator from South Dakota, Mr. PETTIGREW, did not also favor it?

Mr. KELLEY. As to the last proposition, I answer positively no. As to the first proposition, I do not know. But I do say, Mr. Speaker, that this provision is antagonistic to the interests of miners everywhere in this country, the men who are engaged in taking out of the bowels of the earth the precious metals, and I say to my friend from Minnesota [Mr. TAWNEY], who, I understand, is a great adherent of the gold standard, though having but very little gold to stand upon, that he ought not to antagonize any proposition which looks to bringing into use more money. [Laughter.]

Now, this bill does work great injustice to the men who are engaged in the mining industry. I do not know, on the other hand, who is to be benefited by it or whether anybody is to be benefited by it except this Mr. Guggenheim.

How much time have I remaining, Mr. Speaker?

The SPEAKER. The gentleman has four and one-half minutes.

Mr. KELLEY. I want to say a word in reply to a certain gentleman from Texas who occupied the floor a while this afternoon, and who paid his compliments in no uncertain terms to the great Dingley bill.

That gentleman stated, as I am informed, that every man who sat here and refused to vote against this bill was a "moral coward." Now, gentlemen, I did not vote against the bill and I did not vote for it. I belong to a political school that does not believe that the tariff is the great and paramount issue before the people; and I believe, Mr. Speaker, that if the amendment offered by Senator PETTIGREW had been adopted as a part of this bill, the greatest amount of harm would have been taken out of the bill. I believe that the greatest harm comes through high tariff by building up trusts and combinations, not by stimulating the production or the manufacture of articles in this country.

But I do agree with gentlemen on this side of the House, and perhaps with the gentleman from Texas, that corporations and trusts and combinations are built up under this high protective system. I believe that you have favored the sugar trust unduly. I believe that provision has been placed in this bill in such a manner that an ordinary mind, unacquainted with polariscopic tests and one thing and another known only to experts, can not tell anything about it. This has been done for the sole purpose of deceiving the people of this country. I believe that this tariff bill is too high; that the Wilson bill was high enough, as it was the highest tariff that was ever imposed on the consumers of this country except the McKinley bill; and the gentleman whose name is upon this bill stated at the foot of the bill that the rate of duty it imposed was on an average 7 per cent higher than those of the McKinley bill. Hence I think its rates are too high, even as a revenue measure. When the McKinley bill was enacted, in 1890, it was designated as a bill to reduce the revenues of the Government. This simply meant that its schedules were in a large degree prohibitive. This measure is designated as a bill to increase the revenues, while the rates it imposes are admittedly higher than the McKinley bill, and must accordingly be prohibitive in a greater degree. It has certain revenue features, of course, the greatest being the increase in the duty on sugars of more than 100 per cent, which will bear very heavily on the poorer class; and thus we see the Republican party can no longer boast of giving the people "a free breakfast table." But the trusts contributed heavily to the Republican exchequer in the last campaign, and they had to be allowed to recoup themselves in recovery of the outlay.

Of course the same farce is acted out in this bill that is in every tariff bill the Republican party enacted, namely, "protecting the farmer." I wish to say to the Republican members of this House that you can no longer deceive the farmers of this country. They know that it is impossible to afford them any commensurate degree of protection, when they send abroad to be sold in the open markets of the world more than $600,000,000 annually of the products of their industry. But however bad this bill may be, however much it favors trusts and monopolies, a majority of the people of this country voted for the Republican party, knowing that some such measure would be the result if they were successful; and I know of no better way to prove to them the utter folly of expecting relief from such a measure than to give them all they want of it. Hence I want to see the Republicans make this bill exactly to their liking, and I believe that it will prove quicker than anything else the hollowness of the claims that are made for it. Still I claim that the tariff is not the great and momentous question before the American people to-day.

I want to say to that gentleman from Texas who said that the man was a "moral coward" who refused to vote against this bill that the members of the People's Party are not moral cowards; that men who dared to sever their affiliations with their old parties and join a new organization and blaze the way for reforms were never known as moral cowards in this or any other age. I say to you men that you have exhausted the vocabulary of vile epithets upon the heads of the members of the People's Party, but I say it remained for the gentleman from Texas to first apply the vile epithet "moral coward" to that organization, and I hurl the insult back in his face.

I want to say this to the gentleman from Texas: That when he and his associates had the moral courage to nominate for President last fall a man who made the open statement that he was indebted to no trust, clique, combination, or corporation in the nation, and if elected would be under no obligations to them, the People's Party had the moral courage to refuse to nominate a man of their own, and supported your candidate. [Applause.] I am proud of having supported that man; and I believe that should he be again nominated he will receive the same support, not by fusion of the parties, but in an honorable recognition of all organizations that stand for the common people against the rapacious greed of trusts and corporations and combinations of capitalists. [Applause.]

But I want to say to the gentleman from Texas that when you nominated that man, when you made the Chicago platform and made it in the interest of common humanity, and when you placed

the Abe Lincoln of 1896 upon that platform, you did not discuss the tariff question. I want to ask you in what speech did William J. Bryan make the tariff question the paramount issue of that campaign?

[Here the hammer fell.]

Mr. HEPBURN. Will the gentleman from South Dakota [Mr. KELLEY] allow me to ask him a question?

The SPEAKER. The time of the gentleman has expired, and it can only be extended by the consent of the House.

Mr. MCMILLIN. I reserve the balance of my time.

Mr. KELLEY. I should be very glad to answer the gentleman's question.

Mr. GROSVENOR. Mr. Speaker, I do not intend to enter into the general debate on this bill; but I want to furnish to the gentleman from South Dakota [Mr. KELLEY] a little information which will doubtless be valuable to him when he elaborates and extends the very able speech which he has just concluded.

Mr. KELLEY. By explaining all the workings of the sugar trust, I hope.

Mr. GROSVENOR. The gentleman ought not to get excited. I am going to give him some information.

Mr. KELLEY. I never get excited. [Laughter.]

Mr. GROSVENOR. The tariff on lead in ore and upon pig lead is doubtless a little higher in this bill now than a great many members of the House would have fixed it if they had had exactly their way about it. In the bill as passed by the House the duty on lead in the ore was 1 cent a pound, and the duty was correspondingly advanced upon the finished product. But if the gentleman will carefully examine the proceedings of the Senate, he will discover that at the demand of the representatives of the People's Party the increase was made in that body; and it was held in the bill by the vigorous protest and advocacy of the member of the People's Party on the conference committee.

Mr. KELLEY. I ask the gentleman to name from what State those members of the People's Party that he speaks of came.

Mr. GROSVENOR. From the Northwest.

Mr. KELLEY. Is that all one State?

Mr. GROSVENOR. No; there are several States up there.

Mr. KELLEY. Which of those States, then?

Mr. GROSVENOR. It was demanded by the two Populist Senators from Nevada.

Mr. KELLEY. If I understand the matter, Nevada has hardly one Populist Senator—certainly not more than one.

Mr. GROSVENOR. She has two.

Mr. KELLEY. As I understand it, a man who votes for the sugar trust is not a very good Populist; and one of those voted for the sugar schedule.

Mr. GROSVENOR. I think the gentleman will find that this increase is supported by the Senators from Montana, one of whom, I believe, has declared himself to be a Populist, or at least voting with that party.

Mr. KELLEY. I never heard it.

Mr. GROSVENOR. I wish to say, in this connection, that I do not hold myself responsible for what anybody is politically who is in this opposition.

Mr. KELLEY. Then you should not make accusations concerning something you know nothing about.

Mr. GROSVENOR. I have to place them somewhere. It is very easy to say that a man is not a Populist or is not anything. That is one of the easiest things to say. But you will find that the increase on lead ore was put into the bill originally on the demand of the Senators from the Northwestern States—the States now largely represented by Populist Senators—and was held in the bill at their demand in the conference committee. That is all I have to say about it.

Mr. LEWIS of Washington. Will the gentleman allow me to interrupt him for a question? I have made a calculation along the line of the classifications embodied in this bill, and according to the best ability I could bring to bear, I figure that under the duties fixed by the conferees white lead will yield three and one-half millions net—what may be called "protection"—to the lead trust annually. Will the gentleman from Ohio inform me whether that calculation is fairly correct or not, in his judgment?

Mr. GROSVENOR. Well, does the gentleman say it is?

Mr. LEWIS of Washington. According to my best ability it is correct, but if the gentleman from Ohio indicates that it is not correct—although I had intended to publicly make the statement—I will withhold it and revise my figures.

Mr. GROSVENOR. If the gentleman says it is correct, I am willing to take his conclusion.

Mr. LEWIS of Washington. Then I accept the conclusion as true. as the gentleman from Ohio says it is.

Mr. GROSVENOR. The "gentleman from Ohio" does not know, and does not care anything about it. [Laughter.]

Mr. LEWIS of Washington. I know the latter part of the statement is true. It is proverbial with his party on this question. [Laughter and applause on the Democratic side.]

The SPEAKER. The question is on agreeing to the conference report.

Mr. BAILEY. I presume that that is not seriously submitted, Mr. Speaker. I suggest that the House now take a recess.

The SPEAKER. If some other gentleman desires to occupy the floor, the Chair will recognize him.

Mr. BAILEY. The gentleman from Tennessee [Mr. MCMILLIN] still controls his hour, the most of which is unexhausted, as I understand it.

The SPEAKER. The gentleman from Tennessee has asked the Chair to reserve the remainder of his time.

Mr. BAILEY. In view of that fact, believing that he will want to use it later on, I ask unanimous consent that the House now take a recess until 8 o'clock.

There was no objection; and accordingly (at 5 o'clock and 57 minutes p. m.) the House took a recess until 8 o'clock p. m.

EVENING SESSION.

The recess having expired, the House, at 8 o'clock p. m., resumed its session.

THE TARIFF.

Mr. BAILEY. Mr. Speaker, just before the recess to-day the gentleman from Georgia [Mr. FLEMING], who had occupied some part of his hour, yielded the remainder of the time to me, to be yielded by me to other gentlemen on the floor. Before I had an opportunity to consume any portion of the time——

Mr. DINGLEY. Before the gentleman proceeds, I desire to say that it is my hope that we may be able to come to a vote at 10 o'clock on the bill.

Mr. BAILEY. I am inclined to think that we can not reach a vote by 10 o'clock. I am of the opinion, however, that we might possibly reach a vote by, or perhaps before, 11 o'clock. I am not able just now to say as to how much time I shall occupy myself.

Mr. DINGLEY. I understand the gentleman to say that on or before 11 o'clock we will be able, with the consent of his side, to reach a vote?

Mr. BAILEY. That is my judgment.

Mr. DINGLEY. I think it would not be advisable to postpone the vote to a later hour than that. I trust the gentleman will be able to arrange the time, however, so that we may secure a vote on the bill by half past 10 o'clock.

I wish further to say that we shall desire to occupy fifteen minutes, or perhaps a half an hour, on this side in closing the discussion, and I trust we will be able to come to a vote certainly not later than 11 o'clock.

Mr. BAILEY. I desire to be entirely frank with the gentleman from Maine, and say to him, if I feel like occupying as much time as I may desire to occupy in the discussion, we will not be able to reach a vote as early as half past 10 o'clock, but I do think we can reach it by 11 o'clock. I am not able to say just how long I will speak.

Mr. DINGLEY. Can not an arrangement be made to reach a vote at 11 o'clock, then?

Mr. WILLIAMS of Mississippi. No.

Mr. BAILEY. I would not be willing to make a hard and fast arrangement of that kind, because I would not like to speak against a time agreement.

Mr. DINGLEY. I make the observation simply because I do not desire to cut off the gentleman from Texas in any manner, but I believe that he is yielding to various gentlemen not members of the committee.

Mr. BAILEY. These are some promises for a short time that I have made an arrangement for and feel under obligation to comply with even if it comes out of my own time.

Will the Chair kindly inform me how much time the gentleman from Georgia [Mr. FLEMING] occupied?

The SPEAKER. Thirty-seven minutes.

Mr. BAILEY. Then there will be twenty-three minutes of his hour left?

The SPEAKER. That is correct.

Mr. BAILEY. I yield——

Mr. DINGLEY. I desire to say that I shall move, as near 11 o'clock as possible—certainly not later than that—the previous question on the adoption of the report.

Mr. BAILEY. I understand that.

I yield ten minutes to the gentleman from Ohio [Mr. MCDOWELL].

Mr. MCDOWELL. Mr. Speaker, within a few hours there will have been placed upon the statutes of the United States a new tariff or revenue measure. A little more than four months ago the President of the United States convened the Fifty-fifth Congress in extraordinary session for the alleged purpose of providing means "to raise revenue and to encourage the industries of the United States." After these four months of deliberation, what is the result? First, there is an evidence that the Republican party has once more played falsely with the American people.

Instead of providing a measure that will raise revenue, as the purpose was stated to be, we have not that, but we have a measure that provides profit and support for the trusts and combines of this country. It was generally believed by the American people that when Congress convened in extraordinary session, a moderate tariff bill would be framed in a short time, and Congress would adjourn. Instead of that, the people have been disappointed. The work has undoubtedly, as it shows upon the face of the measure that we have before us, been conducted in such a manner that all the trusts and combines have had their interests looked after, and the interests of the people have been ignored, to suffer as heretofore.

I have said that there is another evidence of playing false with the American people. In the election last year it was stated the country over that all that the American people had to do was to elect Major McKinley; that confidence would be restored and prosperity would once more come. In this the people were disappointed. It was a false promise. Confidence was not restored. Prosperity has not come.

I wish to read a few words uttered by one of the greatest exponents of the gold standard in the last campaign, and one of the most able advocates of the election of President McKinley, to show that prosperity has not come. In the Forum for July there is an article by J. Laurence Laughlin, professor of political economy in the University of Chicago, who, as I have already said, was one of the chief exponents of the gold standard last year, and a man who did more, probably, to mislead the people of the West than any other man who worked for that side in the campaign. He says:

The present heavy depression of industry is certainly a far cry from the cheerful bustle of prosperity which the general public expected as a consequence of Mr. McKinley's election. Indeed, so universal was the belief in recovery in case of Republican success that last November was regarded as the *turning point* of all industrial suffering. The feeling of confidence immediately after the election caused a great rise in the prices of securities, only to be followed, within a month or two, by a steady and disheartening decline. Since then industry has moved with leaden feet.

This comes not from a Democrat, but from a Republican of Republicans. If anyone on this side were to make the same statement, it would be denounced as mere partisan claptrap; but here we have the words of a person who is regarded as one of the most eminent of our economic writers in this country. I wish to quote a few sentences further from what he says in this same article:

A tariff bill was expected from the McKinley Administration by most well-informed men, if only to provide a larger income to meet existing deficits; but it was generally assumed that it would be a moderate measure.

The American people expected that we would have a moderate measure; that it would not be a high protective measure; that it would not be a restoration of the McKinley tariff; but in this they have been disappointed. You are not only restoring the McKinley tariff, but you are making a tariff that carries much higher rates than that bill. In the words which follow Mr. Laughlin charges the majority party of Congress with playing falsely with its supporters:

Indeed, in the days immediately following the election, in a flush of grateful appreciation for the help of sound-money Democrats, Republican newspapers freely suggested a tariff with such reasonable duties that these new allies might have no reason for ever leaving the Republican fold. And during the *campaign* the statement in the St. Louis platform to the effect that the party was not pledged to any particular "schedules" was explained to mean that no such extreme duties as those in the McKinley bill (which might be suggested by the nomination of Mr. McKinley himself) were intended. The necessity of the special session of Congress was based on the imperative need of additional revenues to overcome the deficit, and not ostensibly on the need for greater protection.

Moreover, it was urged that if the gold reserve were to be kept intact, or a surplus provided with which to retire greenbacks, more income was demanded. It need not be said that these aims do not seem to have guided the framers of tariff legislation up to the present time. A moderate bill, so adjusted as to provide sufficient revenues, followed by a speedy adjournment of Congress, would, no doubt, have given the country—even though suspicious of the monetary situation—great encouragement to undertake important enterprises.

Further on Professor Laughlin says:

Instead of this, what was the country given?

And he says in answer to his own question:

A tariff of exaggerations, a tariff of scandals, a tariff of barbarisms, a tariff which antagonized both Republicans and Democrats, and whose extreme provisions have been so thoroughly advertised throughout the length and breadth of the land that counter agitation for a reform of customs duties is seen to be quite inevitably a part of the future, even before the bill is enacted.

Instead of an act likely to be acquiesced in, and under which the industries affected could count upon some reasonable certainty for a few years ahead, the exasperation at the methods of our national legislators is so intense, so contemptuous, that permanency of tariff legislation is "an iridescent dream." It is believed that this legislation is being framed neither in accordance with protective principles per se, nor for purposes of revenue, but by a process of bargaining for selfish gain which will not bear the light.

Here is one of the most valued supporters of Major McKinley in the last campaign now repudiating the acts of his party and denouncing the tariff bill about to be passed. His characterization of this bill is worthy of special attention. I believe it is most apt and just. Professor Laughlin's opinion is likewise that of many other noted men who voted for the Republican Presidential candidate last fall.

Mr. Laughlin states an important fact, namely, that this tariff act will not be acquiesced in. It is not a law which the best interests of the country demand. It does not carry the marks of honest intentions and unselfish motives. This measure is of such character that tariff agitation will go on. The honest toiling masses of this country will not submit long to unequal and unjust taxation.

Had the framers of this bill set about to make a bill to provide sufficient revenue, they could have, within a few weeks, so amended the law now in force, Congress could have adjourned many weeks ago, the people of this country, except those holding large interests in trusts and great combines, would be satisfied, and business men could proceed with some certainty as to the future.

Professor Laughlin, in the article from which I have quoted, in commenting upon the method of preparing this bill now before us, says:

The system by which the special interests are themselves not merely permitted, but invited, to fix the customs duties levied on their products may be compared to disputants sitting in court and passing judgment on their own cases. Such a system contains in itself the elements of its own destruction.

What mighty words of truth! How prophetic! Although the writer is not a member of Congress, he seems to know some inside facts. He understands that the schedules of this bill were fixed by agents of trusts and manufacturers. Who can point out one schedule that was fixed by the farmers of this country? Yet every fair-minded man in this House must admit that the agricultural industries of this country are suffering the greatest of all. What has been done to benefit the farmers and laborers? Nothing. But they will be compelled to pay more for what they must buy.

The sugar trust has been highly favored in this bill. To-day sugar has gone up 6 points. The great lumber kings have been given $2 a thousand on lumber. The great butchers in Chicago are granted a duty on hides. Now, four men out of five believe the cattle raisers will not be benefited by this duty. It is alleged that this duty is allowed to remunerate the millionaire butchers for what they contributed to Mr. HANNA'S campaign fund.

Professor Laughlin says:

It may not be a pleasant thing to say, but never before—at least in this generation—has there been such widespread loss of confidence in the honor and integrity of our public servants in Congress. One almost hesitates to put into words the frequent admissions of thoughtful men that national legislation is to-day bargained for, if not actually bought and sold. So far has suspicion gone that it is even bruited about, as matter of common report, that while the President himself may not have made election promises, yet his agents have engaged for him, in the form of a tariff bill, to allow numerous interests to recoup themselves from the country for advances made to secure the nomination and election of their candidate. The audacity, the unblushing "grab," displayed in Washington gives color to such reports; else why should such legislation be given its strange preeminence over monetary reform?

And further on in the article he says:

Even if the tariff bill be enacted, we shall not, by any means, see the fetters removed from our hampered industries.

Mr. Speaker, what the people of this country want is a moderate tariff measure that will provide sufficient revenue; a revenue law that lays taxes in an equal and just manner.

Mr. DOCKERY. Mr. Speaker, I avail myself of the courtesy of the House to submit one or two observations in reference to the pending measure. The Dingley tariff act is the nineteenth general revision of the tariff in the history of our country, and it will very shortly supplant the Wilson Act. It is impossible to accurately estimate the annual revenue it will yield to the Treasury, but for every dollar it brings to the Treasury it will yield at least five times as much to the already plethoric income of trusts and monopolies. The benefits to protected interests are enormously out of proportion to the advantages which will accrue to the Treasury.

The bill in great part is framed along the rigid lines of the protective policy, which operates to limit importations, and thus decrease Federal revenues. If the measure does not revive our languishing industries and restore prosperity to the people, it will at least add to the already colossal fortunes of men who have heretofore been the beneficiaries of the protective system. The manufacturers have, therefore, abundant reasons for exultation, but there is no joy for the men in their employ. The trusts which have been built up and fostered by the system can rejoice, but the farmer, whose market for surplus products becomes narrower, will have no occasion to applaud.

It may be said, however, that the Dingley Act liquidates in part the campaign obligations of the distinguished chairman of the Republican national committee, MARK HANNA. Very shortly after the passage of the Dingley bill by the House I was present at a conversation between two distinguished Republicans of national reputation, in which one of the parties to the conversation predicted that unless the rates of the Dingley bill were sharply reduced before its enactment into law the law would become so

odious to the people as to destroy the protective system. That warning was unheeded.

The bill as reported by the conference committee is probably higher in many of its schedules than when it originally passed the House, and easily surpasses in its average rate of taxation the McKinley law. The average rate of taxation under the McKinley law was 49.58 per cent; the average rate of taxation under the Wilson Act 39.94 per cent, while the average rate of taxation under the Dingley Act will probably be about 58 per cent. It remains, therefore, to be seen whether the prophecy of this distinguished Republican will be fulfilled. Mr. Speaker, the McKinley Act increased almost all duties.

Under the McKinley policy the ramparts of protection were raised at every point, and its lines bristled with prohibitory duties. It imposed higher rates of taxation than had been exacted by any prior tariff act, and was a defiant challenge of commercial war to the nations of the earth. The Wilson Act succeeded the McKinley Act, and although unsatisfactory in some of its schedules, it made a long stride in the direction of freer trade. The Wilson Act transferred to the free list 106 articles which were subject to duty under the McKinley Act. The rates of taxation on 100 other articles were reduced from 50 to 75 per cent, on 367 articles from 25 to 50 per cent, and on 238 articles the reduction exceeded 25 per cent.

The rates of taxation on 128 articles remained as they were in the McKinley Act. The Wilson Act (because of the nominal Democratic majority in the Senate) was tainted with protection in a few of its schedules, and yet its operations fully vindicate the wisdom of the Democratic theory in respect to taxation and foreign trade.

The exhibit of the exports and imports of the United States, only recently issued by the Bureau of Statistics, shows a marvelous growth in our export trade during the last fiscal year, which is without precedent in all our history.

The total exports of domestic and foreign merchandise aggregated $1,051,987,091, being $169,380,153 in excess of the preceding fiscal year, while at the same time the imports were $764,373,905, or $15,350,000 less than the previous year. That is to say, under the policy of reciprocal trade the United States during the last year increased by $169,380,153 the value of its surplus products sold abroad, the amount purchased abroad having been $15,350,000 less than during the preceding year. It is obvious, therefore, that if commerce is unfettered this country can again successfully compete with the great commercial nations of the earth. The benign policy, however, under which our commerce is rapidly increasing will be reversed by the Dingley Act.

The highways of ocean commerce and the markets of the world are to be again surrendered to England and other nations and the business enterprise of our own people limited to our own shores. But, Mr. Speaker, the conference report having been so recently submitted, and without the usual accompanying comparative statement, it is impossible for me at this time to critically analyze the rates of the Dingley bill, but it is manifest that taxation runs riot in all of its schedules. It is estimated that more than 200 classes of articles carry tax rates averaging between 50 and 75 per cent; more than 50 classes average between 75 and 100 per cent, while more than 100 classes of articles carry duties in excess of those levied by the McKinley Act.

"McKinleyism" and "Dingleyism" are both extreme illustrations of the vicious policy of paternalism. The McKinley Act, in the campaigns following its enactment, led the Republican party to disaster. The Dingley Act, in the campaigns to come, will prove still more disastrous to that party.

It was Waterloo for the Republican party in 1890 and 1892. It will be Waterloo, Sedan, and Pultowa, all in one, in 1897 and 1898.

Mr. BAILEY. Mr. Speaker, I yield five minutes to the gentleman from Kentucky.

Mr. BERRY. Coming from a State, Mr. Speaker, where tariff reform had its birth, almost, after the war, when the extravagant bills of the Republican party had been passed; representing, as I do, nearly 200,000 people upon this floor, I feel it due at least that I should express my condemnation of this bill. I do not think that I will be able to come up to the standard of the distinguished gentleman from Maine [Mr. DINGLEY] when he says that speaking is worth $100,000 a day, for I would take a very much less amount than that for anything I am going to say this evening.

Still I want to say to the gentleman from Maine that, while he thinks this may bring $100,000 of revenue into the Treasury of the United States, I am well satisfied that it will take from the American people who consume the goods protected by this tariff bill many millions a year that they would not have to pay if the law as it now stands upon the statute book—the Wilson bill, I mean—continued in force; for we find this remarkable condition of things under the Wilson bill, that while in the last year of the McKinley bill only $158,000,000 of goods were exported from this country, in the last year $278,000,000 of the products of the manufactures of this country have been transported from this country to foreign lands, giving labor to the American people thereby and broadening the market in which the American goods were sold, which is the thing that we want and what I have been taught to believe in my State as a Democrat.

I do believe that the only right we have is to pass a tariff for revenue, and that alone; and when this bill is urged for the purpose of protecting the industries of this country and encouraging them, it is directly in the face of every idea that has been taught in the Democratic party from the days of Thomas Jefferson down to the present.

We had a meeting in the city of Louisville, in my State, the other day of those Gold Democrats who voted for Mr. McKinley [laughter], and they agreed that the worst piece of perfidy ever practiced on the people of the United States was now being contemplated. That is what was said by these Democrats, after voting to elect Mr. McKinley, about an extra session being held to pass a tariff bill to levy more duties upon the consuming public of the United States. Still these gentlemen are getting their reward. They call themselves the "National Democratic party." They claim to be the "Simon Pure" Democrats.

Whether they are or not is a question to be settled by the American people. When this measure shall have been put upon the statute book of the United States, we will settle the question before the American people. In two years from this they will discuss this question, and I trust we will find, as we once before did, the distinguished Speaker standing over there with a few of his chosen cohorts attacking the Wilson bill as then presented, when the distinguished gentleman from Georgia, Mr. Crisp, stood up for the principle as laid down in the Wilson bill at that time.

I believe that as between the two bills it would be better for the people of this country and better for the manufacturers of this country if we were to allow the Wilson bill to stand where it is, for it will be said of your Dingley bill as was said of the Wilson bill four years ago, when capital said, "Let there be peace and quiet in this country." That is what manufacturers want. The American people say, "Give us a broader and better market. What we need is not the home market of 75,000,000 people, but we want the market of the world, so that we can supply 300,000,000 or 500,000,000 people. That gives to the manufacturer something to do every day, and not have strikes and shut-downs and the people without work because there is no demand for their goods. We want a wider market, a better opportunity to sell the products of American manufacture." I remember a striking incident in this House, when the distinguished gentleman from Massachusetts [Mr. WALKER], who talked well upon the tariff from the high protective standpoint, wanted free hides because he said that $20,000,000 worth of shoes were sent out to the foreign market, and that with cheap hides in this country they could supply the foreign market with shoes; but when it comes to touching the shoe manufacturer, he says, "Give us free hides and no protection." This has been going on ever since the war; and now I believe that the present bill is the worst that the Republican party has ever presented, worse even than the Morrill tariff, passed during the war. [Loud applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. BAILEY. Mr. Speaker, if the final settlement of this question depended upon the vote which we are about to take, I would consider it an imposition on the patience of the House to occupy its time in further argument, because I know that nothing which I may say will change the opinion and that nothing which any man could say would change the vote of a single gentleman on this floor. But, sir, it is a fortunate circumstance that this, like all other great questions in our country, must be settled finally by the 15,000,000 voters whose Representatives we are, and not by the 357 members who compose this body. It is not to you, therefore, but it is to those who must decide between you and us that I desire to submit a brief and dispassionate statement of our views. In doing this I shall endeavor to avoid the error of those who speak as if the tariff were our most important question without falling into the error of those who speak as if it were our least important question. I am one of those who think that while the tariff is second in importance to another great question it is nevertheless a question of vast importance to the people of this country. My judgment is that finance and taxation are our greatest economic questions, and though it may be proper to settle them one at a time, both must be settled wisely before this country can attain its highest prosperity. No tariff legislation can make this country prosperous under its present financial system, and no financial system could make the agricultural sections of this country prosperous under a tariff law which compels the farmers to pay exorbitant prices for their manufactured goods. Whatever may be my opinion as to the relative importance of this question, it is the only one before us now, and I shall confine myself on this occasion to a discussion of it alone.

You have attempted to defend this bill, with its enormous increase of taxation, by alleging that the present law will not yield sufficient revenue to support the Government; and in order to

convince the country that this is true the Committee on Ways and Means embodied in its report to the House the following statement and table:

For nearly four years the revenue has been inadequate to meet the current expenditures and pay the interest on the war debt. The deficiency during this period has been as follows:

Fiscal year ended June 30—	
1894	$69,803,260
1895	43,805,223
1896	25,203,246
1897 (estimated)	65,000,000
Total deficiency	203,811,729

The distinguished gentleman [Mr. DINGLEY] who prepared that report will find it difficult to explain why he included the deficiency for 1894 in his indictment against the present law, when he knew that every dollar of that deficiency had occurred under the McKinley Act; and his reputation for foresight will not be improved by the fact that he estimated the deficiency for the fiscal year of 1897 at $65,000,000, whereas the returns, which are now complete, show that it was less than $19,000,000. Omitting 1894, whose deficiency, of course, can not be charged to the present law, and correcting the figures for 1897 by inserting the actual deficiency of $18,623.107 in place of the estimated deficiency of $65,000,000, the table would stand this way:

Deficiency for the fiscal year ended June 30—	
1895	$43,803,223
1896	25,203,246
1897	18,623,107
Total deficiency	87,629,576

It will be observed that the deficiency for 1896 is 40 per cent less than that for 1895, and that the deficiency for 1897 is 25 per cent less than that for 1896; and it is well known to everybody that if the last Republican Congress had not increased its appropriations over those of the preceding Democratic Congress the decrease in the deficiency of 1897, as compared with 1896, would have been even greater than the decrease in the deficiency of 1896, as compared with 1895. The conclusion to which all of this inevitably leads is that the deficiency is a rapidly diminishing one, and that it would disappear altogether if the present law were continued in operation and the appropriations were kept within reasonable limits. If our Republican friends insist that 1897 ought to be excluded from consideration, I will admit that a year which immediately precedes a revision of the tariff is not always a safe basis for comparison; and to avoid complicating the argument I will set it aside and I will take the fiscal year of 1896 as the fairest test of the revenue-producing power of the present law. The deficiency for that year was $25,203,246; and undoubtedly such a deficiency, under normal conditions, would call for a change in the law. But it would be necessary to ascertain whether or not the conditions had been normal before any intelligent change could be proposed, because every sensible person understands that a law which under ordinary circumstances would yield ample revenue might under extraordinary circumstances result in a deficiency. Now, sir, every man who possesses even a superficial knowledge of public affairs knows that conditions were not normal in 1896, and that our importations during that fiscal year were smaller than usual; in consequence of which we collected less money at the custom-houses. But the Treasury statistics make it plain that if our imports in 1896 had been equal to our imports in 1893, there would have been no deficiency. [Applause on the Democratic side.]

I have never been an enthusiastic supporter of the present law, because I can not subscribe to the theory of free raw materials, which is one of its marked characteristics; but with that exception it is very much better than it has ever been credited with being. No important measure in the history of this country was ever enacted under circumstances so unfavorable for its fair trial. It was denounced on its final passage by the author of it, and it was discredited by President Cleveland, whose course in reference to it no one would undertake at this time to defend; for when the passions of that contest had cooled, we were all ready to agree that either his duty to his party required him to approve that bill, or else his duty to the country required him to disapprove it. There was no middle ground. If the bill was so bad that for the sake of his party he could not sign it, then it was so bad that for the sake of his country he ought to have vetoed it; but he stubbornly refused to do either, and suffered it to become a law, derided by its enemies and deserted by its friends. And yet, sir, we have seen this despised and nameless outcast vindicate itself as a revenue measure at least until all fair-minded men will now acknowledge that as it stands to-day it would raise money enough, under normal conditions, to defray all proper and current expenses; and that it would have provided the means for a gradual extinguishment of the public debt if its income-tax provision had not been nullified by that remarkable decision which has done more to destroy popular confidence in the integrity of the Supreme Court than all the enemies of that court could have done in an hundred years. [Applause.]

REDUCED EXPENSES BETTER THAN INCREASED TAXATION.

But, Mr. Speaker, even if we should concede that the revenue received in 1896 is a fair criterion by which to judge the present law, and that we can expect no increase under it except that which will come from the growth and development of the country, it would not conclude our argument against this levy of additional taxes. There are two ways, sir, of preventing a deficiency. It can be done by reducing expenditures just as effectually as by increasing taxation; and if the revenue under the present law is not sufficient to meet the public charges, Congress ought to reduce its appropriations instead of increasing the people's taxes. The greatest of the Roman senators used to say that economy is a resource which was always available to supply deficiencies, but our Republican friends do not believe in that philosophy. They never consider how they can spend less, but it is always how they can collect more, and nothing could better illustrate the baleful effect of the protective theory than the fact that it banishes all thought of retrenchment from the minds of those who advocate it. Nor is it strange that this should be the case; because as protection inculcates the absurd and dangerous notion that taxation is a benefit rather than a burden, it is natural that it should lead to the wasteful expenditure of public money. Men who support a theory which affirms that high taxes encourage the industry and promote the happiness of our people can no more resist extravagance than they can suspend the laws of nature. To successfully defend the system of protection they must justify the extravagance which it breeds, and many of its advocates have grown bold enough to do this. We have heard it proclaimed in this Hall over and over again that the public money ought to be spent ungrudgingly: we have heard the strict economy which was once professed by all parties denounced as parsimony: we have heard the prodigality which spends without question praised as the true policy of this Government; and when some of us, in the name of an outraged people, have ventured to protest, we have been answered with glittering phrases about the greatness of this country. We have been told that liberal appropriations make a strong and splendid government; and so they do, but they also make a weak and servile people. [Applause on the Democratic side.] The glory of a free republic is not in its standing army, its great navy, and its magnificent buildings; but in the contentment of its people; in the equality of its laws; and in the justice of their administration. If protection had no other sin to answer for, it would be enough for us to know that it turns us from the frugal habits and simple tastes of our sturdy forefathers and teaches us to forget—

How wide the limits stand
Between a splendid and a happy land.

No system can be a good one which encourages extravagance; because, sir, extravagance is a vice which enfeebles the mind, benumbs the conscience, and degrades the character of a people. An extravagant nation can no more escape becoming a corrupt nation than a spendthrift can escape becoming a vagabond.

A FALSE PRETENSE.

The pretense that the bill under consideration is designed primarily to increase the public revenues is a false one upon its very face; because if that had been the object, it could have been accomplished without disturbing all the business interests of the country by a general revision of our tariff duties. A slight change in the existing law would have sufficed. An amendment substituting the sugar schedule of the pending bill for the sugar schedule of the existing law, with the differential duty in favor of the sugar trust entirely eliminated, would have increased the revenue at least $21,000,000, and the substitution of the tobacco schedule of the pending bill for the tobacco schedule of the existing law would have added over $7,000,000 more, making a total increase by these two amendments of $3,000,000 above the deficiency of the last fiscal year.

Revenue for the Government, however, was not the real purpose which the framers of this bill had in their minds. They desired to collect more money, it is true, but their purpose in doing that was almost wholly apart from the support of the Government. On the first page of his report the distinguished chairman of the Committee on Ways and Means shows that the difference between the Government's receipts and expenditures during the fiscal year of 1896 was less than $26,000,000, and toward the conclusion of his report he declares that this bill, as originally reported to the House, was expected to raise $113,000,000 more than was collected under the present law during that time. We know as a matter of record that the statement as to the deficiency of 1896 is correct; and it is not necessary for us to inquire whether the estimate of revenue under this bill was correct or not, because certainly the committee can not complain if I accept its own statement as to the results of its own bill. Accepting the committee's estimate that their bill as originally reported to the House would have raised $113,000,000 more than was collected in 1896, when the deficiency was less than $26,000,000, we find that they desired to

take from the people of the United States each year nearly $90,000,000 more than was required for the economical administration of the Government. With that report before us we instantly and unhesitatingly charged that the Republican party was seeking to accomplish through the indirect means of taxation a purpose which it dared not openly avow. We charged that their object in creating that enormous surplus was to accumulate the promissory notes of the Government in the Treasury and to hold them there, thus effectually withdrawing them from circulation. We have repeated that charge in the most specific manner, and no Republican with authority to speak has ever made a specific answer to it.

While there is no reasonable doubt as to what the Republican leaders of the House expected and intended to do, their purpose has been, at least partially, defeated by the amendments of the Senate. I do not mean to imply that the dominant party in the Senate is entitled to any credit for playing at cross purposes with their friends in the House: for the Senate appear to have amended the House bill not so much because they were opposed to the object which the House had in view as because they seemed to think that the House's zeal had outrun its judgment, and that instead of yielding a surplus, which would enable the present Administration to collect and retire the greenbacks, its bill would have resulted in a deficiency. I have no interest in this conflict of opinion between the Republicans of the House and the Republicans of the Senate. The Republican members of the Ways and Means Committee in framing their bill had followed, in the main, the rates and the provisions of the McKinley bill, and they calculated that their bill would raise more than $260,000,000 each year. In view of the fact that the McKinley bill in 1893 yielded over $200,000,000 with sugar on the free list, they did not think it unreasonable to suppose that their bill, so similar in all respects, would raise as much revenue as the McKinley bill plus the collections on sugar, which will not fall below $50,000,000. They had overlooked, however, the fact that prices have fallen very greatly since 1890, and that a specific duty which in 1890 had been fixed at the maximum revenue-producing point would, in consequence of the fall in prices, be prohibitory in 1897. To illustrate this: If the McKinley bill laid a specific duty of 15 cents per yard on cloth worth 30 cents per yard, the duty would have been 50 per cent, and would have allowed its importation, thus yielding some revenue; but if the price of that cloth, having fallen through all the years since 1890, is now 20 cents per yard, a specific duty of 15 cents per yard is equal to 75 per cent, which might prevent its importation and destroy all revenue from it. In overlooking this important consideration, the Ways and Means Committee made a serious mistake, and the Finance Committee of the Senate was probably right in concluding that the House had fixed many of its rates so high as to be prohibitory, and to thus impair the revenue.

FOREIGN COMPETITION.

But, Mr. Speaker, it would not be a fair attack upon the Republican party to debate the pending bill exclusively as a revenue measure, for while the Republican leaders pretend that the Government has been suffering from the lack of money, they do not stop there. They go to the extent of saying that, even if the Government did not need more revenue, they would repeal the present law, because they assert that it has subjected the industries of the United States to a ruinous foreign competition, and to that cause they attribute the depression which prevails in all commercial, industrial, and agricultural pursuits.

The report of the Committee on Ways and Means asserts that—

Many of our industries have suffered materially from unequal foreign competition.

And I hold in my hand a circular issued by the American Protective Tariff League, of which a Cabinet officer in the present Administration is a leading member, which declares in its opening sentence that—

The entire country, as you know, is suffering beyond description from the industrial invasion of goods of other countries through the Wilson-Gorman free-trade tariff.

This declaration, as the declaration contained in Chairman DINGLEY'S report, assumes two things: It assumes, first, as a matter of fact, that our industries have suffered from foreign competition; and it assumes, second, as a matter of principle, that the Government has the right to restrict that competition. Whatever room there may be for a difference on the question of principle, and however impossible it may be for human reason to reach a conclusion on it which will be accepted by all, there ought not to be and there is not the least difficulty in arriving at a positive and a satisfactory conclusion on the question of fact.

Have the industries of the United States suffered under the present law from foreign competition? It is only necessary for us to examine the Treasury reports to find our answer. As remarkable as it may appear after all that our Republican friends have said, the Treasury reports show that instead of foreign competition increasing under the present law, it has actually decreased as compared with the McKinley law. At the close of the last fiscal year the present law had been in force thirty-four months, and the importations under it had been less than $2,170,000,000, while during the first thirty-four months under the McKinley law our importations exceeded $2,387,000,000; or, to state it in a different way, when the McKinley law had been in operation the same length of time as the present law the imports under it exceeded the imports under the present law by more than $200,000,000. Thus the undisputed and indisputable facts completely negative the assertion of the Republican members of the Ways and Means Committee, and of the American Protective Tariff League, and show that the industries of the United States have suffered less from foreign competition under the present Democratic law than they did under the former Republican law. The truth is, Mr. Speaker, that all the industries of this country, those exempt from and those subject to foreign competition, have suffered; but the suffering of all has been produced by a cause that bears no relation to the tariff question, and the suffering of some has been greatly aggravated by a high tariff.

Assuming for the sake of argument that the industries of this country have suffered from foreign competition, let us inquire how the framers of this bill have undertaken to correct what they consider a great evil. Here at least they have been candid, and they have not left us to conjecture either their motive or their method. They have written it in the very title of their bill that one of its purposes is to encourage the industries of the United States, and with almost equal candor they have declared that the high duties which it imposes are for the purpose of preventing foreign manufacturers from selling their goods in our markets. The object of such a regulation appears to be so patriotic that many men overlook its effect. They forget that in preventing foreigners from selling their goods to us we also prevent our people selling their goods to foreigners. They forget that nations, like individuals, can only expect to find purchasers for their goods when in their turn they become purchasers of the goods of their customers. They forget that international commerce is essentially a system of barter and exchange, and that through a series of years its debits and credits will preserve a remarkably regular proportion. The gentleman from Maine [Mr. DINGLEY] knows as well as I do that if each nation in the world should forbid its citizens to buy commodities produced in other countries, international commerce would be completely annihilated, because there could be no sellers if there were no buyers. And yet, though he will not deny that absolute prohibition against foreign buying would totally destroy foreign selling, he will not admit that a restriction on foreign buying correspondingly restricts foreign selling.

Mr. Speaker, I lay it down as an elementary principle of political economy that no government can encourage the industries of its people by discouraging the exchange of their products. Exchange is the great inducement to production, and whatever interferes with the freedom of exchange must ultimately curtail production. In the nature of things no man would produce more than enough to satisfy his individual needs, unless he believed that he could find somebody to buy his surplus; and if no purchaser for the surplus could be found or expected, each man would cease to labor when he had supplied his own wants. The right and the opportunity of buying and selling are the salutary and indispensable motives to produce, and it is the consummation of folly to teach the people of this country that their industries can be encouraged by abridging their right to exchange the products of their labor with the people of other countries. I know, of course, that Congress can encourage particular industries by compelling all others to contribute toward the prosperity of the favored ones; but I also know that the discouragement to those who are compelled to contribute is as great to them as the encouragement is to those who receive the contribution. I know that a law which would compel the people of Rhode Island to give one-half of what they make each year to the people of New Hampshire would, for a time at least, make the people of New Hampshire more prosperous than they otherwise would be; but it is equally certain that the people of Rhode Island would be less prosperous than they ought to be. Such a law would add something to the wealth of New Hampshire, but at the same time it would take an equal sum from the wealth of Rhode Island, and would add nothing to the combined wealth of the two States. On the contrary, if such a law were continued in force through any considerable period of time, it would culminate in seriously impairing the wealth of both States, because the people of New Hampshire, expecting to live upon the labor of the people of Rhode Island, would feel less inclined to labor for themselves; and the people of Rhode Island, smarting under the sense of a great injustice and denied the hope of enjoying the wealth which their labor had created, would lose the highest inspiration to work.

Legislation can affect the distribution of wealth, but can not produce it. The law can not make two ears of corn or two blades of grass grow where only one grew before, but it can take one

from the man whose labor has produced two and give it to another who has produced none. Such a law, however, injures the individual without benefiting the public. Indeed, such a law will ultimately injure the public as well as the individual, for in allowing one man to live upon the labor of another it discourages the efforts of both, and thus diminishes the total production of wealth. Men will not produce to their full capacity unless they can hope to enjoy the fruits of their labor; and it is an economic absurdity to suppose that the wealth of this country can be increased by encouraging men to establish enterprises which can only be made profitable by overcharges against other and more useful industries. Instead of employing our labor and materials in the production of commodities which can only be produced for the home market at a loss, it would be wiser to extend our commerce by exchanging what we can produce at a profit for articles which can be more cheaply produced in other countries, because profitable commerce is infinitely better than unprofitable manufacturing. [Applause.] The whole theory of protection is based upon the fundamental error that Congress can direct the energies of our people better than their own enlightened self-interest. I do not believe that. I believe that every man is better qualified to choose his own pursuit than the Government is to choose it for him. Give the self-reliant and self-respecting American citizen the untrammeled opportunity to apply his own energy in his own way, and he will achieve the best results. Let him seek the best markets for his goods, and he will bring treasures from every country on the globe to enrich his own. [Applause.] Give him open competition, and with his intelligence for his shield and his enterprise for his sword he will conquer the industrial and commercial world. [Applause.] Remove your vexatious restrictions, and under his old motto of "Free trade and sailors' rights" he will fleck the waters of every sea with the white-winged messengers of your commerce and he will carry your flag into every region of the earth. [Applause.]

TRUSTS.

Not only is it true, Mr. Speaker, that protection diminishes our wealth by abridging the freedom of international exchange, but it is also true that it diminishes our wealth by fostering those combinations of capital which are formed for the purpose of limiting production in order to maintain prices. Trusts are the legitimate and unavoidable outgrowth of protection, and both aim at the same end. Each is intended to enable the manufacturer to escape competition. Protection is designed to protect domestic manufacturers against foreign competition; but does any man suppose that when our manufacturers have learned how profitable it is to be relieved from foreign competition they will suffer a diminution of their profits by competing against each other? The same motives which impel the manufacturers to apply to Congress for protection against foreign competition appeal to them with equal or even with greater force to prevent competition among themselves. Not only, sir, is combination a corollary of protection, but the organizers and attorneys for these trusts have borrowed the argument, and almost the very language, of the protectionists; and the highest court in Germany has recently decided that trusts are not against the public policy of a nation which adheres to the theory of a protective tariff. I have been unable to procure the text of that decision, but I have a summary of it printed in the issue of Public Opinion of June 24, 1897, for which it was specially translated from the Berlin Tageblatt, and I will ask the Clerk to read it at the desk.

The Clerk read as follows:

The highest court of the German Empire, sitting at Leipsic, has rendered an important decision, which we summarize below, concerning combines or trusts. The decision will be of great interest to the other nations, and particularly to the United States, where trusts have come to exercise such a prominent part in the commercial and industrial affairs. The court mentioned has declared emphatically that trusts and similar combines are entirely legal. The grounds upon which this decision were based were as follows: When in certain industrial pursuits the prices of products are sinking so low as to make business impossible or as to endanger the successful carrying on thereof, the crisis which necessarily follows is not only disastrous to the individual concern, but also to internal affairs generally.

For this reason it is in the interest of the entire State that inadequate low prices shall not prevail too long in any industrial branch. Realizing this principle, the legislative bodies have repeatedly and only recently undertaken to bring about an increase in the prices of certain products by the establishment of protective duties. For this reason it can not be deemed certainly, or generally speaking, obnoxious to the interests of the community when the manufacturers of certain articles form what is called a trust, with the object in view of preventing ruinous competition and for the purpose of mitigating the downward tendency in the prices of their particular manufactures.

On the contrary, such combinations can be looked upon, not only as warranted by the instinct of self-preservation, but as a measure for the interest of the whole community as well. Especially is this true in cases where prices are so low that the manufacturers of the articles are on the verge of financial disaster. For this reason the building of syndicates or trusts has been designated by a number of authorities as a means which, when properly managed, would prove extremely expedient to prevent detrimental and unwarranted overproduction.

Mr. BAILEY. Almost every reason which can be given for the enactment of a protective-tariff law is a defense of all the trusts in existence; and it was his clear perception of this fact that moved Mr. Blaine to utter his celebrated protest against the assaults which were begun upon these combinations ten years ago. They tell us that these large aggregations of capital, by guarding against the competition which they call industrial warfare, can produce their goods more cheaply, and will therefore sell them more cheaply. This is the old argument over again. For years the friends of protection have insisted that if Congress would secure our domestic manufacturers against the competition of the Old World, these gentlemen would within a reasonable time become rich enough and strong enough to voluntarily reduce the price of their goods, or if they did not reduce prices voluntarily, they would be forced to do so by domestic competition. They persuaded many people to believe that these manufacturers when relieved from foreign competition would in time become competitors against each other; but those who believed that miscalculated the strength and intensity of human greed. Had they been as wise at first as they have become through experience, they would have known that men who have long enjoyed an immunity from competition will resort to every possible means to continue that immunity; and as for my part, I do not wonder that, having been taught by the apostles of protection that they can be made rich and powerful by being saved from competition against foreigners, they should fully understand that they can be made richer and more powerful by being saved from competition among themselves.

The friends of protection can not assail the trusts without admitting the Democratic contention that unrestricted competition is desirable, and that admission overturns the very foundation of the protective system. Political parties must be consistent in their positions, and however honestly the Republican party may be opposed to trusts as an independent proposition, it can not and it will not oppose them if in doing so it finds it necessary to attack, even by inference, its favorite theory. It is not surprising, therefore, that Republican members of this House, like the gentleman from Massachusetts [Mr. WALKER], have volunteered to defend the trusts. The country, however, will understand that the gentleman from Massachusetts, while bolder in his speech, has not been different in his conduct from the rest of his party. From the beginning to the end of the debate on this bill, both in the House and in the Senate, you have consistently and persistently defeated every effort to destroy these unlawful combinations of capital. Let us, Mr. Speaker, look for a moment at the attitude of the two parties on this question. You had prepared a bill intended to prevent foreign competition, and you averred that domestic competition would sufficiently reduce the price of all commodities to the people. We controverted your proposition, and asserted that the manufacturers of this country, having been secured against foreign competition by a protective tariff, would secure themselves against domestic competition by combinations among themselves. Thus the issue was made up when we entered upon the consideration of this bill by paragraphs, and at the very earliest opportunity we tested your confidence in your position. To the first paragraph of the bill we offered an amendment which provided that if the domestic manufacturers did combine to escape domestic competition they should have no benefit of your protection against foreign competition. Did you gentlemen join us in this proposition, as we had a right to expect, if you are really in favor of competition? No, sir; every gentleman on that side voted to sustain a ruling of the Chair which refused the House an opportunity to pass upon the question, and your party in the Senate has resolutely voted down every amendment which was intended to destroy these trusts. Gentlemen, if you are right in asserting that protection will defend our own people against foreign competition and still leave them the benefit of domestic competition, why did you not deny the benefit of protection to those who deny to the people the benefit of competition? [Applause.]

Another more practical but not less potent reason why the Republican party can not undertake in earnest to suppress these hurtful combinations of capital is that its vast and complicated scheme of taxation for private purposes is maintained by the active and financial support of those who have personal and business connections with these trusts; and as you rely upon the votes, the influence, and the campaign subscriptions of trusts, it is unreasonable to suppose that you will deny them a participation in the profits of a system which they have helped to fasten upon the country. [Applause.] We have sufficient and abundant proof of this fact in the pending bill, which gives to the sugar trust a pure gratuity which experts estimate at not less than $4,000,000 annually. You have made some attempt to excuse the sugar schedule upon the ground that you are seeking to stimulate the production of sugar in this country; but if we admit that your duty on raw sugar is necessary to develop the sugar industry of the United States, it does not follow that the differential duty on refined sugar would be defensible. It is hardly pretended by the advocates of this bill that the sugar refiners of this country need this differential duty in order to continue their business. All that has been said amounts practically to saying that the refiners of sugar are entitled to their share of protection, and that is exactly what we charge.

We say that you can not maintain the system without admitting to a participation in its advantages those who do not need them. I am not willing to charge in this high place that the Republican party has sold its intellect and conscience to the sugar trust, and I prefer to believe that it has been driven by the logic of its position to the assistance of a monopoly which has grown so bold under its special privileges that it scandalizes Congress and defies the power of the courts. But, sir, the Republican party must confess that it has sold itself to the sugar trust or it must admit that protection can not deny its benefits to monopoly.

You can not claim that the differential of 66 cents on the hundred pounds of refined sugar is required to make the sugar-refining business profitable. That it is not needed is susceptible of easy demonstration. The advantage which your differential gives to the sugar trust exceeds $4,000,000 annually, while the reports of its own officers show that it declares dividends equal to $7,125,000 per annum, and carries large sums to its reserve fund each year. Taking no account of the reserve fund, and subtracting the $4,000,000 which you give from the $7,125,000 which it declares in dividends, it shows an earning capacity of $3,125,000 without your assistance, which is at least 15 per cent on the actual value of its property. And, sir, although the actual cash value of the property owned by the sugar trust does not exceed $20,000,000, it has been capitalized at $75,000,000, and each share of its stock is to-day worth more than par. Its capital stock is divided into $37,500,000 of preferred stock, upon which there is a guaranteed dividend of 7 per cent, and $37,500,000 of common stock, which has been paying a dividend of 12 per cent. The common stock is of course absolutely worthless until the preferred stock is first paid in full; and although it is perfectly well known to everybody who has taken the trouble to investigate the question that the $37,500,000 of common stock represents nothing except Congressional favor, it is to-day worth one hundred and forty-six cents on the dollar, while the $37,500,000, which represents an actual investment of perhaps $20,000,000, is worth only one hundred and fifteen cents on the dollar. With these facts staring them in the face, the Republicans of this House and of the Senate have increased the tribute which this odious and powerful monopoly is collecting from the American people. Either the men who do these things are dishonest or the system which compels the doing of them is vicious. I have no patience with the narrow view which can not explain the sugar schedule except upon the score of the personal dishonesty of Republican Senators and Representatives, because my experience teaches me that a dishonest man is rare in either branch of Congress. My deliberate judgment is that the sugar trust possesses its power over you not because it buys your individual votes, but because it is a part of your system, and as it helps to support your system, your system is compelled to help support it; and it is certain that trusts will continue to increase in number and power as long as you continue your policy of protection. Men may perceive their danger and cry out against them, but these vast aggregations of capital will go on destroying all individual and independent enterprise until their growth is arrested by the destruction of the protective system which has fostered them.

DEMOCRATIC PRINCIPLE OF TAXATION.

But, Mr. Speaker, we do not rest our opposition to this bill solely upon the ground that it will injure the country by encouraging extravagance and discouraging the production of wealth. We go further than that, and without a moment's hesitation we declare that even if it would add nothing to the expenses of the Government and subtract nothing from the wealth of the country, it ought not to pass, because it is intended to enable our manufacturers to charge our consumers increased prices for their goods. We do not believe that Congress has any right to enact such a law. We stand upon the broad and unassailable ground that taxation can only be justified when it is levied for the purpose of supporting the Government, and that all taxation which is designed to enable one class to collect tribute from other classes is a legalized robbery.

The SPEAKER pro tempore (Mr. PAYNE). The time of the gentleman has expired.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that the gentleman from Texas be allowed to proceed until he concludes his remarks.

Mr. DINGLEY. Mr. Speaker, I would like to ask the gentleman from Texas how much longer time he will probably occupy.

Mr. BAILEY. Well, Mr. Speaker, it appears from the condition of my voice that I shall not be able to speak much longer, but if I conld proceed as long as I had intended I should probably occupy another hour. If, however, the present condition of my voice continues, I shall content myself with printing that which I am unable to speak.

Mr. GROSVENOR. Mr. Speaker, is the vote on this bill to be taken to-night?

The SPEAKER pro tempore. That is the understanding of the present occupant of the chair.

Mr. GROSVENOR. Members on this side have not taken part in the debate to-day. I do not wish to object to the extension of the gentleman's time, but I think he ought to limit himself to some definite time.

Mr. BAILEY. Mr. Speaker, I will not insist on the courtesy of an extension if there is any disposition to object.

Mr. GROSVENOR. What length of time does the gentleman desire?

Mr. BAILEY. Did anybody ask the gentleman from Maine [Mr. DINGLEY) how long he was going to speak, either when he opened the debate on this bill, or when he closed it, or this morning?

Mr. DINGLEY. But a very small portion of the time to-day has been used by this side.

The SPEAKER pro tempore. This colloquy is out of order. The question is on the request of the gentleman from Alabama [Mr. UNDERWOOD], that the gentleman from Texas be allowed to proceed until he concludes his remarks. Is there objection?

There was no objection.

Mr. BAILEY proceeded, as follows:

I am aware, sir, that there are some who pretend to believe that an utterance like this is not in harmony with the platform of our last national convention; but there is nothing in the language of that platform or in the circumstances attending its adoption to warrant that opinion. When our opponents alleged in the last campaign that we had surrendered the Democratic position on the tariff question, we let that, as we let many other calumnies, pass without any special reply; and we would not deem it necessary to answer the accusation now except for the fact that some of our own friends have recently repeated it and have assailed the tariff plank of the Chicago platform as a departure from our well-settled principles. These critics, both inside and outside of the Democratic party, are dissatisfied because the word "only" has been omitted, and because we declared for a tariff which should "operate equally throughout the country and not discriminate between class or section." They appear to think that the omission of that word and the addition of that clause signified an abandonment of our opposition to a protective tariff. Nothing could be further from the truth than this; and I venture to say that no unprejudiced man will contend, after reading the sentence as a whole, that our platform admits of any such construction. Let us see exactly what it says. It declares that—

> We hold that tariff duties should be levied for the purpose of revenue, such duties to be so adjusted as to operate equally throughout the country, and not discriminate between class or section, and that taxation should be limited by the needs of the Government, honestly and economically administered.

In the face of this specific declaration that tariff duties should be laid for revenue and that taxation should be limited to the necessities of the Government, I am unable to understand how anybody can insist that our platform recognizes the right of Congress to tax the people for any purpose except to support the Government. It may be asked, and it has been asked, why we changed our language if we did not intend to change our position. My answer is that we did intend to change our position in one respect, but not in respect to this basic proposition. We omitted the word "only" not because we intended to sanction taxation for any purpose except for revenue, but because it had been construed by a certain school of Democratic statesmen to mean that in laying tariff duties for revenue we would look no further than the single question of revenue, and would wholly ignore all question as to the equality of the tax between the different classes and sections; and it was this position which the Chicago convention intended to repudiate. Our demand that taxation shall be for revenue was not abated in the least; but we pledged ourselves that taxes laid FOR REVENUE should be so adjusted as to operate equally throughout the country without discriminating between class or section.

While the Democratic party is unalterably opposed to all taxation except such as is necessary to provide for the expenses of the Government, it recognizes that an import duty levied purely and only for the purpose of raising revenue affords an incidental protection to those who produce the articles upon which such a duty is laid; and we seek to minimize this effect by applying the incidental protection of a revenue tariff to as many articles as is practicable, and thus to make it as light as possible on all. Our object is not to secure for any class the benefits of a *protective tariff*, but it is to reduce the incidental protection of a *revenue tariff* by distributing it over as wide a range as possible. I do not believe in protection in any form [applause], and I regret the incidental protection which even a purely revenue tariff affords, because I know that whatever enables the producer to realize a higher price for his goods compels the consumer to pay a higher price. But, sir, while I would not vote for a duty on any article for the purpose of protecting it directly or incidentally, I shall always vote to equalize the unavoidable consequences of a REVENUE TARIFF between the different classes and sections. Equal taxation is just taxation if not too high, and unequal taxation is unjust taxation no matter how low it may be.

The Chicago platform does not differ from the former declarations of the Democratic party as to the right of the Government to lay taxes; it does, however, differ essentially from the platform of 1892 as to the policy of exempting raw materials from taxation. But, sir, the doctrine of free raw materials was itself a radical departure from all Democratic traditions, and in departing from it the Chicago convention simply returned to the time-honored principles of our party. Never in all its history, until it fell under that strange delusion which can only be described as Clevelandism, did the Democratic party countenance a proposition to allow the manufacturers of this country to buy almost everything they need free from taxation, while giving them the benefit of a duty on nearly everything they sell. [Applause.] The first attempt to commit the Democratic party to this pernicious heresy was made by Hon. A. S. Hewitt during the debate on the bill to create a tariff commission in 1882. Mr. Hewitt was then a Democratic member of this House; but he admits that all the Democratic leaders of that time were opposed to his position. I have here a letter written by him to the Hon. JOHN L. MCLAURIN, of South Carolina, of the 23d day of June, 1897, in which, among other things, he says:

So far as I know, your statement is absolutely correct, that I was the first person who brought before Congress and the Democratic party the policy of relieving raw materials from duties of any kind, and in order that there might be no misapprehension, I defined "raw materials to be all materials which had not been subjected to any process of manufacture," and in them I included "all waste products, fit only to be manufactured." It is also true that the leaders of the party in the House, Messrs. Morrison, Carlisle, MILLS, and Tucker, did not at the time accept my views as representing the principles of the Democratic party.

Mr. Hewitt is not exactly accurate in saying that he was the first to bring the idea of free raw materials to the attention of Congress, for Secretary Guthrie made a recommendation to that effect in 1855; but, independently of his testimony, I know that up to fifteen years ago it had never entered the brain of the Democratic party, or of any considerable portion of it, to contend for the doctrine of free raw materials, and yet we hear men talk to-day as if it were a part of our ancient faith. Only a few days ago a distinguished Senator from my own State [Mr. MILLS] attempted to prove that the advocacy of free raw materials has long been the established policy of our party by reading from a letter written by Hon. Robert J. Walker in 1867, in which the ex-Secretary of the Treasury said:

But the tariff of 1846, although it remained much longer in operation than any other tariff, and produced much more beneficial results, was susceptible of great improvements, especially in its application to the present condition of our country—

First. The raw material of manufactures, as recommended in my first annual report, should be duty free, as is the practice of all enlightened nations. This proposition, then made by me, was to some extent defeated at that time by Mr. Calhoun.

Without stopping to remind the House that at the time this letter was written Mr. Walker was holding an office under a Republican Administration, and had forfeited his right to declare Democratic policies; that he had abandoned the State of Mississippi, which had honored him with a seat in the Senate, and had bitterly traduced the people to whose favor he owed the opportunity of achieving the reputation which makes his opinions worth remembering—it is sufficient to say that in the letter read by the Senator from Texas Mr. Walker grossly misstates the facts of his own record. He says in that letter that in his first annual report he recommended that the raw material of manufacturers should be admitted free of duty. This is his first annual report which I hold in my hand, and it does not contain a line or a syllable which recommends or which hints at placing raw materials on the free list; and its whole argument is adverse to that theory. In fact, sir, the report specifies as one of the most obnoxious features of the tariff act of 1842 that—

It discriminates in favor of manufactures and against agriculture by imposing many higher duties upon the manufactured fabric than upon the agricultural product out of which it is made.

This report, which has always been accepted as a correct exposition of the Democratic party's position on the tariff question, states the following principles as our guide in all tariff legislation:

First. That no more money should be collected than is necessary for the wants of the Government economically administered.

Second. That no duty be imposed on any article above the lowest rate which will yield the largest revenue.

Third. That below such rate discrimination may be made, descending in the scale of duties; or, for imperative reasons, the article may be placed in the list of those free from all duty.

Fourth. That the maximum revenue duty should be imposed on luxuries.

Fifth. That all minimums and all specific duties should be abolished and ad valorem duties substituted in their place, care being taken to guard against fraudulent invoices and undervaluation, and to assess the duty upon the actual market value.

Sixth. That the duty should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section.

All of this is identical in principle and much of it is identical in language with the Chicago platform; and it may surprise some of these gentlemen to learn that the particular expression in the Chicago platform which they have criticised so severely was taken, almost word for word, from Mr. Walker's famous report. They condemn the Democratic platform because it demands that tariff duties shall be "so adjusted as to operate equally throughout the country, and not discriminate between class or section," and yet they praise Mr. Walker's report, which requires that the "duty should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section."

In the third canon which Mr. Walker lays down for the guidance of Democratic legislators he says:

For imperative reasons the article may be placed on the list of those free from all duty.

But it is certain that he did not consider the manufacturer's demand for cheaper raw materials an "imperative reason," for in this same report he denounces the law of 1842 because it did not make the tax on the raw material equal to the tax on the finished product. The "imperative reason" which he had in his mind appears in that part of his report where he discusses the duty on salt, which he said ought to be on the free list—not for the purpose of encouraging the establishment of great packing houses, but because it was a necessary of life. He believed then, just as the Democratic party believes to-day, that the necessaries of life should be exempt from taxation whenever the Government can dispense with the revenue from their importation. A tax upon consumption must always be unjust; and if it were practicable under our Constitution to lay all taxes upon wealth, the Democratic party would favor that method of taxation. [Applause.] But as this can not be done, and as tariff duties must be collected, they ought to be laid so as to compel all men to contribute toward the support of the Government as nearly as may be possible in proportion to their property. The necessaries of life ought to bear no burden at all, or at least they ought to bear as little as is consistent with the necessities of the Government, because it is fair to presume that the people who use only the commonest necessaries of life possess but little property, and would therefore pay but little tax under a just system of taxation. Placing the necessaries of life on the free list is not, as some men seem to suppose, an appeal to the selfishness of the masses, but it is an effort to approximate justice under an unjust system. I am myself so fully persuaded that it is our duty, whenever possible, to remove all taxes from the necessaries of life that I will never consent to place upon the free list any article which is bought purely for the sake of making profit out of it, until we have first taken all taxes off of those articles which the poor are compelled to buy in order to be comfortable and decent. This free raw material proposition reverses the Democratic position that the necessaries of life should be free from taxation. It exempts an article when it is not in the form of a necessary of life, and lays a duty upon that same article when it has been converted into a necessary of life. It can not be contended that wool in its raw condition is a necessary of life, but everybody understands that woolen clothes are, and the proposition of these men is to lay a heavy tax upon the woolen goods and lay no duty at all upon the raw wool.

Up to the time that Mr. Cleveland was first inaugurated President in 1885 nobody ever dreamed that the Democratic party would advocate a proposition to exempt the manufacturers of this country from their fair share of taxation, and the proposition was adopted in the Forty-ninth Congress as the only possible hope for the passage of a tariff bill. In the Forty-eighth Congress Mr. Morrison had introduced his horizontal reduction bill, which, in spite of the merciless ridicule with which it was treated, was the only feasible plan at that time. The Republicans claimed that in 1883 they had followed the recommendations of the tariff commission, and that they had made a bill which fairly arranged the equities between the various industries of the country. If that claim was well founded, then any reduction ought to have been made upon the basis of compelling all industries to meet it share and share alike. But, sir, this moderate, and under the circumstances this sensible, proposition was defeated. The motion to strike out the enacting clause of the bill was carried by a vote of 159 to 155; and when the Forty-ninth Congress assembled, the change in its membership had not materially changed its attitude toward the tariff question. Seeing this, the Southern and Western Democrats were induced to believe that if they would consent to place the most important raw materials on the free list enough votes could be obtained in New York, New England, New Jersey, and Pennsylvania to pass a tariff bill, and it was in the hope of obtaining those votes, and thereby securing the enactment of a law which would afford some relief to the people, that the Democratic party adopted the policy.

But, sir, it must not be understood that even under this great emergency this policy was adopted without a struggle or with anything like unanimity. There was not then, as there is not now, 10 per cent of the rank and file of our party who believe either in the wisdom or in the justice of such a policy, and when the question was submitted to the Democratic members of the Committee on Ways and Means of the Forty-ninth Congress it produced a bitter and stubborn division. That committee then consisted of thirteen members, of whom eight were Democrats and five were Republicans. The eight Democrats were Hons. W. R. Morrison, of

Illinois; Abram S. Hewitt, of New York; ROGER Q. MILLS, of Texas; BENTON MCMILLIN, of Tennessee; W. C. Maybury, of Michigan; W. C. P. Breckinridge, of Kentucky; H. R. Harris, of Georgia, and Clifton R. Breckinridge, of Arkansas. When these eight Democrats met to construct a tariff bill, they were confronted at once with the proposition to put wool on the free list, and on that proposition they divided equally, four voting in favor of it and four voting against it. I have here an editorial which appeared in the Lexington (Ky.) Morning Herald of March 24, 1897, written by the Hon. W. C. P. Breckinridge, who was a member of the committee. It gives a most interesting history of the episode, and I send it to the Clerk's desk to be read.

The Clerk read as follows:

The controversy among the Democrats as to whether raw and crude materials shall be admitted free does not affect the question of protection. The former Democratic policy, as notably carried out in the celebrated Walker tariff act of 1846, was to draft a revenue act solely for the purpose of producing revenue, and to accomplish this it was then held best to put imposts on all material which entered into manufactures which in their completed state had imposed upon it a duty. The impost was a revenue duty, and imposed on the raw and crude at the lowest rate, and the rate was increased as labor, capital, and brain were put into the article, until the highest rate was imposed on the finished fabric. This principle was held by William R. Morrison, of Illinois, and the majority of the revenue reformers until the Forty-ninth Congress. It was held by Mr. MILLS, of Texas, Mr. MCMILLIN, of Tennessee, and others at that time.

During the Forty-ninth Congress, when the Ways and Means Committee had under consideration a bill introduced by Mr. Morrison and referred to it, and drafted upon the general lines of the Walker tariff act, Mr. Morrison proposed to the Ways and Means Committee to draft a bill based upon allowing raw and crude material to be imported free. Mr. Carlisle, then Speaker, was invited to be present with the Democratic members of the committee in the various meetings in which this was considered, and on a final vote, at a meeting held in the rooms of Mr. MILLS, of Texas, it was decided by a vote of Mr. Carlisle and four members of the committee against a vote of four members of the committee that the policy which has since been called of "free raw materials" should be adopted and recommended to the House; and the bill introduced by Mr. Morrison was set aside and a new bill prepared, in which wool, hemp, and certain other fibers, and certain ores and other raw and crude materials, were freed from imposts, and upon this bill the revenue reformers made their fight in the Forty-ninth Congress.

Mr. BAILEY. It certainly was not regarded at that time as a departure from Democratic principles to resist the doctrine of free raw materials, because those who resisted it were Democrats then and have remained Democrats, while many of their former colleagues have abandoned our party. Of the four men who voted against free raw materials, Mr. MILLS occupies a seat in the Senate as a Democrat, and Mr. MCMILLIN is a distinguished member of this House.

Mr. MCMILLIN. When do you say this occurred?

Mr. BAILEY. In the Forty-ninth Congress.

Mr. MCMILLIN. And where do you say it occurred?

Mr. BAILEY. In a meeting of the Committee on Ways and Means.

Mr. MCMILLIN. And that I voted against free wool?

Mr. BAILEY. That is what Mr. Morrison told me. And he told me more than that; he told me you and Mr. MILLS both voted against the metal schedule.

Mr. MCMILLIN. If the gentleman will permit me, I would rather deal in modern than in ancient history, and as he has seen fit to attack my record here——

Mr. BAILEY. Oh, no; I am going to praise it.

Mr. MCMILLIN (continuing). And to misrepresent me——

Mr. BAILEY. The gentleman does not mean that. I decline to be interrupted by a gentleman who says that I misrepresent him.

Mr. MCMILLIN. I do not mean that you intentionally misrepresent me. Will you yield for a question?

Mr. BAILEY. I will.

Mr. MCMILLIN. What excuse have you to give to this House for voting against striking out the wool and woolen schedule of this infernal bill and incorporating the wool and woolen schedule of the Wilson bill?

Mr. BAILEY. I offered an amendment to reduce the duty on both wool and woolen goods 33⅓ per cent.

Mr. MCMILLIN. Your amendment failed, and then you proposed to take the high rates which this bill carries rather than the low rates of the Wilson bill?

Mr. BAILEY. Yes, sir. And we may just as well understand each other right now. Never as long as I am in Congress will I vote to give the woolen manufacturer a 50 per cent duty on his woolen goods and charge him nothing upon his wool. [Prolonged applause.]

Several MEMBERS. That is right.

Mr. BAILEY. And since the gentleman has asked me a question, I ask him how can he justify voting for free wool in face of the Chicago platform, which he helped to adopt and defend?

Mr. MCMILLIN. I say to my friend from Texas that the Chicago platform did not take the back track on the doctrine of a tariff for revenue only, as he has represented here to-night.

Mr. BAILEY. Not on the doctrine of a tariff for revenue only, but on the doctrine of free raw materials. Is the gentleman from Louisiana, Mr. ROBERTSON, in the House?

A MEMBER. He is in the cloakroom.

Mr. BAILEY. I am going to prove what took place.

Several MEMBERS. Have it out.

The SPEAKER pro tempore (Mr. SHERMAN). The House will be in order. Gentlemen will resume their seats.

Mr. BAILEY. Mr. Speaker, I believe I will try to finish this speech without an unseemly wrangle with any of my Democratic brethren. It is difficult to do it, but I believe I shall try, and therefore I will not ask the gentleman from Louisiana [Mr. ROBERTSON] what I had intended to ask him. But I do state of my own knowledge that this very question was presented to the committee on platform and resolutions of the Chicago convention, and it deliberately omitted the commendation of free raw materials contained in the platform of 1892 and inserted what I have read here. Not only is that true, but it has been stated in the Senate by gentlemen who were members of the committee, and it is well known to all who took any interest in the question that it was the deliberate judgment of the Chicago convention that it was unwise and un-Democratic to give one class of people in this country what they buy free of taxation while levying a tax upon all the poor people throughout the land. [Applause.] I believe, Mr. Speaker, that when I was interrupted I was mentioning the gentlemen who voted against free wool, and I will resume at that point.

Mr. Maybury is the Democratic mayor of Detroit, Mich., and Mr. Harris, I understand, has joined the Populist party. All of the members of the Ways and Means Committee except one who opposed this doctrine of free raw materials supported the Chicago platform and nominees last year. Of the four Democrats on that committee who advocated the doctrine of free raw materials, Colonel Morrison alone supported our platform and candidates at the last election. Mr. Hewitt was more bitter in his denunciations of the Democratic party than the most vindictive of our old enemies. Mr. Breckinridge of Kentucky not only refused to support the Chicago platform and nominees, but he was a candidate for Congress against the Democratic nominee in the Ashland district, and his name was printed on the Republican ticket. Mr. Breckinridge of Arkansas was representing this country abroad, and took no part in the last campaign; but judging from his associations and antecedents it is practically certain that if he had been here, his vote and influence would have been against us; and Mr. Carlisle, who is said by Mr. Breckinridge in that editorial to have cast the deciding vote in favor of what was then a "new evangel," has given the best efforts of his great intellect toward the defeat of our party. And so it is that all of those except one who helped to ingraft this policy upon the Democratic party have now abandoned it.

It requires no special wisdom to discern that it was the same influences which came so near pledging our party to the maintenance of the single gold standard that committed it to the doctrine of free raw materials and taxed finished products. It was that strange infatuation which was willing to sacrifice Democratic principles in the hope of securing Mugwump votes, and which would not see that in trying to please Republican States like Massachusetts they were alienating Democratic States like North Carolina. They were so eager to make New England Democratic that they forgot our immutable opposition to special favors, and they offered the manufacturers of the East the valuable privilege of buying their materials at free-trade prices and selling their finished products at protection prices. That was a temptation which the rock-ribbed Republicanism of New England could not withstand, and when I first entered Congress six years ago the entire delegations from both Rhode Island and New Hampshire were Democratic, 3 out of the 4 members from Connecticut were Democrats, and there were 5 Democrats here from Massachusetts. But, sir, while we were getting these men into our party by conceding so much to them upon the tariff question, they conceded nothing to us on the other questions, and when we found it necessary to rescue the Democratic organization from the domination of those who were about to wreck it, our new-found tariff allies deserted us in a body. Whatever strength its advocacy of free raw materials may have brought to the Democratic party in the past, it can bring none now, and will not bring any in the future. There are not in all this broad land to-day one hundred men who could be induced to vote the Democratic ticket for the sake of free raw materials as long as the Democratic party holds to the free coinage of silver; while, on the other hand, there are thousands of brave and honest men throughout the Western States who, agreeing with us upon the great financial question, will embrace our tariff doctrine when we have thoroughly repudiated this Cleveland heresy [applause] and returned to the old and unchangeable creed of our party, which declares that Congress shall lay no tax except for revenue, but that revenue taxes shall be just alike to all classes and sections.

FREE RAW MATERIALS A FORM OF PROTECTION.

The effort to make it appear that in renouncing the doctrine of free raw materials the Democratic party embraced the pernicious doctrine of protection will not deceive any intelligent man. Such misrepresentations of our motive will recoil upon those who make them, for it is perfectly well understood that we renounced the doctrine of free raw materials because it is itself a form of protection. Its object is to give the manufacturer a special advantage over other classes, and the great French economist, Bastiat,

characterizes it as one of the sophisms of protection. He declares that it is all the more mischievous because it is sometimes advocated by "pretended free traders" and denounces it as a part of those "writings which, while they proclaim free trade, support the principles of monopoly." It is predicated upon a false classification, for there is no such thing as raw material ready for the manufacturer's use. Coal is a raw material while in the bosom of the earth, where God has stored it for the uses of His children; but the moment it is touched by labor it ceases to be raw material, and when it is fit for the furnace it has become the miner's finished product. Iron—that wonderful agent of modern civilization—is useless in its natural state. It could not have wrought its miracles, it could not have spanned the rivers nor circled the globe with its highways, unless labor had first dug it from its bed of earth; and the crude ore is as much the finished product of those tireless workers under ground as the beam and rail are the finished products of great industrial plants. [Applause.] Wool is not a raw material while still upon the sheep, because it requires lands and fences and the labor of shepherds to bring the flock to shearing time; then it takes more labor still, and it is the flockmaster's finished product which the manufacturer takes for his raw material and weaves into those beautiful fabrics which add so much to the comfort and the comeliness of the human race. I might go on through all the list and show, article by article, that what is one man's raw material is another man's finished product; and any effort to distinguish between them for the purpose of taxation is simply a device to relieve the burdens of one and to increase the burdens of the other.

AN ARGUMENT FOR FREE RAW MATERIALS.

An argument which we often hear advanced to justify placing raw materials on the free list while leaving finished products on the dutiable list is that when raw materials are exempted from taxation the manufacturer can produce his goods more cheaply, and that the cheaper cost of production inures to the benefit of the consumer. I do not doubt that if we exempt the manufacturer from the taxes which he ought to pay toward the support of the Government he can produce his goods at a cheaper cost, but it does not follow that he will sell them for a lower price. It is certain that he will not do so if the argument which the Democrats have always made against a protective tariff is sound; for we have always contended that the manufacturer will charge the highest price he can and escape foreign competition without reference to the cost of his material or the cost of manufacturing an article. We have said that although our manufacturers could produce and sell at a fair profit a given article for $1, they will not do so if they can procure such a duty on the competing article as will increase its cost considerably above $1. For instance, if the foreign cost of an article is 80 cents and the duty is 40 cents, which, with 10 cents added for ocean freights and insurance, would make the total cost of the foreign article in our market equal to $1.30, the domestic manufacturer will not sell his article for $1, although that price would net him a fair profit; but, being secure against the competition of the imported article at a price anywhere below a dollar and thirty cents, he will put the price of his article at $1.25, which will enable him to undersell his foreign competitor and at the same time overcharge the American consumer.

No class has been more pronounced in asserting this truth than the advocates of free raw material. It was the central thought in Mr. Cleveland's first message on the tariff question; and Senator MILLS in his recent speech in the Senate quotes with approval the statement of Mr. Mulhall that the cost of American manufactures is increased to the consumers of this country, by reason of the process which I have just attempted to explain, to the extent of $2,300,000,000 annually. If it be true, as all Democrats have repeatedly charged, that the manufacturers will fix the price of their goods at the highest point which the tariff will allow, then it can not be true that a moderate tax upon their material will increase the price of their goods to their customers, because their price is already fixed as high as they can go without encountering foreign competition.

FREE RAW MATERIALS INCREASE THE PRICE OF FINISHED PRODUCTS.

I not only deny that placing raw materials on the free list will reduce the price of manufactured goods to the consumer, but I assert, without the slightest fear of successful contradiction, that it will have precisely the opposite effect, unless all Democratic reasoning on the tariff question is at fault. The best and the most certain way to arrive at a correct conclusion on this question is to follow a committee in its work of constructing a tariff bill. Suppose that to-morrow a Democratic Committee on Ways and Means should begin the preparation of a bill designed purely and only to raise revenue for the support of the Government. Their first step would be to ascertain how much money must be collected through the custom-houses; and their next step would be to ascertain the volume of importations. Let us suppose that they find it necessary to raise $180,000,000 from customs duties, and that the importations equal $900,000,000. A simple calculation would show that an average ad valorem rate of 20 per cent would be sufficient. Of course the rate would not be the same on all articles. It ought to be, and it would be if arranged by a Democratic committee, highest on luxuries and lowest on the necessaries of life; but the average would be 20 per cent if every article imported was subject to a duty. But if the committee should decide to place one-third of all the articles imported on the free list, it would find itself compelled to increase the duty upon the articles still remaining upon the dutiable list, because it is perfectly clear that an average rate of 30 per cent would be required to meet a revenue necessity of $180,000,000 when the importations subject to a duty amount to only $600,000,000.

It must not be supposed from what I say in this connection that I am opposed to a free list, for I am not. I believe in a free list, and I believe in one which shall ultimately include every necessary of life. [Applause.] I recognize, however, that when we place some articles on the free list we must increase the duty on the articles which are left on the dutiable list, because, with a given amount to be raised, as we reduce the number of articles upon which it is levied, we must increase the levy upon the remaining articles. It is sometimes suggested, however, that the necessity for raising a larger amount of revenue does not necessarily involve an increase in the rate of duty; and this is perfectly true under certain conditions. It is true that when a duty is prohibitory or extremely protective, the amount of revenue can be increased by lowering the rate of duty; but it must be remembered that I am now discussing a bill to be framed by a Democratic committee, and under such a bill there would be neither prohibitive nor protective duties, and consequently the suggestion is not relevant here. We all know that there is a rate which will yield the greatest amount of revenue, and that whenever Congress goes above that rate the revenue declines; but it is also true that the revenue declines when Congress goes below that rate. Of course no Democrat will ever consent to go above the maximum revenue-producing rate, for when he does so he defeats the only legitimate purpose of taxation, which is revenue, and passes into the domain of protection pure and simple. The Democratic rule is never to go above the maximum revenue-producing rate, and to always keep as far below it as the necessities of the Government will permit. How far the rate can be kept below the maximum revenue-producing point will depend upon the extent of dutiable importations; and the rate must always be increased whenever the volume of dutiable importations is reduced by placing some articles on the free list. Instead of transferring so many articles to the free list and thus rendering it necessary to increase the tax on the articles left on the dutiable list, it would be wiser to transfer some of the articles now on the free list to the dutiable list, and thus enable Congress to reduce the tax on all dutiable articles. We can not excuse ourselves if, in order to give the manufacturers their materials free, we place ourselves under the necessity of laying higher taxes upon articles of universal use, like hats, shoes, and clothing, and this view was strongly pressed by Mr. Walker when, in advising a revision of the tariff of 1842, he said that—

> It is believed that sufficient means can be obtained, at the lowest revenue duties, on the articles now subjected to duty; but if Congress desire a larger revenue it should be procured by taxing the free articles, rather than transcend, in any case, the lowest revenue duties.

For a particular illustration of the general idea I am attempting to present let us take the wool and woolens schedule. Suppose a Democratic committee in framing a tariff for revenue should apportion $36,000,000 as the amount necessary to raise under the woolen schedule in order to provide the Government with revenue. They would come next to the division. If they should determine to raise $30,000,000 on woolen goods and $6,000,000 on wool, they would fix the rate at a given per cent on wool and a given per cent on woolen goods, which, of course, would not be fixed by a Democratic committee at above the maximum revenue-producing point on either wool or woolen goods, and would be fixed on both as much below it as would be consistent with the needs of the Government. Now, if after that schedule had been perfected with the lowest possible duty on both wool and woolen goods, it should be decided to transfer wool to the free list, it would become necessary to revise the rate on woolen goods, because they would be compelled to supply the $6,000,000 of revenue which had been assigned to wool, and in order to do that the committee would be compelled to increase the duty on woolen goods. And so it is, Mr. Speaker, that the effect of transferring wool to the free list would be to increase the duty on woolen goods, which, if the Democratic theory of this question is correct, would result in an increased cost of woolen goods to the consumer. The $6,000,000 which ought to have been paid by the woolen manufacturers on their imported wool would be saved to them, but it would be paid by the people who consume imported woolen goods. Nor would the evil stop with this, because, in addition to the $6,000,000 which the people would pay on goods actually imported, the increased cost of the goods which were not imported, but whose prices were increased by the increased rate of duty, would probably be five times $6,000,000. I would not vote for a

duty on wool for the purpose of enabling the woolgrower to obtain a higher price for his wool any more than I would vote for a duty on woolen goods to enable the manufacturer to obtain a higher price for his goods. I vote for a duty on both wool and woolen goods for the purpose of raising revenue to support the Government.

FREE RAW MATERIALS A SPECIAL PRIVILEGE.

The other argument in favor of free raw materials, which has been presented with great industry, and the one that has commanded for this doctrine almost its entire support, is that our manufacturers must have their raw materials free from taxation to enable them to compete with foreign manufacturers in the markets of the world. If my time would allow me to examine this argument in detail, I could show that the skill of American labor and the perfection of American machinery is so great that under a proper system American manufacturers would need no other advantage; but as it would require more time to discuss that phase of the question than I can now devote to it, I will make the shorter and the more conclusive answer, that if it were true that the American manufacturers needed this advantage I would not give it to them, because to do so would be giving special privileges to a small class of our people. The fact that it is urged that our manufacturers can not compete in the markets of the world without free raw materials, and that they can compete in the markets of the world with free raw materials, establishes beyond any dispute that free raw materials are a great advantage to them; and if we grant to a very small and a very rich class of people a special and a valuable privilege in order to enable them to extend their business, we commit ourselves to the policy of developing an industrial system through the agency of the law which is the very essence of protectionism. I will always rejoice to see our manufacturers enlarge the market for their goods, but I shall always insist that they must do this under the same rules and limitations that govern all other classes in this country. As long as the farmers, mechanics, and merchants must pay taxes to support the Government, I shall insist that the manufacturers shall pay their just proportion. I shall never consent to encourage any man's business by remitting his taxes, because it is the duty of all men to bear their just share of the burdens of the Government, and whenever one class bears less than its proper share all other classes must bear more than theirs. I am not able to distinguish as a matter of principle between the Republican proposition to favor the manufacturers by increasing the taxes of all other classes for their benefit and this other proposition to favor them by remitting their taxes. The object of each is to increase the profits of the manufacturer; and one accomplishes it by allowing an advantage in the sale of goods, while the other accomplishes it by allowing an advantage in the purchase of materials; but each is equally a special privilege, and each must always be equally objectionable to men who believe in the sacred principle of equal rights to all and special privileges to none. I am opposed to Republican protection, because it discriminates between American citizens, giving to the one who sells an unjust advantage over the one who buys; and I am opposed to this modern theory of free raw materials, because it discriminates between American citizens, giving to the one who buys an unjust advantage over the one who sells.

Why should the manufacturer who ships his woolen goods to other countries and exchanges them for raw wool be allowed to bring that wool into this country free of duty, when the woolgrower who ships his wool to other countries and exchanges it for woolen goods is compelled to pay a high duty on the woolen goods which he brings home? If anybody needs an advantage in the export trade of this country, it is not the manufacturers, who furnish less than 30 per cent of our exports, but it is the farmers, who furnish more than 70 per cent of our exports; and it is illogical and indefensible for a Democrat to insist that those who furnish but one-fourth of what we ship to foreign countries shall be permitted to return with their exchanges free from taxation, while those who furnish three-fourths shall be compelled to pay a tax on almost everything for which they exchange the products of their land and labor. Why should the manufacturer be permitted to buy the farmer's wool free from duty, while the farmer is compelled to pay the manufacturer a high duty on the goods made out of his free wool? The manufacturer is not compelled to buy his wool, and only buys it for the sake of the profit which he can make out of it by manufacturing it into woolen goods; the people are compelled to buy woolen goods, and yet we are asked to increase the profit of buying wool by increasing the cost of buying clothes. Mr. Speaker, we might with justice demand that those who buy wool for the sake of profit should be taxed, and that those who buy clothing for the sake of comfort should go untaxed; but we do not demand this. All that we demand is that the men who buy wool for the sake of profit shall be compelled to contribute toward the support of the Government equally with those who buy woolen clothes for the sake of comfort. For twenty years I have heard protection denounced as a species of favoritism to manufacturers, and I have heard manufacturers described as selfish and rich beyond the dreams of avarice; and, sir, I was astounded when our old leaders suddenly changed their position and proposed a system which they openly averred was more favorable to the manufacturers than that of the Republican party.

If the manufacturers are as selfish and as prosperous as we have been taught to believe, then, sir, it is an unpardonable crime to exempt them from taxation and thus increase the burdens of the patient and unnumbered multitude. I can not find language strong enough to denounce a policy that would lift the burdens of this Government from the great manufacturing establishments and lay it with crushing weight upon the farms. I know the agricultural people of this land, and I know their unselfish devotion to their country. I know, too, that it is as true in the economic as it is in the physical world that all things rest upon the earth, and when those who cultivate the soil are made to suffer the nation must suffer with them. The farmers are the most useful and the most conservative of all our citizens. Their labor supplies us with food and clothing, and to them we turn when the riots and bloodshed of our cities render the future of the Republic gloomy and uncertain. From the bitterness of class antagonisms; from the greed of the rich who oppress the poor, and from the desperation of the poor who would despoil the rich, we turn to the rural homesteads of this land and there we find a rugged independence tempered with a reverence for the law which constitutes the nation's best and wisest safeguard. Around those humble firesides, even in this age of selfishness and greed, the love of country is above the love of self and second only to the fear of God. A republic which practices injustice against homes like these, which multiplies their burdens and drives their impoverished and discontented occupants to already the overcrowded towns and cities invites its own destruction.

I do not plead for special privileges for the farmers; I only plead in defense of the Democratic party for having said that in dealing with this question it will keep its pledge that none shall enjoy a special favor nor shall any suffer a special burden; but that all shall stand equal before the law. [Applause.] To establish and maintain the equal rights of men was the great mission to which its founders dedicated the Democratic party an hundred years ago, and to which we reconsecrated it last year. [Applause.] If we adhere steadfastly and faithfully to this, the most vital of all our principles, the American people will reward our fidelity with their confidence, and we can reward their confidence by perpetuating forever and forever more this, the greatest, the freest, and therefore the best Government that ever rose to animate the hopes or to bless the sacrifices of mankind. [Prolonged applause on the Democratic side.]

Mr. McMILLIN. I should like to know from my friend from Maine [Mr. DINGLEY] whether any gentleman on that side of the House desires to occupy any time?

Mr. DINGLEY. We desire to occupy about fifteen minutes in closing.

Mr. McMILLIN. I recognize that right.

The SPEAKER. The gentleman from Tennessee [Mr. McMILLIN] has thirty-two minutes.

Mr. McMILLIN. Mr. Speaker, in the short time that is allotted to me it will be impossible for me to give a thorough analysis of the measure before us. I can but briefly touch on a few of the things in which it is peculiarly outrageous.

There has been a good deal of contention as to who was benefited by this bill. There was a contention between the Republican conferees on the House side and the Republican conferees on the Senate side as to whether the Senate or the House measure gave to the sugar trust the greater advantages; and it was rumored that we were to have a battle royal if anything additional was to be given to the sugar trust.

Yet, Mr. Speaker, it turns out that to-day, before we could get the conference report adopted, before we could get the report even to the Senate for action, before any single step could be taken for the advancement of this bill to a place on the statute books, the bulls and bears were rushing over each other in the New York market and about $10,000,000 profits were added to the sugar trust on the value of their stock. That teaches who is benefited by this bill.

And not only that, but I charged in a speech which I made here in the discussion when this bill was before the House, during its first consideration, that you could not point your finger to a single trust that was not benefited by this bill. It was not denied. I charged that the sugar trust had walked boldly into the committee room and dictated the provisions of this bill in their benefit. It was not denied. I charged that the sugar trust not only controlled the market in which it purchased its raw material, but controlled the market in which it sold the finished product. It was not denied. I charged that they had farmed out the people of the United States into two sections; that one part of the trust took one section, and another the other, and that they were devouring the people by contract and combination; and that still the majority here proposed to increase their profits by legislation. It was not

denied. It can not be denied by any man who loves the truth and understands the facts.

The gentleman from Virginia [Mr. SWANSON] has given a clear exposition of the profits of this trust. There are other minor benefits lurking in this remarkable sugar schedule which I shall not be able for want of time to expose to you as I would wish. But suffice it to say that the men who control the trust know better than anybody else what their benefit is, and to-day's operations by which the sugar stock went from $130 to $140 per share tells a tale more eloquent than anything else could tell of the robbery of the people. [Applause on the Democratic side.]

THIS BILL AIDS TRUSTS.

Trusts and combinations in restraint of trade were indictable in England before we established our independence. They were punishable in the colonies before the organization of our Government. They are in some of the States now subject to lawful restrictions. It has never been the avowed policy of the people of the United States to protect them by law or increase their profits. No political party has had the boldness to openly declare such a policy. Yet, sir, here we have legislation forced upon us which will benefit the trusts, and which are intended solely for their benefit. Gentlemen must admit their existence; admit that they are great beneficiaries of this law; admit that they are in restraint of trade or to control the market and to fleece the people. Yet they labor night and day for the trusts and against their own people. Do you, will you, or can you deny it?

Sir, you can not point to a trust not benefited by your recklessness and mad legislation. You can not point to one whose profits are not augmented and protected by your vicious bill. Look at the sugar trust. Its representatives came to you and made their demands. Walked into your committee room and made them. Told you in writing what you must do, and you did it. Did it quickly. Did it literally. Did it when you knew you were not only benefiting them and strengthening their power and pandering to their rapacity, but increasing the burdens of your own people.

You first put up tariff walls to keep out goods and invite manufacturers to plunder the people.

When domestic manufacturers would have to reduce the market price by local competition, you invite them to combine by the organization of trusts to limit production, enhance prices, and rob the consumer. You refused to incorporate any provision in restraint of trusts.

Take the trusts in detail; examine them one after another, and you will find that every one of them has been well taken care of. Each has come in for its part of the swag. Not only have they been cared for by the committee of the House by increase of the rate of duty on the things made by them, but the committee and members on the other side of this Chamber have rushed to their rescue every time attack was threatened.

Time and again we offered amendments to curtail the power of the trusts. As soon as offered, they were ruled out. I offered an amendment, when the others failed, providing that the increased rates of duty provided by the bill should not apply to manufactures the production and sale of which were controlled by a trust. This, too, was cast aside by a reckless majority moving on to increase taxes.

But, Mr. Speaker, we need not go into all the trusts. We can illustrate with one very notable one—the sugar trust. It does not deny or dispute that it is a trust. It does not pretend to be anything else. When dissolved by the courts of one State, it goes to another and gets a new lease on life. It regulates the markets in which it buys its raw materials; controls the manufacture or refining, shutting down some refineries and running others, and controls absolutely the sale of the refined sugar. It buys as a trust, refines as a trust, and sells as a trust. Its capital is enormous—originally part wind, part water, and part cash.

It is capitalized at millions more than the value of the plants consolidated. Yet so completely has it the people in its grasp that it pays 12 per cent dividends regularly, accumulates vast surplus; and yet more protection is given it. It tells you it must have greater differential duty, and you give it. It got more protection than the present law gives by the bill as it left the House. When the bill went to the Senate, that body gave still more.

Then the conference committee took it. We heard mutterings of complaint all over the country. The people knew the wrong done them and threatened revolt. There were "wars and rumors of wars" in the conference committee, or subconference of Republican members. We were told that the House conferees would never surrender; that the sugar trust must not be further enriched. But it has all ended in idle vapor.

DEMOCRATIC DOCTRINE—TARIFF FOR REVENUE ONLY.

Sir, the Democratic party's position on the tariff question is clear. It was declared before any of us were born. It will be proclaimed and patriotically defended after all of us are dead. It was the faith of our fathers; it is our faith; it will be the faith of our children.

Democracy has never advocated the imposition of a tariff tax on anything except when it needed the money to be collected by the tax. Where the money was needed, it has favored the smallest tax that would yield the required revenue. In imposing the tax, it has favored the higher rate on luxuries and the lower on the necessaries of life. Hence its orators, legislators, and platforms have proclaimed in favor of "a tariff for revenue only" in the past, and are not going to sell their birthright for a mess of mean pottage now.

The time has not come when the Democratic party will abandon principle for pelf. The time has not come for it to join in a general scramble for public plunder wrested from a suffering people through tariff taxes. He who thinks that the party of Jefferson, Jackson, and Polk has fallen so low as to become a plunderer through high duties or unnecessary taxes forgets its traditions and will suffer its condemnation.

We come here to-night, my friends, for the purpose of standing by the old "ship of state," not to scuttle it. The Democratic party is no new party. Its past is a glorious past; its future is a prolific future, if we will but discharge the duties that have devolved upon us as our sires discharged those devolving on them before they committed the trust to us.

As I have indicated, the Democratic doctrine on taxation is that taxes should be levied for the support of the Government alone; and that in the levy of such taxation the lowest rate that would yield the revenue necessary to run the Government should be adopted. And the doctrine that has been put into platform and hurled from stump and forum everywhere has been "a tariff for revenue only." By that sign we conquered in the past, and by that sign we shall conquer in the future, if we stand by our principles and do our duty. [Applause.]

Mr. Speaker, I regret exceedingly that my distinguished friend from Texas [Mr. BAILEY] instead of pointing out the outrageous features of this bill should, in lieu thereof, see fit to parade my past record here. This bill would be a fruitful source for a two-hours speech to any man who ever lived, if the time were accorded, without fomenting strife among ourselves and attacking Democrats. But I should be recreant to my duty, I should be unjust to those who have been fighting by me in the past, if, being attacked, I did not tell the plain, unvarnished tale of what the Democratic party has done, and what has been my own action as a Democratic Representative.

First, any statement from any quarter that I have ever advocated a tariff on wool is inaccurate and wholly unjust to me. I have been consistent in this matter. I have all the time believed that cheap clothing for the people would be most surely attained by the method of taxation whereby wool is free. But if I had been in error, I had others standing by to sustain me in that error, and he was one of them. I have favored and do favor a tariff for revenue only, because it is Democratic and right.

You have heard my distinguished friend's speech. The Democratic party was here before he and I were born. It will be here after we are dead and gone. Its principles were fixed by Jefferson in that immortal declaration, "Equal and exact justice to all men, of whatever state or persuasion, political or religious;" and "age can not wither nor custom stale" this pure principle of perfect government. They were proclaimed by Jackson when he advocated "Equal rights to all, special privileges to none." [Applause.]

Now, Mr. Speaker, I took that position in the beginning. I have stood by it consistently since. But I have not stood alone.

My distinguished friend has raked up the record of the Democratic party, and says that the first thing that occurred in the way of free raw material was the action of Abram S. Hewitt. That statement is wholly incorrect. The reports of Mr. Guthrie as Democratic Secretary of the Treasury, made when the gentleman from Texas and I were either unborn or were children, recommended that policy.

I will send up and have read by the Clerk the substance of what was said in the report of Secretary Guthrie to the Congress of the United States, by which it will be seen whether this is new doctrine and whether Hon. Abram S. Hewitt is the first apostle of the doctrine.

The Clerk read as follows:

TAX ON RAW MATERIAL.

The Secretary of the Treasury, Mr. Guthrie (Report on Finances, 1855), contended—

"That good policy required the raw material used in our manufactures to be exempt from duty, and our manufacturers placed on an equality with those of Great Britain and other manufacturing nations who admit raw material to free entry.

"A tax upon raw material is calculated to increase the cost of production by the profits of the importer on the tax on the raw material, and the profits of the manufacturer on his outlay for that tax, and the importer's profit thereon, and of the merchant's through whom it passes to the consumer, interfering with the manufacturer's enjoyment of both the home and the foreign markets on the same advantageous terms of the manufacturers of other nations, who obtain raw material free of duty. A single example illustrates the case: Great Britain admits wool, a raw material, free of duty, and the United States imposes upon it a duty of 30 per cent. This enables the English manufacturer to interfere with the American manufacturer in the American

markets, and to exclude him from the foreign markets. It does more. It surrenders the market of the countries producing the raw material to the nations who take it free of duty, etc." (Page 26, Executive Document, third session Thirty-fourth Congress, volume 2, 1855-1857.)

Mr. McMILLIN. That, Mr. Speaker, was a report made by the Secretary of the Treasury of the Democratic party forty-two years ago.

Sir, I will also, with permission of the House, incorporate in the record the platforms as adopted by the Democratic party in the past. If I am right, I want to show the platform upon which I stand; and if I am wrong, I want to be exposed by these platforms. I am a Democrat without protection proclivities. These are the national platforms of Democracy on the tariff question from 1876 down.

Sir, in this discussion it has been denied that "a tariff for revenue only" is Democratic doctrine. A tariff is either "for revenue only" or for something besides revenue. Democracy has always denied that any tax could be imposed except to obtain money to run the Government. It has opposed taxation for any other purpose; hence has favored always a tariff for revenue only as against a tariff for protection. This is the distinction on this question between the Democratic and Republican parties. Republicans have held that you could impose taxes not only for revenue, but for protection.

Sir, I stand with Democracy on this question. But let us see what the Democratic platforms have said on the subject.

I shall be controlled by them and not by any man's dictum. They are our party law; they are the guideposts on the road showing which way the Democratic party has gone. So much of the platforms of our party as touches on this question I quote as follows:

DEMOCRATIC PLATFORM, 1876.

We denounce the present tariff, levied upon nearly 4,000 articles, as the masterpiece of injustice, inequality, and false pretense. It yields a dwindling, not a yearly rising, revenue. It has impoverished many industries to subsidize a few. It prohibits imports that might purchase the products of American labor. It has degraded American commerce from the first to an inferior rank on the high seas.

It has cut down the sales of American manufactures at home and abroad and depleted the returns of American agriculture—an industry followed by half our people. It costs the people five times more than it produces to the Treasury, obstructs the processes of production, and wastes the fruit of labor. It promotes fraud, fosters smuggling, enriches dishonest officials, and bankrupts honest merchants. We demand that all custom-house taxation shall be only for revenue.

DEMOCRATIC PLATFORM, 1880.

Home rule; honest money, consisting of gold and silver and paper convertible into coin on demand; the strict maintenance of the public faith, State and national; and a tariff for revenue only.

DEMOCRATIC PLATFORM, 1884.

It professes the protection of American manufactures; it has subjected them to an increasing flood of manufactured goods and a hopeless competition with manufacturing nations, not one of which taxes raw material. * * *

Sufficient revenue to pay all expenses of the Federal Government economically administered, including pensions, interest and principal of the public debt, can be got under our present system of taxation from custom-house taxes on fewer imported articles, bearing heaviest on articles of luxury and bearing lightest on articles of necessity. We therefore denounce the abuses of the existing tariff; and, subject to the preceding limitation, we demand that Federal taxation shall be exclusively for public purposes, and shall not exceed the needs of the Government economically administered.

DEMOCRATIC PLATFORM, 1888.

The Democratic party will continue with all the power confided to it, and struggle to reform these laws in accordance with the pledges of its last platform indorsed at the ballot by the suffrages of the people.

All unnecessary taxation is unjust taxation. * * *

It is repugnant to the creed of Democracy that by such taxation the cost of the necessaries of life should be unjustifiably increased to all our people. * * *

Resolved, That this convention hereby indorses and recommends the early passage of the bill for the reduction of the revenue now pending in the House of Representatives.

DEMOCRATIC PLATFORM, 1892.

We denounce Republican protection as a fraud, a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties except for the purpose of revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered.

We denounce the McKinley tariff law enacted by the Fifty-first Congress as the culminating atrocity of class legislation; we indorse the efforts made by the Democrats of the present Congress to modify its most oppressive feature in the direction of free raw material and cheaper manufactured goods that enter into general consumption, and we promise its repeal as one of the beneficent results that will follow the action of the people in intrusting power to the Democratic party.

DEMOCRATIC PLATFORM, 1896.

We hold that tariff duties should be levied for purposes of revenue, such duties to be so adjusted as to operate equally throughout the country and not discriminate between class or section, and that taxation should be limited by the needs of government economically administered.

We denounce as disturbing to business the Republican threat to restore the McKinley law, which has twice been condemned by the people in national elections, and which, enacted under the false plea of protection to home industry, proved a prolific breeder of trusts and monopolies, enriched the few at the expense of the many, restricted trade, and deprived the producers of the great American staples of access to their natural markets.

Sir, there can be no mistaking these platforms. Their verbiage differs, but not their spirit. More than "a tariff for revenue" can not be tortured out of any of them by fair construction. It will be observed that the last, about which contention is made, declares that—

Tariff duties should be levied for purposes of revenue * * * and that taxation should be limited by the needs of Government economically administered.

It will also be noted that the platform of 1892 declared it a "fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties except for purposes of revenue only."

Away with the charge that this is "heresy!"

But, sir, that is not all. Since I have been a member of Congress what has the Democratic party done? It has fought many glorious battles, as the records will show. But, sir, notwithstanding the action of that party upon the great questions with which we have been battling for many years, we are now accused of "heresy!" My friends will remember that my friend from Texas [Mr. BAILEY], in speaking of the doctrine of the admission of raw material free, called it in plain terms "a heresy."

But what are the facts with reference to the gentleman's own record? Who are the heretics he denounces?

There was a vote taken in Congress on the question of the admission of coal free of duty. There was no other proposition involved in it. It was a plain and simple question. Who voted for that? The records of this House in the Fifty-third Congress, on page 8483, show that my friend Mr. BAILEY of Texas voted for it, for the introduction of free coal. Was he a "heretic" then?

But that is not all. There was a vote for the introduction of free iron ore. My friends on the other side said that it would not do to have free iron ore. They resisted it. But I search the records in vain to find the name of my distinguished friend from Texas [Mr. BAILEY] voting against free iron ore.

Sir, there was also a proposition for free barbed wire, a manufactured product of a high grade. It proposed to put barbed wire on the free list. I voted for it. Other members of the Committee on Ways and Means voted for it. But who that was not a member of the Committee on Ways and Means voted for it? My distinguished friend from Texas [Mr. BAILEY], and yet to-day he called that "a heresy."

Again, sir, there was also a proposition to put sugar on the free list; to take the entire tax off. Who voted for that proposition? My friend from Texas [Mr. BAILEY]. But I am not criticising these votes. I voted for them myself. I find no fault with the gentleman for the votes he cast on these questions. But, Mr. Speaker, I do not think that I will be found taking the back track on what I have done in behalf of the Democratic party. Nor will I in silence allow the party and myself to be abused for it by one who voted with us. [Applause on the Democratic side.]

But that is not all, Mr. Speaker. If past records are to be raked up, let us have the whole record. Let us come to the question upon which the gentleman lays so much stress. Let us come to the commodity which is the keystone in the arch of Republican protection—wool. There can be no high protective system maintained now without taxed wool. There was a proposition as far back as the Fifty-second Congress, first session (volume 123, CONGRESSIONAL RECORD, page 3057), to put wool on the free list. It had no other question in connection with it. There was no tax on the finished product in connection with it.

What was the position taken by my friend from Texas who criticises the balance of us who voted for free wool then and all people who favor free wool now? If I was a "heretic" then I had "heretics" standing all around me; and as the gentleman himself voted on that occasion for free wool he is in no condition to criticise me now. [Applause on the Republican side.]

Sir, no protest was heard from the gentleman from Texas then. Through all these four years—two terms—he voted lustily for these propositions. Why does he criticise his associates now?

Why, sir, the gentleman from Texas admits that he voted to keep in this bill the very worst schedule in it, excepting the sugar schedule, namely, the schedule on wool and woolen goods; and it is just about as bad even as the sugar schedule. He says the reason why he did it was that he had moved to reduce the rate on the whole wool and woolen schedule 33⅓ per cent.

Now, what is the whole schedule? Let us examine it for a moment. What would he have succeeded in obtaining if the schedule had been reduced only one-third, or if he had succeeded in having his amendment adopted? He would have reduced it on coarse woolens from over 200 and 250 per cent down just one-third, which would still leave it over 132 per cent. He would have reduced it on woolen yarns, now fixed on some grades at about 200 per cent, only down to 133⅓ per cent, and on wool hats from 257 per cent to 172 per cent. Yet that is the tariff he would tell us he wanted the House to adopt, and that he was anxious to have passed by this Congress.

How would you like rates of over 100 per cent? I was inclined to pay no attention to the matter, because I realized the fact that this was no place and now no time nor was this a proper occasion

to flaunt our linen before the country. I believed it to be better to attack the enemy than to quarrel among ourselves. I never had to fight a Democrat in a tariff battle before.

But, Mr. Speaker, when we are attacked for what we have done in the last twenty years in these fierce battles in favor of the reduction of the taxation of the people by one who was with us for a time at least, I was, as I believed, entirely justifiable in showing what his record had been who attacked me. [Applause.]

Sir, my motion in the Ways and Means Committee, against which the gentleman from Texas has told you he voted, was to strike out the wool and woolen schedule of the Dingley bill and insert the wool and woolen schedule of the present law—what is known as the Wilson bill—for which the gentleman from Texas and I both voted and which we helped to place on the statute books.

The Wilson bill or present law placed the highest duties on fine goods and lowest on coarse goods.

The Dingley bill places the highest duties on coarse or common goods and the lowest on fine goods. By this the poor pay the high duties and the rich the low. Democracy has ever held that taxes should be highest on luxuries and lower on necessaries of life.

Again, the Dingley bill as passed by the committee and reported by the House carried the highest rates ever imposed on woolen fabrics in the history of the country, while the rates under the present law are from 25 to 35 per cent on coarse goods and only 35 to 50 per cent on fine goods.

The following table, the calculations of which were made by Hon. Worthington C. Ford, Chief of the Bureau of Statistics, shows the ad valorem equivalent of duties imposed by the present law or Wilson bill and the rates proposed by the Dingley bill as reported to the House and as voted on in the committee when I made my motion to strike out:

Table showing the rates of duty on wool and woolen goods under the Wilson bill and under the Dingley bill.

	Wilson bill.	Dingley bill.
Wools, hair of the camel, goat, alpaca, and other like animals—unmanufactured:		
Class 1—		
Merino, mestiza, metz, or metis wools, or other wools of merino blood, immediate or remote, Down clothing wools, and wools of like character with any of the preceding, including Bagdad wool, China lambs' wool, Castle Branco Adrianople skin or butchers' wool, and such as has usually heretofore been imported into the United States from Buenos Ayres, New Zealand, Australia, Cape of Good Hope, Russia, Great Britain, Canada, Egypt, Morocco, and elsewhere, and also including all wools not hereinafter described or designated in classes 2 and 3	*Per cent.* Free.	*Per cent.* 66.26
Class 2—		
Leicester, Cotswold, Lincolnshire, Down combing wools, Canada long wools, or other combing wools of English blood, and usually known by the terms herein used, and also all hair of the camel, Angora goat, alpaca, and other animals—		
Wool	Free.	55.97
Camel's hair	Free.	68.55
Hair of the goat, alpaca, and other like animals	Free.	29.08
Class 3—		
Donskoi, native South American, Cordova, Valparaiso, native Smyrna, Russian camel's hair, and including all such wools of like character as have usually heretofore been imported into the United States from Turkey, Greece, Egypt, Syria, and elsewhere—		
Wool	Free.	32
Camel's hair	Free.	32
Hair of the goat, alpaca, and other like animals	Free.	32
DUTY ON WOOLEN MANUFACTURES.		
Manufactures composed wholly or in part of wool, worsted, the hair of the camel, goat, alpaca, or other like animals:		
Garnetted and carded wastes	15	289.29
Wastes, bur, slubbing, roving, ring, and other not provided for	Free.	128.8
Shoddy	15	326.1
Noils, carbonized	15	164.85
Noils, not otherwise provided for	Free.	153.14
Rags, woolen	Free.	172.63
Mungo and flocks	15	36.84
Roving, roping, and tops	20	60
Yarns, woolen and worsted:		
Valued at not more than 40 cents per pound	30	100
Valued at more than 40 cents per pound	40	100
Cloths, woolen and worsted, valued at not more than 50 cents per pound	40	171.57
Valued at more than 50 cents per pound	50	110.01
Total cloth	48	100
All other manufactures, including that having india rubber as a component material, not specially provided for—		
Valued at not more than 50 cents per pound	40	144.87
Valued at more than 50 cents per pound	50	107.29

Table showing the rates of duty on wool and woolen goods under the Wilson bill and under the Dingley bill—Continued.

	Wilson bill.	Dingley bill.
DUTY ON WOOLEN MANUFACTURES—continued.		
Manufactures composed wholly or in part of wool, worsted, the hair of the camel, goat, alpaca, or other like animals—Continued.		
Blankets—	*Per cent.*	*Per cent.*
Valued at not more than 30 cents per pound	25	88.06
Valued at more than 30 and not more than 40 cents per pound	30	103.71
Valued at more than 40 cents per pound	35	99.30
Valued at more than 50 cents per pound, more than 3 yards in length	40	167.09
Valued at more than 50 cents per pound	50	116.63
Total blankets	29	80
Flannels for underwear—		
Valued at not more than 30 cents per pound	25	87.91
Valued at more than 30 cents and not more than 40 cents per pound	30	109.40
Valued at more than 40 cents per pound	35	148.
Weighing over 4 ounces per square yard—		
Valued at not over 50 cents per pound	40	124.24
Valued at over 50 cents per pound	50	116.22
Dress goods, women's and children's coat linings, Italian cloths, and goods of similar description or character—		
Valued at not over 50 cents per pound	40	100
Valued at more than 50 cent per pound	50	100
Other clothing, ready made, and articles of wearing apparel (except knit goods), made up or manufactured wholly or in part, including that having india rubber as a component material, not specially provided for—		
Valued at above $1.50 per pound	50	79.08
Valued at less than $1.50 per pound	45	110.62
Shawls, woolen or worsted—		
Valued at not exceeding 40 cents per pound	35	212.83
Valued at above 40 cents per pound	40	109.05
Total shawls	40	112.64
Knit fabrics and all fabrics made on knitting machines or frames—		
Valued at not exceeding 40 cents per pound	35	151.83
Valued at above 40 cents per pound	40	142.31
All knit wearing apparel	50	99.60
Total knit fabrics	48	76.73
Hats of wool—		
Valued at not more than 30 cents per pound	25	257.29
Valued at more than 30 cents and not more than 40 cents per pound	30	191.25
Valued at more than 40 cents per pound	35	139.48
Total hats of wool	35	----------
Felts—for printing machines—		
Valued at not more than 30 cents per pound	25	419.92
Valued at more than 30 and not more than 40 cents per pound	30	194.26
Valued at more than 40 cents per pound	35	135.47
Not specially provided for—		
Valued at above $1.50 per pound	50	88.20
Valued at less than $1.50 per pound	45	113.93
Total felts	43	132.30
Plushes and pile fabrics—		
Valued at not over 50 cents per pound	40	147.09
Valued at over 50 cents per pound	50	102.31
Total plushes, etc	50	105.72
Cloaks, dolmans, jackets, talmas, ulsters, or other outside garments for ladies' and children's apparel, and goods of similar description or used for like purposes	50	80.45
Webbings, gorings, suspenders, braces, bandings, beltings, bindings, braids, galloons, edgings, insertings, flouncings, fringes, gimps, cords, cords and tassels, dress trimmings, laces and embroideries, head nets, nettings, buttons or barrel buttons or buttons of other forms for tassels or ornaments wrought by hand, or braided by machinery, ornamented with beads or spangles of whatever material composed, which are elastic or nonelastic	50	90
Aubusson, Axminster, moquette, and chenille carpets (and carpets woven whole for rooms)	40	64.41
Saxony, Wilton, and Tournay velvet carpets	40	80.22
Brussels carpets	40	82.56
Velvet and tapestry-velvet carpets, printed on the warp or otherwise	40	69.67
Tapestry Brussels, printed on the warp or otherwise	42.50	79.42
Treble ingrain, 3-ply, and all chain Venetian carpets	32.50	65.42
Wool, Dutch, and 2-ply ingrain carpets	30	63.76
Druggets and bockings, printed, colored, or otherwise	30	82.22
Felt carpeting	30	62.57
Carpets of wool, or in part of, not specially provided for	30	50
Carpets and carpeting of cotton	30	50
Carpets and carpeting of flax	30	50
Mats, rugs for floors, screens, hassocks, besides art squares and other portions of carpets and carpeting not specially provided for	40	60
Total carpets and carpeting	39.69	64.02

Mr. Speaker, the gentleman from Texas was not the only Democrat who voted to put wool, coal, etc., on the free list. The Democrats generally voted that way. The propositions carried by from 50 to more than 100 majority.

The great leader who bore our banner in the last campaign, Hon. William J. Bryan, voted for the propositions. I quote the following from his carefully prepared tariff speech delivered in the House in the Fifty-third Congress, second session, and printed in the CONGRESSIONAL RECORD of that session. He said:

Mr. BRYAN. They tell us that free coal can not benefit the interior. Take the tariff off from coal, so that the New England manufacturers can buy it for less, and they can manufacture more cheaply; and then, by cutting down the tariff on the products of their factories, we can compel them to sell at a lower price to the people of the South and West. [Applause.] That is the reason our people are interested in free coal. So long as we lay burdens upon what the manufacturers use, they can with some justice ask a tariff on the product of their looms.

Mr. Chairman, in the first place, I believe we can make no permanent progress in the direction of tariff reform until we free from taxation the raw materials which lay at the foundation of our industries; and I believe in free iron ore, whether we leave the tariff at 35, 25, or 5 per cent upon carpets.

Mr. TURPIN. Will the gentleman allow one more question?

Mr. BRYAN. As many as you wish.

Mr. TURPIN. I ask the gentleman whether or not he does not think that exempting wool and coal from duty as "free raw material" is protection itself under another form?

Mr. BRYAN. No, sir.

Mr. TURPIN. I would like the gentleman to explain his position.

Mr. BRYAN. I do not believe that taking a burden off from a man is the same thing as putting it on. [Laughter and applause.] I think that putting a thing on the free list—that is, by taking the burden off the man who uses it, differs as much from putting a burden on some one as light differs from darkness.

Again, sir, the same great advocate of tariff reform, Mr. Bryan, in his speech made in the House of Representatives in 1892, said of the tariff bill then under discussion:

It also takes away entirely those specific or compensatory duties which were added to the ad valorem rates to enable the manufacturers to transfer to the back of the consumer the burden which a tariff on raw material places on the manufacturer. The reason why I believe in putting raw material on the free list is because any tax imposed on raw material must at last be taken from the consumer of the manufactured article.

You can compose no tax for the benefit of the producer of the raw material which does not find its way through the various forms of manufactured product and at last press with accumulated weight upon the person who uses the finished product. Another reason why raw material should be upon the free list is because that is the only method by which one business can be favored without injury to another. We are not, in that case, imposing a tax for the benefit of the manufacturer, but we are simply saying to the manufacturer: "We will not impose any burden upon you." When we give to the manufacturer free raw material and free machinery, we give to him, I think, all the encouragement which people acting under a free government like ours can legitimately give to a free people.

But, sir, I am admonished that I have but three or four minutes of my time remaining, and I must hasten on. This bill is not only the worst tariff bill that was ever reported to any Congress since I have been a member of this body, but it has been put through in a way that is as objectionable as the bill itself. What are the facts? No adequate time to consider and amend it was ever given in this House. We went into conference. We were told by our friends on the other side that they had some family differences to settle, that they were anxious to dispose of those differences, and would need us no further.

We were not called back into conference until this morning at 10 o'clock. This morning we were admonished that the time for the passage of this bill and for the complete robbery of the people was at hand. We went in. They never read the amendments, nor gave us an opportunity to read them. We asked but one short day to familiarize ourselves with the 800 amendments that had been disposed of by the Republican members of the committee. That was not granted; but in lieu of that, in hot haste, the bill was reported back here, and gentlemen of the House forced to go into its consideration without an opportunity of even having before them the report of the conference committee in print, or of reading the many amendments.

Mr. Speaker, this bill was never needed. We already have $132,000,000 of surplus in the Treasury in excess of the $100,000,000 gold reserve, more than enough to meet any possible deficiencies that could occur under economic administration during Mr. McKinley's term. This Congress was called not to raise revenue, but to plunder the people and enrich the manufacturers.

I agree with my friend from Texas [Mr. BAILEY] when he says that he would make the manufacturers pay a part of the taxes to support this Government. I believe that that is correct doctrine, and if you can not do it by a reduction of their taxation there is no reason why that which was done in the past can not be done again, and a direct tax be put on manufacturers to compensate the Government in some way for the great benefaction which they get by a protection that was never needed.

Mr. Speaker, what I favor is the Democratic party going to the battle again with its old flag untarnished, with its old mottoes upon it. We have conquered in that way in the past. We can conquer in that way again. You who predict the destruction of the Democratic party should remember that the Democratic party has refused at all times to act as corpse at any of the funerals which you have planned for its interment. [Applause on the Democratic side.]

Sir, it has had its difficulties, but with the banner of the Democratic party up for equal rights and economic government, just taxation—taxation limited to the necessities of the Government economically administered—a currency ample to meet the necessities of commerce, a currency that is not subject to being cornered and hoarded, and the people robbed by the shifting of values, a currency that consists of the gold and silver coinage of the Constitution—with these mottoes and principles the Democratic party goes forth to the battle and dares you to conflict and defies you in your robbery. [Applause on the Democratic side.]

Predictions of the destruction of the Democratic party have been made in the past, and have proved false. Predictions of its destruction in the future will be equally false. The Democratic party can never die until it betrays Democratic principles. When it does betray those principles, it, like other parties that have betrayed the interests of the people, will fail; but not till then.

It is said, Mr. Speaker, that when the poor young Greek Ion was doomed to death he was permitted to be visited by his fiancée just before his death. At that time the light of Christianity had not fallen athwart the pathway of man for eighteen hundred years. At that time Job had asked, "If a man die, shall he live again?" But the Saviour of the world had never replied, "I am the resurrection and the life." Hence they saw the future life as through a glass, darkly. And when Clemanthe asked Ion if they would meet again he replied, in substance: "I have asked that dreadful question of the stars which are eternal, of the rivers that everlasting flow, of the sky, in whose azure field my raised spirit shall soon soar in immortal glory, and they were all, all silent. But now, as I gaze into thy beautiful eyes and behold the depth of thy pure soul, I know there is that there which can not wholly perish. Yes; we shall meet again, Clemanthe, meet again!"

So, to the prophet of ill omen who dares to say that the Democratic party is doomed to die, I paraphrase the language of Ion and reply, When I see the purity of its principles, the patriotism of its purposes, its grand past, its noble aspirations of the future, I know there is that in the Democratic party that was not born to die, and we shall triumph again for the people with Democracy, triumph again! [Applause on the Democratic side.]

Mr. RIDGELY. Mr. Speaker, having been denied the time in which to utter my remarks, I shall print them in the RECORD.

Mr. PAYNE was recognized.

Mr. BAILEY. Mr. Speaker, will the gentleman from New York yield to me for a moment?

Mr. PAYNE. I will yield for a moment; yes.

Mr. BAILEY. I simply desire to say, Mr. Speaker, in response to what has been said about my votes in the Fifty-second and Fifty-third Congresses—I was not here to listen to the statement, but I have been informed of it—that when I cast those votes the raw-material doctrine was the indorsed policy of my party, and as a loyal member of that party I subordinated my individual judgment to its platforms. I never ventured to denounce the raw-material theory until I had first appealed to the supreme tribunal of the Democratic party, which reversed the doctrine of free raw material and gave me a commission to denounce it here and elsewhere; and I intend to do it. [Applause.]

Mr. PAYNE. Mr. Speaker, we have listened to many hours of debate, and but one single attack has been made upon this bill. The doctrine of protection and free trade has been discussed, and the question of free raw material and the orthodoxy of certain assumed leaders of the Democracy has been discussed by the hour; but only a single section of this bill has been attacked, and that is the sugar schedule.

The gentleman from Virginia [Mr. SWANSON] quoted from some remarks which I made in 1894, and seemed to indorse the doctrine there laid down. I am glad that he and I once in a while can get on the same platform, if only for a moment, for I do not take back a single word I said in 1894 or in 1890 upon the sugar question. What was the condition that confronted us in 1890? We had had a tariff upon sugar for seventy-five years, and we had made but small advance in development of the industry. We produced only about 10 or 11 per cent of what we consumed in this country and the balance came in subject to a duty. I held then that the duty was a tax, and every penny of it came from the consumer who bought sugar. Why? Because we did not raise enough in this country to create any competition whatever and so reduce the price of the commodity a single farthing.

The Republican party, in reducing taxation and in reducing the revenues of the Government, thought it well to take every penny of this tax off sugar, and yet were willing to assist an industry in the Southern States that had grown up to its then proportions under the fostering influence of a tariff on sugar, in justice to the men in Louisiana, voted a bounty running through a period of fifteen years. They wanted to reduce the price of sugar, and they wanted to reduce the profits of the sugar kings in the Hawaiian Islands who were taxing the American people four or five millions

on their product, equal to the duty and the price of the production of their products, the price being increased by the tariff to the consumers of the country. We did that.

In 1894 conditions were reversed, and you on that side had to deal with the tariff question. We had made sugar free. You proposed to put a duty upon it, a duty of 40 per cent; and I told you then that every penny of that duty would be added to the the price of the article and come out of the consumer. Why? Because you did not foster the industry in the United States. You did not put enough duty upon it to enable our people to compete with foreigners and produce it here. You did not put enough duty upon it to encourage the sugar-beet industry and make that a factor in the case, and make that a competitor with the Louisiana sugar grower. I said then that that tariff of 40 per cent was a tax and came out of the consumer. What else did you do? You put 40 per cent upon raw sugar, and you put 40 per cent upon refined sugars.

That made a duty then of nearly four-tenths of a cent per pound on sugars, on the price of sugars in 1894, and you were not content with that. You gentlemen who denounce trusts from morning until night, you gentlemen who can find no invective in the vocabulary of the English language too strong when you talk about the sugar trust, were not content with that. You added another one-eighth of a cent differential, or 12½ cents a hundred in favor of the sugar refiners, in order to encourage their industry; and so you had about half a cent a pound upon differential between the raw and the refined sugars. The years rolled on——

Mr. MCMILLIN. Will my friend permit me to interrupt him?

Mr. PAYNE. I can not stop right here. No. I dislike to disoblige my friend, but the hour is late, and I think the House has heard about all that it cares to hear from the other side to-night. [Laughter.] I doubt whether they want to hear me. They would rather vote. But I want to say a few words upon this sugar question. The price decreased, and constantly decreased, in the markets of the world. The great sugar-producing countries of Germany and France came in and lowered the price of cane sugar throughout the whole civilized world. The price of sugar became low in the United States, and the price of raw unrefined sugar created a large trade; and your duty of 40 per cent, with the difference of price on raw and refined, does not amount to so much differential as it did in 1894, and yet at present prices it amounts to quite a goodly sum.

My friend from Virginia seems to have a fondness for talking about 92-degree sugar, and I will talk with him about 92-degree sugar. He says that that is the average degree of sugar imported, and he is pretty nearly correct about that, although more sugars come in at 96 degrees than at any other one degree. The average importation of raw sugar is pretty nearly 92 degrees. Now, take 92-degree St. Croix sugar, which is the medium sugar in the market, and it is worth 1 cent and eighty-five one-hundredths per pound to-day. Take 40 per cent upon that, the percentage under the present tariff law, and you have a duty of seventy-four one-hundredths of 1 cent per pound, or 74 cents upon 100 pounds.

Mr. SWANSON. Will the gentleman permit me to interrupt him just there?

Mr. PAYNE. I would rather not be interrupted, Mr. Speaker. The officials of the Treasury Department have been experimenting upon this subject for a series of years. They have taken each degree of raw sugar and formulated a table showing the exact number of pounds that it requires to make 100 pounds of refined sugar. At 92 degrees they find that it requires 114 pounds and ninety-four one-hundredths of a pound to make 100 pounds of refined sugar. Now, multiply your 74 cents, the duty, by 114.94, or, say, 115, pounds (which makes the figuring easier), and what is the result? On the 115 pounds of raw sugar you find that the duty of 40 per cent gives 85.1 cents on every 100 pounds. That is the duty upon the raw sugar that is required to make 100 pounds of refined.

On the other hand, take 100 pounds of Dutch refined sugar, equal to our refined sugar in the market, and it is worth 2.6 cents per pound, or $2.60 per hundred pounds. Take 40 per cent of that and you have $1.04 as the duty upon 100 pounds of refined sugar. Add your one-eighth differential, or 12½ cents per hundred, and you have 116½ cents as the duty upon the refined product. Then we have a duty of 116½ on the refined, and 85.10 on the raw sugar, and a differential of 34.4 cents upon the 115 pounds of raw sugar that are required to make this 100 pounds of refined sugar. That is the differential under the present law.

Now, my friend from Virginia says that this conference report makes an increase of the differential; that the differential will be larger under this conference report than under the present law. Let us see about that. On 100 pounds of raw sugar of 92 degrees the duty proposed in the conference report is 15.45 cents. Multiply that by the 115 pounds to get the duty on the 115 pounds and you have $1.7767. But the proposed duty on the refined sugar is 0.0195 cent, and the duty on the 100 pounds is $1.95, according to the rate under the proposed law.

Take, then, the duty on the raw sugar, $1.7767, from the $1.95, and you have left a differential duty of 17.33 against 31.4 cents under the present law. Yet the gentleman from Virginia says that the duty under this proposed report gives a large increase to the sugar refiners, when the figures stand 17 cents against 31 cents! What kind of common schools do they have down in Virginia, when a man can get so tangled up in his figures? [Laughter; applause on the Republican side.] These are the rates for the 92-degree sugar of which the gentleman talks.

Mr. SWANSON. May I interrupt the gentleman?

Mr. PAYNE. I will yield for a question.

Mr. SWANSON. The gentleman makes this mistake in his calculation. The average price of raw sugar last year, as shown by the report of the Secretary of the Treasury, was $2.13 per hundred pounds.

Mr. PAYNE. What kind of raw sugar?

Mr. SWANSON. Ninety-two degree sugar, he states. The average charge on the imports, the number of pounds imported, and the amount collected in duty make it 2.13 cents per pound.

Mr. PAYNE. I am talking about this year. The highest price of that sugar this year is $1.95, and the mean average price is $1.85. But it seems the gentleman from Virginia does not desire to ask a question, and, therefore, I do not yield further.

Mr. SWANSON. Let me ask the gentleman another question. Senator ALDRICH has said——

Mr. PAYNE. I will not yield for a statement. If the gentleman desires to ask a question——

Mr. SWANSON. I will merely ask a question. Is not the only sugar which is brought into real competition with the refined sugar in this country, as Senator ALDRICH has stated, the German granulated sugar?

Mr. PAYNE. No.

Mr. SWANSON. Senator ALDRICH so says. Do you differ with him?

Mr. PAYNE. I do not care what Senator ALDRICH says. I say no. [Laughter and applause.]

Mr. SWANSON rose.

Mr. PAYNE. The gentleman must excuse me; I must go on.

Mr. SWANSON. Only one more question.

Mr. PAYNE. I decline to yield further to the gentleman to find out what some Senator or somebody else has said upon the subject. But take the German granulated sugar and the protection is 50 per cent greater under the Wilson law than under this conference report. The price of German granulated is $2.47 per hundred pounds. The duty of 40 per cent ad valorem upon that would amount to 98.8 cents per hundred. Add the one-eighth, equal to 12½ cents per hundred pounds, and you have $1.113 as the duty upon 100 pounds of German granulated sugar. Deduct from this the duty upon 115 pounds of 92-degree raw sugar, 85.1 cents per 100 pounds, and you have a differential, which is the protection to the refiners under the present Wilson law, of 26.1 cents per hundred pounds, against 17½ cents under the provisions of the conference report. So the German granulated, which sells in our market at a quarter of 1 cent less than our superior refined sugars, does not help you out.

Now, the importations last year were nearly 80,000 tons of refined sugar; and some 42,000 tons of this refined sugar came directly from bounty-paying countries—from Germany and France; and the bounty paid upon it helped it to get into this market. There is no question about that. Yet every pound of raw sugar that the American Refining Company or any other company imported into this country also paid a bounty equal to 27½ cents a hundred pounds; and on every pound of this sugar there was levied in this country a duty of one-tenth of a cent a pound. There was no advantage in this one way or the other; and the disadvantage was in the competition with the bounty-paying sugar from those countries.

But half of the refined sugar imported came from the United Kingdom, from Holland, from Japan and China, countries which paid no bounty. Yet these sugars were enabled to come in here in competition with our refiners and to occupy a part of our market. Why, sir, even under the enormous protection that the Democratic party gave the refiners in 1894, the increase in the importation was from about 5,000 tons to 77,000 tons. Now, we have reduced that protection; we have reduced that differential to the figures I have just quoted.

Why, Mr. Speaker, it is impossible to place a specific duty on raw sugar and have the same differential between every degree of raw sugar and refined sugar. The wit of man has not yet framed any such schedule. In 1883 the advance was four one-hundredths of a cent to every degree of sugar by the polariscopic tests. We made it in the House bill three one-hundredths of a cent, and the conference committee agreed upon three and one-half hundredths of a cent. Did we increase the protection? Yes; to a small degree—to about 2 cents a hundred. But what else did we do? It was claimed on the part of the Senate conferees, as it had been claimed in the Senate, that our bill putting a protection on refined sugar of 1.87½ cents did not protect the sugar-beet industry. Why?

Because the product of the sugar-beet factory, down among the farmers where these factories are located, is refined sugar; and unless we put an increased duty upon refined sugar we could not build up the beet-sugar industry.

What did we do? We raised the duty on refined sugar from 1.87½ to 1.95, and then raised the raw sugars all along the line in the same proportion as we raised the refined. Did we do anything wrong in that? I ask you men who are surrounded at home by farming constituencies that are reaching out for some new industry to take the place of others on their farms, Did we do anything wrong in holding out this encouragement to the sugar-beet industry?

Men stand up here and seem to think that the way to demolish a trust is to start a windmill and interject invectives into this debate. [Laughter and applause.] And every name that they can get out of their vocabulary, whether in the dictionary or not, is applied to the trust. But you will never destroy a trust in that way. Gentlemen talk about destroying the trust by taking away the differential between the raw and the refined sugar; they say, "Let them all come in on a common plane." Well, of course, when you do that you break down the line of protection to that beet-sugar industry. You not only break down the refineries, you not only send their employees to tramp the streets looking after other jobs, but you break down the most promising farming industry that has been held out to the farmers of this country in the last century. The remedy is worse than the disease, when you try to eradicate the trouble in any such manner as that.

What shall be done with the sugar trust? Well, I will tell you what in my opinion is the best way of dealing with it. Establish a beet-sugar factory in every Congressional district in the United States. [Applause on the Republican side.] Give competition, and lots of it, everywhere. Put the farmers over against the trust by passing this bill, and reduce the price of sugar so that German raw sugar can not be brought in to be refined here. Gentlemen on the other side, come over and help us, while we help the farmers out. [Laughter and applause.] You grangers over there, come and help us. You Populists that go up and down the streets day after day proclaiming your devotion to the interests of the farmers, help us out now when we are trying to help the farmers in this industry that we can establish so successfully. In this way you will do something toward demolishing the trust. You will accomplish more in this way than by mere invective—by running windmills and all that. [Laughter and applause.]

Why should we not produce all of our sugar in this country? Why, it costs us, Mr. Speaker, about one hundred millions. We were looking around for proper subjects for taxation. We knew that sugar would produce an enormous revenue; and besides all that, we knew that an adequate protective tariff would build up the industry in this country, and as it was gradually built up the revenue from that source will be reduced; by and by the revenue will come in more largely from other sources, and when this industry is fully established and revenue from sugar ceases, the reduction will keep pace with the increase. The thing will regulate itself; we will not disturb our tariff in the next quarter of a century. And then——

Mr. LIVINGSTON. Have you done as liberally with cotton as you did with sugar?

Mr. PAYNE. My friend from Georgia wants to talk about cotton and the cotton industry. He wants to build it up, I know; and I sympathize with him in his endeavors. I sympathize deeply with him; and whenever he has shown me that there is any cotton imported into this country which is a competitor with his Georgia cotton, I will follow his lead in the protection of the cotton and the cotton industry. [Applause.]

Mr. LIVINGSTON. What about the ties and the bagging?

Mr. PAYNE. Now he wants to know about the ties and the bagging. [Laughter.] Well, it seems to be a favorite idea of my friend from Georgia that it is "everything for Georgia and nothing for anybody else." [Laughter and applause.] That is his idea of a tariff and of tariff taxation.

Mr. LIVINGSTON. No; not that. I want to be with you in reference to the tax on sugar and a good many other things, if you will fix it right.

Mr. PAYNE. Why should we not make all the cotton ties and cotton bagging used in this country? Can you tell me? Is there any reason why we should not? Why go abroad and purchase that which you can make at home, and for which we have the materials at home? Can we not make it under a tariff law; and have we not cheapened the price down there so that you people hardly know that it costs you anything to put up the cotton and get it to market? No; we will put them on the dutiable list, and put the farmers' bags and burlaps on the dutiable list also, and treat all alike, following the doctrines of at least one of the leaders of one of the companies over there on the other side [laughter] who do not believe in letting one class of material come in free, but want a duty upon all.

The House has been amused and interested by the discussions going on in the Democratic party; and each one of the parties to the discussion finds justification for its position in a Democratic platform. [Laughter and applause on the Republican side.] They generally find justification for opposite positions in every platform that the national convention sends out. [Renewed laughter.] If not, they do so every four years, anyhow. In 1884 they declared distinctly for a protective tariff. They wanted to reduce the tariff in such manner as not to lose a job for a single laborer and to protect all in the United States alike.

But then, in 1892—and I commend this to my friend from Texas [Mr. BAILEY]—Grover Cleveland, I believe, was nominated. That was a foregone conclusion when the convention assembled, and his particular representative, his envoy extraordinary and ambassador plenipotentiary, who worked faithfully for him, was one Henry Watterson, of Kentucky. He wrote the platform, and for some reason or other excluded from that platform free raw material, for which Mr. Grover Cleveland was so anxious! He would not allow it to go into the platform when it was reported to the convention. Then one of the delegates from Ohio, a Mr. Neal, got the chairman's eye and moved an amendment to the platform, wherein he commended the Democratic party in Congress for their efforts in behalf of free raw material, and the convention by a vote of about two-thirds, as I now recollect, adopted the new plan and seemed to be in favor of my friend from Tennessee [Mr. MCMILLIN] and his idea of free raw material. [Laughter and applause.]

The gentleman from Texas says they went back on that in 1896. Well, they change so often I can hardly keep up with the procession. [Laughter and applause on the Republican side.] I would not be at all surprised if they did. But there is consolation for either of them in either horn of the dilemma. I heard my friend from Texas, for an hour and a half, advocating a tariff on raw material. I heard the illustrations he used, which seemed familiar to me. I expected he would reach the climax of his argument, finally, by giving us the illustration formerly used by the present Speaker of this House, telling us that there is no raw material except the round earth without a single hole even dug in it! [Laughter and applause on the Republican side.]

I wondered where my friend got his education, and then I thought, Mr. Speaker, that in 1894 his party put wool on the free list. Texas then had more sheep than any other State in the Union. During the past three years the butcher has got abroad among the sheep of Texas, and they are rapidly disappearing from the hills. So my friend has got his line of vision out as far as some of the farms in his district, and has seen the effect of free raw material on the sheep herds there, and gradually he has got his eyes opened, and he is advancing toward Republican doctrine. [Applause on the Republican side.]

Now, if he will travel around a little in the United States of America and not confine himself to Texas, if he will go over into Alabama and see the production of those iron furnaces, if he will get past my friend from Tennessee [Mr. MCMILLIN] into that grand State far enough to see the development of its coal and iron industries, if he will go into the Carolinas and into Georgia and see how they are beginning to work up their cotton into the manufactured goods, and, if some vacation, he will pass up through Pennsylvania and New York and New England and see the splendid industries planted by the side of every stream, taking advantage of all the power that nature has left there for the use of man and turning it to account to save labor, and see the development that is constantly being made and has been made because of the protective ideas of the American States during most of the period of their history, he will find, when he comes to frame a tariff bill, he will have an itching to create those splendid possibilities for the Lone Star State, to make his great State not only an agricultural State, but a manufacturing State, that it may become a rich State indeed, standing side by side with these great Northern States. [Applause on the Republican side.]

Mr. Speaker, a word more, following some of the remarks of my friend from Texas [Mr. BAILEY], and I have done. He criticises the statement of the chairman of the committee [Mr. DINGLEY], that during the year ending in 1897 the deficiency would be $65,000,000, and yet the chairman was but following the estimates of the former Secretary of the Treasury, Mr. Carlisle, a Democrat of whom my friend from Texas was proud in his earlier days, although he so bitterly denounces him now. He will find that when the prediction was made by the chairman there was a shortage of $45,000,000 in the revenue up to date. Then, if he reads the bill that we sent over to the Senate, in the last section of it, he will see that we tried to provide against anticipatory importations of goods, and we placed the new duty on every article brought in after the 1st of April.

If he follows the record a little further, he will find that some one, somewhere else where the bill went, objected to any such arrangement as that, and objected in such a manner that with the slender majority, and the much more slender rules that prevail

there, the bill was deadlocked and could not go any further until section 27 was stricken out, root and branch, from the bill. Then the importers accepted the invitation of that Democrat high in authority and rolled in the goods in a manner unprecedented under the Wilson law until they reduced the deficiency instead of increasing it day by day, as they had been doing; and instead of making it $65,000,000, as it would have been with no prospect of a Dingley bill, it was reduced to $19,000,000. Thus it stood at the close of the fiscal year ending June 30, 1897. The importers believed that the Dingley bill would become a law by that date. Since then anticipatory importations have largely ceased. The deficiency under the Wilson law increases, and for this month of July up to date amounts to $15,760,732.56.

But the gentleman says a comparison of 1897 would be unfair, because of the proposed change in the tariff law, and he goes to 1896. He says if we had had the importations of normal conditions, there would have been enough revenue to pay the expenses of the Government. Well, what was the matter with the normal conditions that we did not have more importations? Why, up in my country, as the boys who worked in the shops say, it was because the shops were shut down and they did not get any wages, so that they could not pay for imported or homemade goods, and so created no market. They say that the Wilson bill shut down the shops and interrupted the normal conditions, and when they had interrupted those conditions, they had practically destroyed the great industries of the United States.

We want a tariff bill that will make the normal conditions right, and it is written in every line and syllable of the bill we are considering here. [Applause on the Republican side.] We want a bill that will bring sufficient revenue to show to every man that every obligation which he brings against the Treasury shall be met, and promptly met, in the best money of the world. [Applause on the Republican side.] When you get that, you have inspired confidence in the Treasury of the United States; and when you get confidence there, you will have confidence among the citizens of the United States.

But, Mr. Speaker, I must not pursue this. I must not talk longer if we pass this bill by the midnight hour. Seventy millions of people are looking on you to-night, anxiously awaiting and demanding the passage of this bill. [Applause on the Republican side.] Every idle workingman, every suffering wife and child deprived of comfort because the husband's strong right arm has been deprived of the privilege of labor for decent wages, is looking anxiously to-night for the passage of this bill. Paralyzed business, paralyzed industries, all over the country want this bill to pass. Men come here from their homes, members of either party, and report the feeling of the people. No set of men, no clique, no party, dare stand in the way of the American people who are demanding the immediate passage of this bill. [Prolonged applause on the Republican side.]

Mr. DINGLEY. Mr. Speaker, I move that the House agree to the conference report, and on that I demand the previous question. [Prolonged applause on the Republican side.]

Mr. JOHNSON of Indiana. Mr. Speaker, I ask leave to ask the gentleman a question.

The SPEAKER. The gentleman from Maine asks for the previous question on the motion before the House.

The previous question was ordered.

Mr. JOHNSON of Indiana. Mr. Speaker, I wish to make a parliamentary inquiry.

The SPEAKER. The question is on agreeing to the conference report.

The question being taken, Mr. BAILEY demanded a division.

Mr. DINGLEY. Mr. Speaker, let us have the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 187, nays 116, answered "present" 12, not voting 39; as follows:

YEAS—187.

Adams,	Burleigh,	Dayton,	Heatwole,
Alexander,	Burton,	Dingley,	Hemenway,
Babcock,	Butler,	Dolliver,	Henderson,
Baker, Md.	Cannon,	Dorr,	Henry, Conn.
Barber,	Capron,	Dovener,	Henry, Ind.
Barham,	Chickering,	Eddy,	Hepburn,
Barney,	Clark, Iowa	Ellis,	Hicks,
Bartholdt,	Clarke, N. H.	Evans,	Hilborn,
Beach,	Cochrane, N. Y.	Faris,	Hill,
Belford,	Codding,	Fenton,	Hitt,
Belknap,	Connell,	Fletcher,	Hopkins,
Bennett,	Connolly,	Foote,	Howe,
Bingham,	Cooper, Wis.	Foss,	Howell,
Bishop,	Corliss,	Fowler, N. J.	Hull,
Booze,	Cousins,	Gardner,	Hurley,
Boutelle,	Crump,	Gibson,	Jenkins,
Brewster,	Crumpacker,	Gillet, N. Y.	Johnson, Ind.
Broderick,	Curtis, Iowa	Graff,	Johnson, N. Dak.
Bromwell,	Curtis, Kans.	Griffin,	Joy,
Brosius,	Dalzell,	Grosvenor,	Kerr,
Broussard,	Danford,	Grout,	Ketcham,
Brown,	Davenport,	Hager,	Kirkpatrick,
Brownlow,	Davey,	Hamilton,	Kleberg,
Brumm,	Davidson, Wis.	Harmer,	Knox,
Bull,	Davison, Ky.	Hawley,	Lacey,
Landis,	Mitchell,	Royse,	Strode, Nebr.
Linney,	Moody,	Russell,	Sturtevant,
Littauer,	Morris,	Sauerhering,	Sulloway,
Lorimer,	Mudd,	Shattuc,	Tawney,
Loudenslager,	Northway,	Shelden,	Tayler, Ohio
Lovering,	Olmsted,	Sherman,	Tongue,
Low,	Otjen,	Showalter,	Updegraff,
Lybrand,	Overstreet,	Simpkins,	Van Voorhis,
McCall	Packer, Pa.	Slayden,	Wanger,
McCleary,	Parker, N. J.	Smith, Ill.	Ward,
McEwan,	Payne,	Smith, S. W.	Warner,
McIntire,	Pearce, Mo.	Snover,	Weaver,
Mahany,	Pearson,	Southard,	White, Ill.
Mahon,	Perkins,	Southwick,	White, N. C.
Mann,	Pitney,	Spalding,	Wilber,
Marsh,	Powers,	Sperry,	Williams, Pa.
Mercer,	Prince,	Sprague,	Wilson, N. Y.
Mesick,	Pugh,	Steele,	Wright,
Meyer, La.	Quigg,	Stevens, Minn.	Yost,
Miller,	Ray,	Stewart, N. J.	Young, Pa.
Mills,	Reeves,	Stone, C. W.	The Speaker.
Minor,	Robbins,	Stone, W. A.	

NAYS—116.

Adamson,	Cummings,	Lentz,	Robertson, La.
Allen,	Davis,	Lewis, Ga.	Robinson, Ind.
Bailey,	De Armond,	Lewis, Wash.	Sayers,
Baird,	De Graffenreid,	Little,	Settle,
Baker, Ill.	De Vries,	Livingston,	Simpson,
Ball,	Dinsmore,	Lloyd,	Sims,
Bankhead,	Dockery,	Love,	Smith, Ky.
Barlow,	Elliott,	McAleer,	Sparkman,
Bartlett,	Epes,	McClellan,	Stallings,
Benner, Pa.	Fitzgerald,	McCulloch,	Stephens, Tex.
Berry,	Fitzpatrick,	McDowell,	Stokes,
Bodine,	Fleming,	McMillin,	Strait,
Botkin,	Fowler, N. C.	McRae,	Strowd, N. C.
Bradley,	Fox,	Maddox,	Sullivan,
Brantley,	Gaines,	Marshall,	Sulzer,
Brenner, Ohio	Griggs,	Martin,	Swanson,
Brucker,	Handy,	Meekison,	Talbert,
Brundidge,	Hay,	Miers, Ind.	Tate,
Burke,	Henry, Miss.	Moon,	Taylor, Ala.
Campbell,	Henry, Tex.	Norton,	Terry,
Carmack,	Hinrichsen,	Ogden,	Todd,
Clardy,	Howard, Ga.	Osborne,	Underwood,
Clark, Mo.	Hunter,	Peters,	Vandiver,
Clayton,	Jett,	Pierce, Tenn.	Vehslage,
Cochran, Mo.	Jones, Va.	Rhea,	Vincent,
Cooney,	King,	Richardson,	Wheeler, Ala.
Cooper, Tex.	Lamb,	Ridgely,	Wheeler, Ky.
Cowherd,	Lanham,	Rixey,	Williams, Miss.
Cranford,	Latimer,	Robb,	Zenor.

ANSWERED "PRESENT"—12.

Cox,	Jones, Wash.	Newlands,	Stark,
Gunn,	Kelley,	Plowman,	Sutherland,
Howard, Ala.	Maxwell,	Shafroth,	Wilson, S. C.

NOT VOTING—39.

Acheson,	Catchings,	Knowles,	Shuford,
Arnold,	Colson,	Kulp,	Skinner,
Barrett,	Ermentrout,	Lester,	Smith, Wm. Alden
Barrows,	Fischer,	Loud,	Stewart, Wis.
Belden,	Gillett, Mass.	McCormick,	Wadsworth,
Bell,	Greene,	McDonald,	Walker, Mass.
Benton,	Grow,	Maguire,	Walker, Va.
Bland,	Hartman,	Odell,	Weymouth,
Brewer,	Hooker,	Otey,	Young, Va.
Castle,	Kitchin,	Shannon,	

So the conference report was agreed to.

Mr. PLOWMAN. Mr. Speaker, I voted "nay." I am paired with the gentleman from New York, Mr. SHANNON, and I know that he would have voted "yea." I therefore withdraw my vote.

Mr. BOTKIN. Mr. Speaker, I responded "present." I wish to change my vote to "nay."

The following pairs were announced:

Until further notice:

Mr. ACHESON with Mr. WILSON of South Carolina.

Mr. WALKER of Massachusetts with Mr. OTEY.

Mr. HOOKER with Mr. CATCHINGS.

Mr. LOUD with Mr. MAGUIRE.

Mr. KULP with Mr. BLAND.

Mr. BELDEN with Mr. LESTER.

Mr. WM. ALDEN SMITH with Mr. ERMENTROUT.

Mr. BARRETT with Mr. CASTLE.

Mr. WADSWORTH with Mr. KITCHIN.

Mr. STEWART of Wisconsin with Mr. BREWER.

Mr. ARNOLD with Mr. COX.

On this vote:

Mr. FISCHER with Mr. BENTON.

Mr. ODELL with Mr. YOUNG of Virginia.

Mr. SHANNON with Mr. PLOWMAN.

Mr. WILSON of South Carolina. Mr. Speaker, I find that the gentleman from Pennsylvania, Mr. ACHESON, with whom I am paired, and who would have voted "yea," is absent. I therefore withdraw my vote.

Mr. KING. Mr. Speaker, when the roll was first called, I was here and was listening, but did not hear my name called. When it was called the second time, I was called out. I desire to vote.

The SPEAKER. Was the gentleman listening when his name should have been called, and failed to hear?

Mr. KING. The first time.

The name of Mr. KING was called, and he voted "nay."

Mr. DOCKERY. Mr. Speaker, my colleague, Mr. BENTON, is paired. If present, he would have voted against this bill.

Mr. HURLEY. Mr. Speaker, my colleagues, Mr. SHANNON and Mr. FISCHER, are paired. If they were here, they would vote for this bill.

The result of the vote was then announced as above recorded. [Applause on the Republican side.]

Mr. DINGLEY. Mr. Speaker, I ask unanimous consent for the printing of such number of copies of the tariff bill as it passed the House as can be printed under the rule, and that the same be distributed in the folding room proportionately to Members and Delegates.

The SPEAKER. The gentleman from Maine asks unanimous consent that the number of copies that can be printed under the rule by the House alone be printed of the tariff bill. Is there objection?

Mr. BAILEY. Mr. Speaker, I ask to couple with that request that so many copies of the comparative statement as the House can order under the rule also be printed.

Mr. DINGLEY. That will have to be ordered after it passes both Houses.

Mr. BAILEY. Then, with the understanding that the comparative statement is to be printed, I am content.

Mr. McMILLIN. I suggest that the authority to print the comparative statement can be given at the same time as the authority to print the bill.

Mr. DINGLEY. That would have to be done after the bill has passed both Houses.

Mr. McMILLIN. I think, Mr. Speaker, that the two ought to go together, and I have no objection to the two going together.

Mr. DINGLEY. If that is done, there will have to be a larger number of copies printed, and that will have to be done by joint resolution.

Mr. McMILLIN. The gentleman is satisfied that it will be done during this session. If that is so, let it go; if not, I object.

Mr. STEELE. Let us have no conditions.

The SPEAKER. Objection is made.

Mr. McMILLIN. Does the gentleman consent that it shall be done in the future?

Mr. DINGLEY. I do not agree to anything now.

Mr. McMILLIN. As the gentleman desires to have this bill printed in the way he suggests, while I think the other ought to be done too, I do not object.

The SPEAKER. Is there further objection? [After a pause.] The Chair hears none.

Mr. DINGLEY. I move that the House take a recess until 12 o'clock on Wednesday.

Mr. BAILEY. There will be no objection to that on this side at all, if there is any reason for it.

Mr. DINGLEY. Members will prefer to have a little rest to-morrow, and I think the day after to-morrow will be sufficient.

Mr. BAILEY. I think if they will rest until the end of this session it will be a good thing for the country.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BULL, from the Committee on Accounts, reported the following resolution; which, by unanimous consent, was considered, and agreed to:

Resolved, That the chairman of the Committee on Enrolled Bills be, and he hereby is, authorized to appoint a clerk to said committee for the remainder of the session, said appointment to date from July 19, 1897.

The motion of Mr. DINGLEY was then agreed to; and accordingly (at 12 o'clock and 16 minutes a. m., Tuesday, July 20) the House was declared in recess until 12 o'clock noon, Wednesday.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, the following executive communications were taken from the Speaker's table and referred as follows:

A letter from the Secretary of the Interior, transmitting certain papers relating to an agreement between the commissioners of the United States for the Five Civilized Tribes and the Choctaw and Chickasaw Indians—to the Committee on Indian Affairs, and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination of Huron River, Michigan—to the Committee on Rivers and Harbors, and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination and survey of Tampa Bay, Florida—to the Committee on Rivers and Harbors, and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS INTRODUCED.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. CAPRON: A bill (H. R. 3858) providing for the erection of a monument at Put in Bay, Ohio, commemorative of Commodore Oliver Hazard Perry and those who participated in the naval battle at Lake Erie on the 10th day of September, 1813—to the Committee on the Library.

By Mr. BULL: A bill (H. R. 3859) providing for the erection of a monument at Put in Bay, Ohio, commemorative of Commodore Oliver Hazard Perry and those who participated in the naval battle of Lake Erie on the 10th day of September, 1813—to the Committee on the Library.

By Mr. FENTON: A bill (H. R. 3860) to amend section 3 of the act approved June 27, 1890, granting pensions to soldiers and sailors who are incapacitated for the performance of manual labor, etc.—to the Committee on Invalid Pensions.

By Mr. MAXWELL: A bill (H. R. 3861) authorizing the erection of a bridge across the Missouri River at Ponca, Nebr.—to the Committee on Interstate and Foreign Commerce.

By Mr. SLAYDEN: A bill (H. R. 3862) to provide for the erection of a public building at San Angelo, Tex.—to the Committee on Public Buildings and Grounds.

By Mr. WILLIAM A. STONE: A bill (H. R. 3863) to amend the immigration laws of the United States—to the Committee on Immigration and Naturalization.

By Mr. RIXEY (by request): A bill (H. R. 3864) to authorize the Falls Church and Potomac Railway Company of Virginia to extend its line into and within the District of Columbia, and for other purposes—to the Committee on the District of Columbia.

By Mr. UNDERWOOD: A bill (H. R. 3865) to authorize the President to suspend discriminating duties imposed on foreign vessels and commerce—to the Committee on Ways and Means.

By Mr. SUTHERLAND: A bill (H. R. 3866) to amend an act entitled "An act granting pensions to soldiers and sailors who are incapacitated for the performance of manual labor, and providing for pensions to widows, minor children, and dependent parents," and for other purposes—to the Committee on Invalid Pensions.

By Mr. DE VRIES: A bill (H. R. 3867) to appropriate the sum of $50,000, to purchase a site and erect a public building at Grass Valley, Cal.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 3868) to appropriate the sum of $50,000 to purchase a site and erect a public building at Marysville, Cal.—to the Committee on Public Buildings and Grounds.

By Mr. BULL: A bill (H. R. 3869) to establish a fish-hatching and fish-culture station in Narragansett Bay, in the State of Rhode Island—to the Committee on the Merchant Marine and Fisheries.

By Mr. LACEY: A bill (H. R. 3892) to amend the pension laws—to the Committee on Invalid Pensions.

By Mr. BRENNER of Ohio: A bill (H. R. 3893) for the purchase of a suitable site and the erection of a Government building at Hamilton, Ohio—to the Committee on Public Buildings and Grounds.

By Mr. MITCHELL: A bill (H. R. 3895) to establish a currency reserve fund—to the Committee on Banking and Currency.

By Mr. WHEELER of Alabama: A joint resolution (H. Res. 78) to amend section 4228 of the Revised Statutes—to the Committee on Ways and Means.

By Mr. GROUT: A resolution (House Res. No. 76) relative to the committees of the House—to the Committee on Rules.

By Mr. WHEELER of Alabama: A resolution (House Res. No. 77) to admit the District Commissioners to the floor of the House—to the Committee on Rules.

By Mr. HAGER: A resolution (House Res. No. 78) relative to the appointment of a clerk to the Committee on Enrolled Bills—to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS INTRODUCED.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. BOTKIN: A bill (H. R. 3870) granting a pension to John R. Ashe—to the Committee on Invalid Pensions.

Also, a bill (H. R. 3871) granting a pension to Alvernis Dow—to the Committee on Invalid Pensions.

By Mr. HICKS: A bill (H. R. 3872) to increase the pension of Woods W. Robinson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 3873) to remove charge of desertion against James J. Fluke—to the Committee on Military Affairs.

Also, a bill (H. R. 3874) to correct the military record of Alexander Anderson, alias James S. Fortney—to the Committee on Military Affairs.

Also, a bill (H. R. 3875) for the relief of William M. Schrock—to the Committee on War Claims.

Also, a bill (H. R. 3876) to increase the pension of Samuel Masters—to the Committee on Invalid Pensions.

Also, a bill (H. R. 3877) for the relief of James B. Treadwell, of Somerset, Pa.—to the Committee on War Claims.

By Mr. LACEY: A bill (H. R. 3878) granting a pension to Libbie McKee—to the Committee on Invalid Pensions.

By Mr. MARSH: A bill (H. R. 3879) to grant a pension to William W. Gillahan—to the Committee on Pensions.

By Mr. OSBORNE: A bill (H. R. 3880) granting an increase of pension to James Thompson—to the Committee on Invalid Pensions.

By Mr. SETTLE: A bill (H. R. 3881) for the relief of Dr. D. N. Porter—to the Committee on War Claims.

By Mr. SHAFROTH: A bill (H. R. 3882) granting a pension to Thomas Anderson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 3883) granting an increase of pension to Norman H. Meldrum—to the Committee on Invalid Pensions.

Also, a bill (H. R. 3884) granting a pension to Charles D. Abbott—to the Committee on Invalid Pensions.

Also, a bill (H. R. 3885) for the relief of Henry F. Williams—to the Committee on Invalid Pensions.

Also, a bill (H. R. 3886) for the relief of Jesse Meeks—to the Committee on Private Land Claims.

Also, a bill (H. R. 3887) for the relief of John M. Odenheimer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 3888) granting an increase of pension to Edward P. Pitkin—to the Committee on Invalid Pensions.

By Mr. STRODE of Nebraska: A bill (H. R. 3889) granting a pension to Mrs. Calista Hadley—to the Committee on Pensions.

By Mr. WILSON of New York: A bill (H. R. 3890) for the relief of Thomas F. Rowland—to the Committee on War Claims.

Also, a bill (H. R. 3891) for the relief of the estate of George W. Lawrence, deceased—to the Committee on War Claims.

By Mr. HAWLEY: A bill (H. R. 3894) to grant a pension to William F. Rogers—to the Committee on Pensions.

By Mr. CURTIS of Iowa: A bill (H. R. 3896) for the relief of Fred. Daut & Co.—to the Committee on Claims.

Also, a bill (H. R. 3897) granting a pension to Electa A. Van Vleck—to the Committee on Pensions.

Also, a bill (H. R. 3898) granting an increase of pension to William H. Coleman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 3899) granting an increase of pension to Eugene T. Rigby—to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

By Mr. BAKER of Illinois: Memorial of the American Chamber of Commerce at Paris, France, relative to the Universal Exposition to be held at Paris, France, in 1900—to the Committee on Foreign Affairs.

By Mr. DE ARMOND (by request): Petition of William C. Holsapple and other citizens of St. Clair County, Mo., for pensions—to the Committee on Invalid Pensions.

Also (by request), petition of Wick Morgan and other citizens of Dade County, Mo., in behalf of James L. Douglas, for pension—to the Committee on Invalid Pensions.

By Mr. HENDERSON: Paper of Hon. C. E. Albrook, of Eldora, Iowa, suggesting a certain change of the patent laws—to the Committee on Patents.

By Mr. HENRY of Connecticut: Petition of Whigville Grange, No. 48, Patrons of Husbandry, of Whigville, Conn., in favor of free delivery of mails in country districts—to the Committee on the Post-Office and Post-Roads.

By Mr. HICKS: Petition of E. C. Kerb, S. S. Carpenter, Samuel Dodson, and 100 other citizens of East Freedom and Roaring Spring and vicinity, Blair County, Pa.; also petition of Fred J. Harris, C. S. Beale, H. A. Rodaman, and 97 other citizens of Elk Lick and vicinity, of Somerset County, Pa., favoring restricted immigration—to the Committee on Immigration and Naturalization.

SENATE.

TUESDAY, *July 20, 1897.*

The Senate met at 12 o'clock m.

Prayer by Rev. L. B. WILSON, D. D., of the city of Baltimore.

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

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. BROWNING, its Chief Clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

MEMORIALS.

Mr. MITCHELL presented a memorial of the Trades and Labor Assembly of Superior, Wis., remonstrating against the enactment of legislation intended to destroy the present system of ticket brokerage; which was referred to the Committee on Interstate Commerce.

Mr. HANNA presented the memorials of Smith & Blake, T. S. Clymonts, and of Dr. J. A. McVeigh, all of Cleveland, Ohio, remonstrating against the enactment of legislation intended to destroy the present system of ticket brokerage; which were referred to the Committee on Interstate Commerce.

Mr. NELSON. I present the memorial of James Seldon Cowdon, in relation to the passage of Senate bill No. 1656, authorizing the construction of the proposed Lake Borgne outlet, just below New Orleans, La. I move that the memorial be printed and referred to the Committee on Commerce.

The motion was agreed to.

REPORTS OF A COMMITTEE.

Mr. HANNA, from the Committee on Pensions, to whom was referred the bill (S. 1181) to increase the pension of Anna E. Botsford, widow of Eli W. Botsford, late major of Sixteenth Regiment Ohio Volunteers, reported it with an amendment, and submitted a report thereon.

He also, from the same committee, to whom was referred the bill (S. 317) granting a pension to William J. Ford, reported it without amendment, and submitted a report thereon.

BILLS INTRODUCED.

Mr. BAKER introduced a bill (S. 2407) to divide the State of Kansas into two judicial districts; which was read twice by its title, and referred to the Committee on the Judiciary.

Mr. WALTHALL introduced a bill (S. 2408) to remove a suspension upon the disbursement of an appropriation; which was read twice by its title, and referred to the Committee on Claims.

Mr. PLATT of New York introduced a bill (S. 2409) for the relief of Recknagel & Co.; which was read twice by its title, and referred to the Committee on Claims.

Mr. HANNA introduced a bill (S. 2410) for the relief of William Loar; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Military Affairs.

Mr. HANNA introduced the following bills; which were severally read twice by their titles, and referred to the Committee on Pensions:

A bill (S. 2411) granting a pension to Henry Halstead;

A bill (S. 2412) for increase of pension to Col. H. N. Whitbeck;

A bill (S. 2413) granting a pension to Hannah McDaniel; and

A bill (S. 2414) granting an increase of pension to Annie M. Loomis.

Mr. STEWART introduced a bill (S. 2415) granting a pension to H. Butterfield; which was read twice by its title, and referred to the Committee on Pensions.

Mr. COCKRELL introduced the following bills; which were severally read twice by their titles, and referred to the Committee on Claims:

A bill (S. 2416) to carry out the findings of the Court of Claims in the case of Thomas S. Boyd;

A bill (S. 2417) to carry out the findings of the Court of Claims in the case of Fanny White, administratrix of Moses White, deceased;

A bill (S. 2418) to carry out the findings of the Court of Claims in the case of Josiah H. Pilcher;

A bill (S. 2419) to carry out the findings of the Court of Claims in the case of Jacob V. L. Davis;

A bill (S. 2420) to carry out the findings of the Court of Claims in the case of Thomas A. Skeen, administrator of the estate of Wilson Skeen, deceased;

A bill (S. 2421) to carry out the findings of the Court of Claims in the case of Jackson Fleetwood;

A bill (S. 2422) to carry out the findings of the Court of Claims in the case of William A. Carr; and

A bill (S. 2423) to carry out the findings of the Court of Claims in the case of John W. Hancock.

Mr. SPOONER introduced a bill (S. 2424) to confirm the title to the southeast quarter of section 21, in township No. 126 north, of range No. 66 west, in the county of McPherson and State of South Dakota; which was read twice by its title, and, with the accompanying paper, referred to the Committee on Public Lands.

Mr. BATE introduced the following bills; which were severally read twice by their titles, and referred to the Committee on Claims:

A bill (S. 2425) authorizing the heirs of Benjamin Lillard, of Tennessee, to present their claims to the Court of Claims;

A bill (S. 2426) for the relief of Musadora, Victoria, Ella, and Frank Wasson, of Tennessee;

A bill (S. 2427) authorizing Musadora, Victoria, Ella, and Frank Wasson, of Tennessee, to present their claim to the Court of Claims; and

A bill (S. 2428) for the relief of the heirs of Benjamin Lillard.

AMENDMENT OF THE RULES—PRESENCE OF A QUORUM.

Mr. GALLINGER. I submit a proposed amendment to the rules of the Senate which I ask shall be read, printed, and referred to the Committee on Rules.